

# FINANCE COMMITTEE

## Meeting Agenda

Wednesday, June 25, 2025

1:30 p.m.

Please see page 2 for meeting location options

	The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"	Time	Form A Page	Target
<b>Call To Order</b>				
I.	<b>Establishment of Quorum</b>	1		1:30
II.	<b>Public Comments<sup>1</sup></b>	30		2:00
III.	<b>Action Item(s) (ADD A)</b>			
	a. Finance Committee Minutes, May 28, 2025 (Pp 6-9)	5		2:05
	b. Guidehouse Turnaround Project Update – Informational Only (Pp 10-13)	15		2:20
	c. YTD FY2025 and May 2025 Financials (Pp 14-36)	25		2:45
<b>Final Adjournment</b>				

### Board Finance Committee Members

Voting Members	Non-Voting Members
Linda Greer, RN, Chair	Andrew Tokar, Chief Financial Officer
Michael Pacheco, Director	Omar Khawaja, MD, Chief Medical Officer
Jeff Griffith, EMT-P, Director	Mel Russell, RN, Chief Nurse Executive/Chief Operating Officer
Diane Hansen, President & CEO	Melissa Wallace, Vice President, Finance
Kanchan Koirala, MD, Chief of Staff Palomar Medical Center Escondido	
Mark Goldsworthy, MD, Chief of Staff Palomar Medical Center Poway	
<b>Alternate Voting Members</b>	
Laurie Edwards-Tate, MS – 1 <sup>st</sup> Board Alternate	
Andrew Nguyen, MD, Chief of Staff-Elect, Escondido	
Paul Ritchie, MD, Chief of Staff-Elect, Poway	

Note: If you need special assistance to participate in the meeting,  
please call 760.740.6375, 48 hours prior to the meeting so that we may provide reasonable accommodations.

<sup>1</sup> 3 minutes allowed per speaker. For further details, see Request for Public Comment Process and Policy on page 3 of the agenda.

# Board Finance Committee

## Meeting Location Options

**Linda Greer Board Room**  
**2125 Citracado Parkway, Suite 300, Escondido, CA 92029**

- Elected Board Members of the Palomar Health Board of Directors will attend at this location, unless otherwise noticed below
- Non-Board member attendees, and members of the public may also attend at this location

<https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>

Meeting ID: 236 691 524 70

Pass Code: nK2qk2GB

or

Dial in using your phone at 929.352.2216; Access Code: 558 603 055#<sup>1</sup>

- Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link

- 2198 Palomar Airport Road, Carlsbad, CA. 92008

- An elected member of the Board of Directors will be attending the meeting virtually from these locations

<sup>1</sup> New to Microsoft Teams? Get the app now and be ready when your first meeting starts: [Download Teams](#)

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## Policy : Public Comments and Attendance at Public Board Meetings

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### I. PURPOSE:

A. It is the intention of the Palomar Health Board of Directors to hear public comment about any topic that is under its jurisdiction. This policy is intended to provide guidelines in the interest of conducting orderly, open public meetings while ensuring that the public is afforded ample opportunity to attend and to address the board at any meetings of the whole board or board committees.

### II. DEFINITIONS:

A. None defined.

### III. TEXT / STANDARDS OF PRACTICE:

- A. There will be one time period allotted for public comment at the start of the public meeting. Should the chair determine that further public comment is required during a public meeting, the chair can call for such additional public comment immediately prior to the adjournment of the public meeting. Members of the public who wish to address the Board are asked to complete a [Request for Public Comment form](#) and submit to the Board Assistant prior to or during the meeting. The information requested shall be limited to name, address, phone number and subject, however, the requesting public member shall submit the requested information voluntarily. It will not be a condition of speaking.
- B. Should Board action be requested, it is encouraged that the public requestor include the request on the *Request for Public Comment* as well. Any member of the public who is speaking is encouraged to submit written copies of the presentation.
- C. The subject matter of any speaker must be germane to Palomar Health's jurisdiction.
- D. Based solely on the number of speaking requests, the Board will set the time allowed for each speaker prior to the public sections of the meeting, but usually will not exceed 3 minutes per speaker, with a cumulative total of thirty minutes.
- E. Questions or comments will be entertained during the "Public Comments" section on the agenda. All public comments will be limited to the designated times, including at all board meetings, committee meetings and board workshops.
- F. All voting and non-voting members of a Board committee will be seated at the table. Name placards will be created as placeholders for those seats for Board members, committee members, staff, and scribes. Any other attendees, staff or public, are welcome to sit at seats that do not have name placards, as well as on any other chairs in the room. For Palomar Health Board meetings, members of the public will sit in a seating area designated for the public.
- G. In the event of a disturbance that is sufficient to impede the proceedings, all persons may be excluded with the exception of newspaper personnel who were not involved in the disturbance in question.
- H. The public shall be afforded those rights listed below (Government Code Section 54953 and 54954).
  - 1. To receive appropriate notice of meetings;
  - 2. To attend with no pre-conditions to attendance;
  - 3. To testify within reasonable limits prior to ordering consideration of the subject in question;
  - 4. To know the result of any ballots cast;
  - 5. To broadcast or record proceedings (conditional on lack of disruption to meeting);
  - 6. To review recordings of meetings within thirty days of recording; minutes to be Board approved before release,
  - 7. To publicly criticize Palomar Health or the Board; and
  - 8. To review without delay agendas of all public meetings and any other writings distributed at the meeting.
- I. This policy will be reviewed and updated as required or at least every three years.

# Board Finance Committee Meeting

*Meeting will begin at 1:30 p.m.*



## Request for Public Comments

If you would like to make a public comment, please submit a request by doing the following:

- **In Person: Submit Public Comment Form, or verbally submit a request, to the Board Assistant**
- **Virtual: Enter your name and “Public Comment” in the chat function once the meeting opens**

Those who submit a request will be called on during the Public Comments section and given 3 minutes to speak.

### Public Comments Process

Pursuant to the Brown Act, the Board of Directors can only take action on items listed on the posted agenda. To ensure comments from the public can be made, there is a 30 minute public comments period at the beginning of the meeting. Each speaker who has requested to make a comment is granted three (3) minutes to speak. The public comment period is an opportunity to address the Board of Directors on agenda items or items of general interest within the subject matter jurisdiction of Palomar Health.

# ADDENDUM A

**Board Finance Committee Meeting Minutes – Wednesday, May 28, 2025**

**AGENDA ITEM**

**CONCLUSION/ACTION**

**DISCUSSION**

**Notice Of Meeting**

Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with agenda packet on the Palomar Health website on Friday, May 23, 2025. An updated agenda packet was posted on the Palomar Health website on Wednesday, May 28, 2025.

**Call To Order**

The meeting, which was held in the Linda Greer Board Room at 2125 Citracado Parkway, Suite 300, Escondido, CA. 92029, and virtually, was called to order at 1:30 p.m. by Chair Linda Greer.

**I. Establishment of Quorum**

- Quorum comprised of: Chair Linda Greer, Director Michael Pacheco, Director Jeff Griffith, Diane Hansen, Mark Goldsworthy, MD, and Kanchan Koirala, MD
- Excused Absences:

**II. Public Comments**

- No public comments

<b>III.      <i>Action Items</i></b>	
a. Finance Committee Minutes, April 23, 2025	<p><b>MOTION</b> by Pacheco, 2<sup>nd</sup> by Koirala to approve the Finance Committee Minutes from April 23, 2025, as written.</p> <p>Roll call voting was utilized.  Director Greer - aye  Director Griffith – aye  Director Pacheco – aye  Hansen – aye  Koirala, MD – aye  Goldsworthy, MD - aye</p> <p>All in favor. None opposed. None absent. None abstained.  Motion approved.</p>
<p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>No discussion</li> </ul>	
b. Finance Committee Meeting Schedule	<p><b>MOTION</b> by Hansen, 2<sup>nd</sup> by Koirala to approve the suggested changes to the Finance Committee meeting schedule.</p> <p>Roll call voting was utilized.  Director Greer - aye  Director Griffith – aye  Director Pacheco – aye  Hansen – aye  Koirala, MD – aye  Goldsworthy, MD - aye</p> <p>All in favor. None opposed. None absent. None abstained.  Motion approved.</p>

<p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>No discussion</li> </ul>	
c. Guidehouse Turnaround Plan Update – Informational Only	Informational only
<p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>Mark Henning, Director, Healthcare, Guidehouse, shared a presentation with the committee. Committee discussion ensued.</li> </ul>	
d. YTD FY2025 and April 2025 Financials	<p><b>MOTION</b> by Hansen, 2<sup>nd</sup> by Pacheco to approve YTD FY2025 and April 2025 Financials and move to Board of Directors for ratification.</p> <p>Roll call voting was utilized.  Director Greer - aye  Director Griffith – aye  Director Pacheco – aye  Hansen – aye  Koirala, MD – aye  Goldsworthy, MD - aye</p> <p>All in favor. None opposed. None absent. None abstained.  Motion approved.</p>



**Discussion:**

- Andrew Tokar, Chief Financial Officer, presented the YTD FY2025 and April 2025 Financials to the Committee. Mr. Tokar noted changes to page 3 and 6 would be made before moving presentation to Board of Directors. Committee discussion ensued.

**Final Adjournment**

Meeting adjourned by Committee Chair Greer at 2:19 p.m.

**Signatures:**

Committee Chair

\_\_\_\_\_  
Linda Greer, RN

Committee Assistant

\_\_\_\_\_  
Carla Albright

# Margin Improvement / Turnaround Project Financial Update

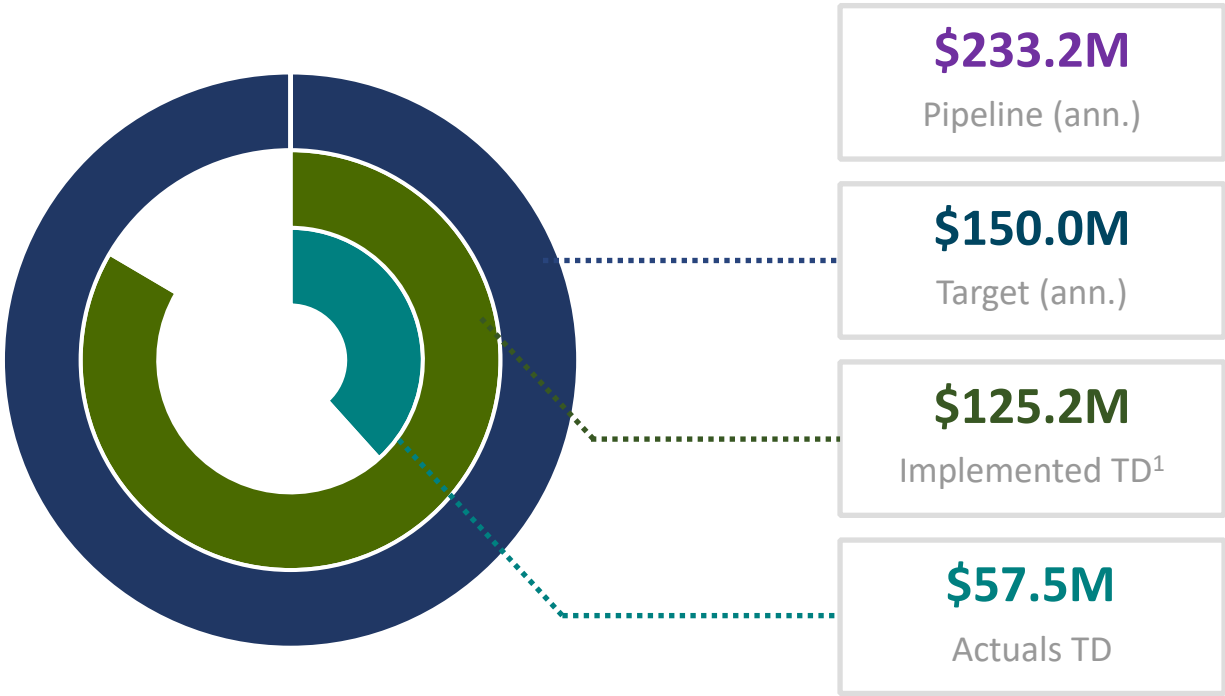
Reporting Month: May-25

June 25, 2025

# Palomar Health has implemented a projected \$125.2M of initiatives and realized \$57.5M in improvement through May

## Key upcoming high value initiatives include:

- ❑ **\$10.0M**     **Denials Reduction** | Initial and fatal denials reduction
- ❑ **\$10.0M**     **PHMG** | OP and downstream revenue due to improved patient access
- ❑ **\$5.0M**     **Corporate Services** | Departmental reductions and restructuring
- ❑ **\$5.5M**     **Workforce** | Departmental productivity and premium pay management
- ❑ **\$4.7M**     **Villas at Poway** | SNF volume and net income improvement
- ❑ **\$3.8M**     **NICU** | Program adjustments

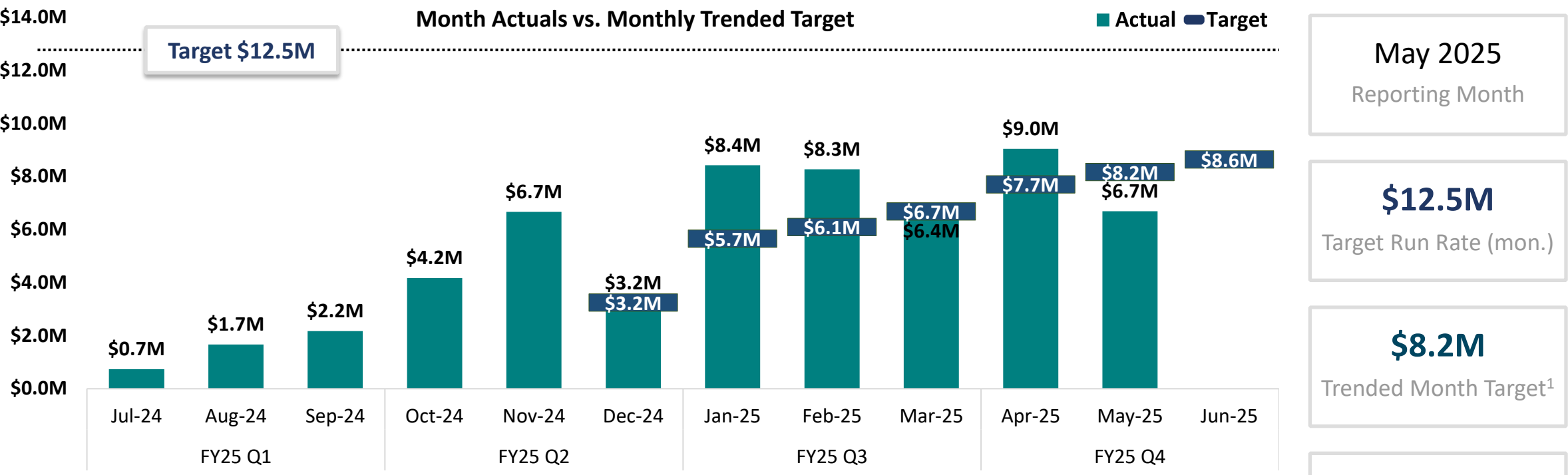


Implemented to date value has increased **\$6.6M** from **\$118.6M** presented on 5/28/25. Increase driven by Workforce departmental deep dives and reduction in Purchased Services within support services and facilities.

**Decrease in pipeline from previously reported \$244.6M** due to anticipated reduction in DHDP payments, restatement of RN Incentive Bonus as an annual average rather than multi-year savings and modification to payment schedule, and overall refinement of opportunities upon further assessment.

<sup>1</sup>Implemented to date (TD) reflects pipeline initiatives actively implemented with and projected impact.

# Initiative performance in May 2025 resulted in \$6.7M in realization, coming under the monthly target of \$8.2M



May performance below monthly target, primarily driven by Workforce and Corporate Services.

- Workforce labor expenses were slightly higher when compared to May-24, though volumes and revenues were substantially higher. Despite increased workload, 90% of departments in May were running at >= 90% productivity
- Corporate Services calculates a negative performance when compared to abnormally low baseline (e.g. FY24 IT spend ~\$10M lower than other years) – vendor specific spend vs. targets including the ongoing IT contract consolidation/renegotiation work is underway

<sup>1</sup>Workstream targets were established and communicated to board 1/27/25; actuals will be tracked against month targets moving forward. Monthly realization targets are trended to reflect initiative implementation timelines, building to a \$12.5M improvement to monthly run rate, annualized to \$150M

# Expense management, revenue yield/collections and growth initiatives will continue to be important to meet monthly forecast and FY26 budget

Workstream	Apr		May (Current Month)		Jun	Status
	Target	Actual	Target	Actual	Target	
Revenue Cycle	\$2.7M	\$4.1M	\$2.7M	\$4.1M	\$2.7M	
PHMG	\$0.9M	\$0.2M	\$1.0M	\$0.6M	\$1.1M	
Workforce & Periop	\$1.0M	\$0.4M	\$1.1M	(\$1.0M)	\$1.2M	
Corporate Services	\$0.9M	\$0.4M	\$1.0M	(\$0.6M)	\$1.1M	
Hospital Strategy	\$0.8M	\$0.7M	\$0.9M	\$0.5M	\$1.0M	
Care Transitions & PSA	\$1.0M	\$2.2M	\$1.0M	\$2.6M	\$1.0M	
Supply Chain & PS	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	
Facilities & Real Estate	\$0.0M	\$0.0M	\$0.1M	\$0.0M	\$0.1M	
Total:	\$7.7M	\$8.5M	\$8.2M	\$6.7M	\$8.6M	

<sup>1</sup>Labor expenses as % of NPSR includes only Salaries, Wages, and Contract Labor; Benefits excluded.

## Key Updates

- Salaries and Contract Labor were only up by 3% while NPSR was up 31% from May of prior FY; indicating that labor expenses<sup>1</sup> continue to be managed more tightly and productivity is improving (45.4% of May-25 NPSR vs 57.9% May-24)
- Labor targets established for FY26; monthly management to budget will be necessary to offset upcoming inflationary pressures and retention bonus payments
- Budgeted growth initiatives and launch of denials management and CDI improvement initiatives will target revenue growth
- PHMG growth and access initiatives will be extremely important in driving PB revenue and downstream HB revenue in FY26
- Recent implementation of Purchased Services utilization controls and contract savings
- Movement within Real Estate; fielding initial inquiries on subleases

May 2025

Reporting Month

\$8.2M

Trended Month Target

\$6.7M

Current Month Actuals

Status

On Track

Caution

At Risk

# *Fiscal Year 2025 Financial Performance*

*\*Supplemental Section includes Palomar Health Medical Group (PHMG) and  
Consolidating Schedules*

*May 2025*

<u>Page</u>	<u>Report</u>
3	<i>Executive Summary</i>
4-6	<i>Management Discussion and Analysis</i>
7-9	<i>Executive Dashboard</i>
10	<i>Income Statement for Fiscal Period, Excludes PHMG</i>
11	<i>Income Statement for Current Year, Excludes PHMG</i>
12	<i>Income Statement for the Current Year versus Prior Year, Excludes PHMG</i>
13	<i>Income Statement for the Current Fiscal Year Trend, Excludes PHMG</i>
14	<i>Statement of Net Position excluding G.O. Bonds, Excludes PHMG</i>
15	<i>Statement of Net Position including G.O. Bonds, Excludes PHMG</i>
16	<i>Statement of Cash Flows, Excludes PHMG</i>
18	<i>Condensed Combining Statement of Net Position for the Fiscal Year-to-Date Ended May 31, 2025</i>
19	<i>Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position for the Fiscal Year-to-Date Ended May 31, 2025</i>
20	<i>Condensed Combining Statement of Net Position</i>
21	<i>Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position</i>
22	<i>Condensed Combining Statement of Cash Flows</i>
23	<i>Bond Covenants</i>

**Highlights for May 2025**Revenue

- Gross Revenue rebounded and was \$21.7M more than prior month and 4.7% above budget in the current month
- Net Patient Revenue was below budget by \$2.9M on a much improved month
- No need for additional reserves related to the repricing issue in the prior month
- Uncompensated care was \$108.5M in May YTD in comparison to PYTD of \$85.4M, or a 27.0% increase year-over-year

Volumes

- April continued to be a strong month for inpatient volumes, increasing the positive variance to budget and prior year for inpatient days and discharges
  - Acute Inpatient days are 15.3% higher than budget and acute discharges were 26.7%
- Adjusted discharges are still favorable to PY (5.4% up) but less favorable than inpatient discharges, reflecting lower outpatient utilization
- For both surgery and emergency room, the trend remains where IP is growing compared to last year and OP is down
  - OP Surgery is down 11.9% from PYTD
  - IP ED visits are up 20.8% from PYTD
  - Emergency Visits in total dropped and YTD we are experiencing 0.3% growth year-over-year
- Infusion Therapy was above budget by 24.9% on the month and continued with strong growth
- Length of Service remained steady at 4.03 days in a nod to the Care Transitions work, which lead to fewer days and lower overall expenses

Expenses

- Total expenses were 8.8% favorable to budget and were significantly reduced over the prior quarter due to the turnaround plan
- Salaries were 9.7% favorable to budget
- Group Health Benefits were \$2.6M unfavorable to budget in May-25 and is due to continued payments on claims run-out for the self-insured plan that was terminated fully in Dec-24

Other Highlights

- EBIDA\* for May improved to 8.3%, and increased to 5.6% YTD
- Days Cash on Hand Consolidated for May was 20.6 days and represents an increase of 4.0 days
- Accounts Payable Current Liability was reduced by \$12.3M from the previous month (some of this is due to timing on payables)
- Debt Service Coverage declined to (0.30) primarily due to PHMG results missing budget
- The 2026 Budget was approved during a Special Board session on June 17<sup>th</sup>, 2025
- Adjusted the nurse bonus payment structure and will need to adjust the payroll accrual for this change in June 2025

\*Excludes PHMG; YTD is Year-to-Date; PY is Prior year; PYTD is Prior Year-to-Date;



Net loss from operations for the month was \$396 thousand, unfavorable to budget by \$2.5 million. The year-to-date loss from operations was \$50.3 million with a \$51.2 million unfavorable variance. Net loss for the month was \$4.9 million, unfavorable to budget by \$5.4 million. Net loss year-to-date was \$79.0 million and unfavorable variance of \$65.3 million.

EBIDA margin for the month of May was unfavorable to budget by 5.8% and year-to-date EBIDA margin was unfavorable to budget by 6.2%. Additional comments and further analyses are presented in the following sections.

### **Patient Utilization**

#### Inpatient (IP) Services

For May YTD, Acute Discharges for the District were 13.9% favorable to budget, and increased 11.5% YOY. Acute Average Daily Census was 9.6% favorable to budget, and increased 6.4% YOY. Total Average Daily Census was 1.4% favorable to budget, and is impacted by Villas patient days (26.0%) unfavorable to budget. Acute Adjusted Discharges were 7.4% favorable to budget, and increased 5.4% YOY. Acute Adjusted Patient Days were 3.4% favorable to budget, with no change YOY.

IP surgeries for PMC Escondido and PMC Poway were 5,630 cases (3.6% favorable to budget and 3.9% increase YOY). Emergent cases increased YOY due to a 19.8% increase to Inpatient ER Admits.

Deliveries for PMC Escondido were 3,119 which was (3.4%) unfavorable to budget and (5.5%) decrease YOY.

Trauma inpatient admissions were 1,859, which was 22.2% favorable to budget and 15.7% increase YOY.

#### Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway were 4,526 cases, which was (9.4%) unfavorable to budget and a (11.9%) decrease YOY. Outpatient ER visits were 93,825 (includes trauma), which was (6.7%) unfavorable to budget and a (3.1%) decrease YOY. OP registrations were (12.8%) unfavorable to budget and (17.9%) decrease YOY.

**Financial Performance**Operating Revenue

Net Patient Revenue for the month was \$70.6 million, which was \$2.8 million (4.0%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$1.3 million which was \$43 thousand (3.4%) unfavorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$72.3 million, which was \$370 thousand (0.5%) favorable to budget.

Salaries, Wages & Contract Labor for the month were \$32.1 million, which was \$1.6 million (4.9%) favorable to budget.

Benefits for the month were \$8.6 million, which was \$2.6 million (29.7%) favorable to budget.

Supplies for the month were \$10.9 million, which was \$719 thousand (6.6%) unfavorable to budget.

Professional Fees and Purchased Services for the month were \$13.0 million, which was \$1.1 million (8.4%) favorable to budget.

Depreciation & Amortization for the month was \$5.0 million, which was \$194 thousand (3.9%) favorable to budget.

Other Direct Expenses for the month were \$2.6 million, which was \$855 thousand (33.0%) favorable to budget.

### Net Non-Operating Income/Expense

Net Non-Operating Loss for the month was \$4.5 million, which was \$2.9 million unfavorable to budget due to year-end investments, county redevelopment distribution and lease agreements.

### **Payor Mix, Net Days in Accounts Receivable (A/R) and Cash Collections**

Cash postings were \$63.6 million. Days in Net A/R are 68.8, an increase of 0.5 days from the prior month.

### **Revenue Cycle – Key Performance Indicators (KPIs)**

Avoidable Denial Write-offs have improved considerably with a number of projects that went live to address this and would expect some regression over the next few months. A/R greater than 90 days has been slowly creeping up and is a priority.

Key Performance Indicators (KPI)	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025
Total Net A/R (\$) <sup>1</sup>	153,128,078	157,290,461	156,624,969	161,106,820	150,972,595	\$ 151,642,060
Net Days in A/R (Days) <sup>2</sup>	68.9	71.1	68.3	69.9	68.3	68.8
% AR > 90 Days	40.4%	40.2%	37.9%	39.5%	40.7%	41.8%
% of Avoidable Denial Write-Offs	11.0%	10.1%	8.4%	6.1%	4.4%	2.2%
Net Revenue Yield	100.4%	99.3%	98.8%	96.9%	103.4%	103.8%

### **Balance Sheet**

Cash, Cash Equivalents and Investments increased in May by \$12.3 million primarily due to receipts of supplemental program funding and increased efforts in cash collections.

**The Days Cash On Hand** increased by 4.0 days from the prior month to 20.6 days consolidated.

<sup>1</sup> Total Net A/R: This is the total amount of accounts receivable which management expects to collect from patients, insurance companies, Medicare, Medi-Cal, in future months, for services to patients through the end of the current accounting period. This number is computed by subtracting estimated contractual adjustments, bad debt and charity write-offs from gross accounts receivable.

<sup>2</sup> Net Days in A/R (Days): The full name for this performance indicator is "Net Days of Revenue in Net Accounts Receivable." This statistic is a measure of the effectiveness of the organization's collections of revenue. For example, if the organization has average daily net revenues of \$2 million and \$140 million in Net A/R, then the organization has 70 days of net revenue/potential cash (\$140M divided by \$2M) tied up in its Accounts Receivable.

	Month					Year to Date				
	Actual May-25	Budget May-25	Budget Variance	Prior Year May-24	Prior Year Variance	Actual May-25	Budget May-25	Budget Variance	Prior Year May-24	Prior Year Variance
<b>Key Volumes</b>										
<b>Discharges - Total</b>	<b>2,469</b>	<b>1,962</b>	<b>25.8%</b>	<b>2,125</b>	<b>16.2%</b>	<b>24,382</b>	<b>21,621</b>	<b>12.8%</b>	<b>21,959</b>	<b>11.0%</b>
Acute - General	2,416	1,907	26.7%	2,043	18.3%	23,941	21,025	13.9%	20,984	14.1%
Acute - Behavioral Health	-	-	0.0%	43	(100.0%)	-	-	0.0%	487	(100.0%)
Total Acute Discharges	2,416	1,907	26.7%	2,086	15.8%	23,941	21,025	13.9%	21,471	11.5%
The Villas at Poway	53	55	(3.6%)	39	35.9%	441	596	(26.0%)	488	(9.6%)
<b>Patient Days - Total</b>	<b>12,411</b>	<b>11,820</b>	<b>5.0%</b>	<b>11,557</b>	<b>7.4%</b>	<b>132,470</b>	<b>130,636</b>	<b>1.4%</b>	<b>130,311</b>	<b>1.7%</b>
Acute - General	9,735	8,441	15.3%	8,527	14.2%	103,141	94,110	9.6%	93,589	10.2%
Acute - Behavioral Health	-	-	0.0%	278	(100.0%)	-	-	0.0%	3,648	(100.0%)
Total Acute Patient Days	9,735	8,441	15.3%	8,805	10.6%	103,141	94,110	9.6%	97,237	6.1%
The Villas at Poway	2,676	3,379	(20.8%)	2,752	(2.8%)	29,329	36,526	(19.7%)	33,074	(11.3%)
Acute Adjusted Discharges	3,784	3,198	18.3%	3,519	7.5%	37,889	35,264	7.4%	35,947	5.4%
Total Adjusted Discharges*	3,850	3,253	18.4%	3,557	8.2%	38,411	35,860	7.1%	36,446	5.4%
Acute Adjusted Patient Days	15,247	14,148	7.8%	14,852	2.7%	163,134	157,728	3.4%	162,699	0.3%
Total Adjusted Patient Days*	17,923	17,527	2.3%	17,604	1.8%	192,463	194,254	(0.9%)	195,773	(1.7%)
Acute Average Daily Census	314	272	15.3%	284	10.6%	308	281	9.6%	289	6.4%
Total Average Daily Census*	400	381	5.0%	373	7.4%	395	390	1.4%	388	2.0%
<b>Surgeries - Total</b>	<b>906</b>	<b>995</b>	<b>(8.9%)</b>	<b>949</b>	<b>(4.5%)</b>	<b>10,156</b>	<b>10,427</b>	<b>(2.6%)</b>	<b>10,557</b>	<b>(3.8%)</b>
Inpatient	532	507	4.9%	506	5.1%	5,630	5,433	3.6%	5,418	3.9%
Outpatient	374	488	(23.3%)	443	(15.6%)	4,526	4,994	(9.4%)	5,139	(11.9%)
Deliveries	231	321	(28.0%)	283	(18.4%)	3,119	3,228	(3.4%)	3,301	(5.5%)
<b>ER Visits (Includes Trauma) - Total</b>	<b>9,953</b>	<b>11,077</b>	<b>(10.2%)</b>	<b>11,203</b>	<b>(11.2%)</b>	<b>112,766</b>	<b>116,351</b>	<b>(3.1%)</b>	<b>112,461</b>	<b>0.3%</b>
Inpatient	1,873	1,434	30.6%	1,289	45.3%	18,941	15,813	19.8%	15,674	20.8%
Outpatient	8,080	9,643	(16.2%)	9,914	(18.5%)	93,825	100,538	(6.7%)	96,787	(3.1%)

	Month					Year to Date				
	Actual May-25	Budget May-25	Budget Variance	Prior Year May-24	Prior Year Variance	Actual May-25	Budget May-25	Budget Variance	Prior Year May-24	Prior Year Variance
Cardiac Cath RVUs	1,195	1,516	(21.2%)	1,243	(3.9%)	11,635	14,633	(20.5%)	13,968	(16.7%)
Escondido Interv. Radiology RVUs	882	995	(11.4%)	987	(10.6%)	10,279	10,260	0.2%	10,263	0.2%
Poway Interv. Radiology RVUs	320	266	20.5%	241	32.8%	2,948	2,843	3.7%	2,749	7.2%
Radiation Oncology RVUs	3,106	3,838	(19.1%)	3,887	(20.1%)	33,984	45,084	(24.6%)	35,674	(4.7%)
Infusion Therapy Hours	1,104	883	24.9%	985	12.0%	10,784	9,545	13.0%	8,548	26.2%
<b>Imaging</b>										
Escondido CAT Procedures	9,936	8,597	15.6%	8,542	16.3%	100,143	88,050	13.7%	88,495	13.2%
Poway CAT Procedures	2,958	2,403	23.1%	2,492	18.7%	29,394	27,187	8.1%	25,430	15.6%
Escondido MRI Procedures	544	398	36.7%	389	39.9%	5,290	4,142	27.7%	4,219	25.4%
Poway MRI Procedures	132	152	(12.9%)	158	(16.5%)	1,430	1,458	(2.0%)	1,549	(7.7%)
Escondido Diagnostic Rad. Procedures	7,251	7,301	(0.7%)	7,280	(0.4%)	77,382	77,176	0.3%	76,915	0.6%
Poway Diagnostic Rad. Procedures	2,260	2,467	(8.4%)	2,272	(0.5%)	24,625	25,524	(3.5%)	23,678	4.0%
*Includes The Villas at Poway										

	Month					Year to Date				
	Actual May-25	Budget May-25	Budget Variance	Prior Year May-24	Prior Year Variance	Actual May-25	Budget May-25	Budget Variance	Prior Year May-24	Prior Year Variance
<b>Key Statistics</b>										
Acute Average LOS - Days	4.03	4.43	9.0%	4.22	(4.5%)	4.31	4.48	3.8%	4.53	(4.9%)
Acute - General	4.03	4.43	9.0%	4.17	(3.5%)	4.31	4.48	3.8%	4.46	(3.4%)
Acute Behavioral Health	0.00	0.00	0.0%	6.47	(100.0%)	0.00	0.00	0.0%	7.49	(100.0%)
Average Observation Hours	24	30	19.6%	30	(19.6%)	26	36	27.1%	36	(27.1%)
Acute Case Mix - Excludes Deliveries	1.67	1.75	4.6%	1.75	(4.6%)	1.71	1.77	3.4%	1.77	(3.4%)
Acute Case Mix -Medicare Only	1.72	1.69	(1.8%)	1.69	1.8%	1.69	1.77	4.5%	1.77	(4.5%)
Labor Productivity by Hrs						99.7%	100%	0.3%		
Days Cash on Hand						20.3				
<b>Financial Performance</b>										
Operating Income	(302,455)	2,091,581	(2,394,035)	(17,806,071)	17,503,617	(50,208,311)	909,915	(51,118,225)	(68,575,584)	18,367,274
Net Income	(302,455)	475,876	(778,331)	(22,101,142)	21,798,688	(74,350,041)	(13,187,218)	(61,162,823)	(85,860,818)	11,510,777
Oper. Expenses/Adj. Patient Days	4,032	3,847	4.8%	4,330	(6.9%)	4,171	3,906	6.8%	4,496	(7.2%)
EBIDA Margin-Excludes PHMG	5,940,140	10,514,057	(4,573,917)	21,968,782	(16,028,642)	42,224,855	96,372,931	(54,148,076)	21,968,782	20,256,073
EBIDA-Excludes PHMG	8.3%	14.1%	(41.1%)	(22.0%)	(137.7%)	5.6%	11.8%	(52.5%)	3.0%	87%

Note: Financial Performance excludes GO Bonds

	<u>Actual</u> <u>May 25</u>	<u>Budget</u> <u>May 25</u>	<u>Variance</u> <u>May 25</u>	<u>Variance</u>		<u>Dollars/Adjusted Patient Day</u>		
				<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Adjusted Patient Days</b>	17,923	17,527	396					
<b>Adjusted Discharges</b>	3,850	3,253	597					
<b>Operating Revenue</b>								
Gross revenue	498,663,256	475,979,771	22,683,485	10,754,150	11,929,335	27,822.53	27,156.94	665.59
Deductions from revenue	(428,079,489)	(402,581,276)	(25,498,213)	(9,095,806)	(16,402,407)	(23,884.37)	(22,969.21)	(915.16)
Net patient revenue	70,583,767	73,398,495	(2,814,728)	1,658,344	(4,473,072)	3,938.17	4,187.74	(249.57)
Other operating revenue	1,284,758	1,328,165	(43,407)	30,008	(73,415)	71.68	75.78	(4.10)
Total net revenue	71,868,525	74,726,660	(2,858,135)	1,688,353	(4,546,488)	4,009.85	4,263.52	(253.67)
<b>Operating Expenses</b>								
Salaries, wages & contract labor	32,070,490	33,626,375	1,555,885	(759,745)	2,315,630	1,789.35	1,918.55	129.20
Benefits	8,752,744	6,151,362	(2,601,382)	(138,982)	(2,462,400)	488.35	350.96	(137.39)
Supplies	10,852,495	10,133,708	(718,787)	(228,958)	(489,829)	605.51	578.18	(27.33)
Prof fees & purch svcs	12,981,682	14,067,876	1,086,194	(317,846)	1,404,040	724.30	802.64	78.34
Depreciation & amortization	5,014,947	5,208,492	193,545	(117,679)	311,224	279.81	297.17	17.36
Other	2,592,523	3,447,260	854,737	(77,886)	932,623	144.65	196.68	52.04
Total expenses	72,264,881	72,635,073	370,192	(1,641,096)	2,011,288	4,031.96	4,144.18	112.22
Income from operations	(396,356)	2,091,587	(2,487,943)	47,257	(2,535,200)	(22.11)	119.34	(365.89)
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	2,298,731	2,125,000	173,731					
Investment Income	1,330,040	881,113	448,927					
Interest Expense	(4,375,965)	(4,130,682)	(245,283)					
Non-operating depreciation & amortization	(1,474,055)	(722,370)	(751,685)					
Other non-operating revenue(expense)	(2,307,224)	207,865	(2,515,089)					
Net income(loss) <sup>2</sup>	(4,924,829)	452,513	(5,377,342)					

EBIDA Margin 8.3% 14.1% (5.8%)

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

	<u>Actual</u> <u>May 25</u>	<u>Budget</u> <u>May 25</u>	<u>Variance</u> <u>May 25</u>	<u>Variance</u>		<u>Dollars/Adjusted Patient Day</u>		
				<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Adjusted Patient Days</b>	192,463	194,254	(1,791)					
<b>Adjusted Discharges</b>	38,411	35,861	2,550					
<b>Operating Revenue</b>								
Gross revenue	5,326,019,146	5,149,057,560	176,961,586	(47,473,731)	224,435,317	27,672.95	26,506.83	1,166.12
Deductions from revenue	(4,584,169,964)	(4,347,463,149)	(236,706,817)	40,083,121	(276,789,936)	(23,818.45)	(22,380.30)	(1,438.15)
Net patient revenue	741,849,182	801,594,411	(59,745,231)	(7,390,610)	(52,354,619)	3,854.50	4,126.53	(272.02)
Other operating revenue	10,584,924	14,696,820	(4,111,896)	(135,503)	(3,976,393)	55.00	75.66	(20.66)
Total net revenue	752,434,106	816,291,231	(63,857,127)	(7,526,113)	(56,331,012)	3,909.50	4,202.18	(292.68)
<b>Operating Expenses</b>								
Salaries, wages & contract labor	347,357,955	361,292,648	13,934,691	3,331,078	10,603,615	1,804.80	1,859.90	55.09
Benefits	89,455,908	93,169,169	3,713,261	859,009	2,854,252	464.80	479.63	14.83
Supplies	114,637,960	110,570,961	(4,066,999)	1,019,452	(5,086,451)	595.64	569.21	(26.43)
Prof fees & purch svcs	162,727,569	155,847,029	(6,880,539)	1,436,892	(8,317,432)	845.50	802.28	(43.22)
Depreciation & amortization	56,384,214	56,580,831	196,617	521,669	(325,052)	292.96	291.27	(1.69)
Other	32,172,711	37,920,610	5,747,899	349,624	5,398,275	167.16	195.21	28.05
Total expenses	802,736,317	815,381,248	12,644,930	7,517,723	5,127,208	4,170.86	4,197.50	26.64
Income from operations	(50,302,211)	909,983	(51,212,194)	(8,390)	(51,203,804)	(261.36)	4.68	(319.32)
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	22,402,470	23,375,000	(972,530)					
Investment Income	14,759,025	11,469,239	3,289,786					
Interest Expense	(48,571,901)	(45,437,501)	(3,134,400)					
Non-operating depreciation & amortization	(16,241,155)	(7,946,073)	(8,295,082)					
Other non-operating revenue(expense)	(1,018,642)	4,037,876	(5,056,518)					
Net income(loss) <sup>2</sup>	(78,972,414)	(13,591,476)	(65,380,938)					

EBIDA Margin 5.6% 11.8% (6.2%)

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense



	<u>Actual</u> <u>May 25</u>	<u>Prior Year</u> <u>May 24</u>	<u>Variance</u> <u>May 25</u>	<u>Variance</u>		<u>Dollars/Adjusted Patient Day</u>		
				<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Adjusted Patient Days</b>	192,463	195,773	(3,310)					
<b>Adjusted Discharges</b>	38,411	36,446	1,965					
<b>Operating Revenue</b>								
Gross revenue	5,326,019,146	4,896,943,287	429,075,859	(82,794,268)	511,870,127	27,672.95	25,013.37	2,659.58
Deductions from revenue	(4,584,169,964)	(4,211,018,131)	(373,151,835)	71,197,101	(444,348,934)	(23,818.45)	(21,509.70)	(2,308.75)
Net patient revenue	741,849,182	685,925,156	55,924,024	(11,597,167)	67,521,193	3,854.50	3,503.68	350.83
Other operating revenue	10,584,924	25,008,733	(14,423,807)	(422,831)	(14,000,978)	55.00	127.74	(72.75)
Total net revenue	752,434,106	710,933,889	41,500,217	(12,019,999)	53,520,216	3,909.50	3,631.42	278.08
<b>Operating Expenses</b>								
Salaries, wages & contract labor	347,357,955	354,205,064	6,847,107	5,988,664	858,445	1,804.80	1,809.26	4.46
Benefits	89,455,908	88,680,660	(775,248)	1,499,354	(2,274,602)	464.80	452.98	(11.82)
Supplies	114,637,960	108,328,513	(6,309,447)	1,831,547	(8,140,994)	595.64	553.34	(42.30)
Prof fees & purch svcs	162,727,569	143,161,140	(19,566,428)	2,420,474	(21,986,903)	845.50	731.26	(114.24)
Depreciation & amortization	56,384,214	50,095,432	(6,288,782)	846,980	(7,135,762)	292.96	255.89	(37.08)
Other	32,172,711	35,038,664	2,865,954	592,410	2,273,543	167.16	178.98	11.81
Total expenses	802,736,317	779,509,473	(23,226,844)	13,179,429	(36,406,273)	4,170.86	3,981.70	(189.16)
Income from operations	(50,302,211)	(68,575,584)	18,273,373	1,159,430	17,113,943	(261.36)	(350.28)	467.24
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	22,402,470	21,574,478	827,992					
Investment Income	14,759,025	17,133,924	(2,374,899)					
Interest Expense	(48,571,901)	(45,606,274)	(2,965,627)					
Non-operating depreciation & amortization	(16,241,155)	(12,127,894)	(4,113,261)					
Other non-operating revenue(expense)	(1,018,642)	1,740,532	(2,759,174)					
Net income(loss) <sup>2</sup>	(78,972,414)	(85,860,818)	6,888,404					

EBIDA Margin 5.6% 3.1% 2.5%

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

# Income Statement for the Current Fiscal Year Trend

Excludes PHMG

	<u>Jul 24</u>	<u>Aug 24</u>	<u>Sep 24</u>	<u>Oct 24</u>	<u>Nov 24</u>	<u>Dec 24</u>	<u>Jan 25</u>	<u>Feb 25</u>	<u>Mar 25</u>	<u>Apr 25</u>	<u>May 25</u>	Fiscal Year <u>2025</u>
<b>Adjusted Patient Days</b>	16,533	17,241	17,034	17,052	16,530	17,801	19,261	18,126	18,196	16,766	17,923	192,463
<b>Adjusted Discharges</b>	3,374	3,358	3,348	3,424	3,237	3,575	3,507	3,403	3,706	3,629	3,850	38,411
<b>Operating Revenue</b>												
Gross revenue	485,400,623	481,303,719	467,378,630	474,558,980	460,334,838	489,498,380	503,514,870	483,903,146	504,496,732	476,965,973	498,663,256	5,326,019,146
Deductions from revenue	(415,757,901)	(415,886,086)	(403,359,082)	(402,798,738)	(398,689,552)	(418,393,206)	(432,589,279)	(419,483,463)	(432,350,529)	(416,782,642)	(428,079,489)	(4,584,169,966)
Net patient revenue	69,642,722	65,417,634	64,019,548	71,760,241	61,645,286	71,105,174	70,925,591	64,419,683	72,146,203	60,183,331	70,583,767	741,849,182
Other operating revenue	920,937	782,991	1,167,339	1,079,195	1,127,177	717,219	930,518	1,003,357	743,928	827,507	1,284,758	10,584,924
Total net revenue	70,563,659	66,200,624	65,186,887	72,839,436	62,772,463	71,822,393	71,856,109	65,423,041	72,890,131	61,010,838	71,868,525	752,434,106
<b>Operating Expenses</b>												
Salaries, wages & contract labor	32,166,595	32,697,012	31,039,334	31,126,296	30,170,078	32,586,392	31,767,111	29,764,112	34,399,859	29,570,678	32,070,490	347,357,955
Benefits	7,845,288	9,667,894	8,249,929	7,595,482	7,835,218	9,168,549	9,282,958	6,425,530	7,631,965	7,000,351	8,752,744	89,455,908
Supplies	9,937,683	10,435,128	10,495,794	10,460,309	9,232,381	11,450,897	10,114,268	9,574,746	10,808,102	11,276,157	10,852,495	114,637,960
Prof fees & purch svcs	15,022,459	14,994,548	15,811,542	17,142,092	16,662,021	15,745,770	14,003,981	14,131,948	13,165,769	13,065,756	12,981,682	162,727,569
Depreciation & amortization	4,970,802	4,965,343	4,988,370	5,439,793	4,899,938	6,007,449	5,109,442	5,078,764	4,966,151	4,943,215	5,014,947	56,384,214
Other	2,622,147	2,630,102	2,712,652	4,403,218	2,425,595	2,503,764	3,901,254	2,288,403	4,044,068	2,048,983	2,592,523	32,172,711
Total expenses	72,564,973	75,390,027	73,297,622	76,167,190	71,225,231	77,462,822	74,179,014	67,263,503	75,015,913	67,905,140	72,264,881	802,736,317
Income from operations	(2,001,314)	(9,189,403)	(8,110,735)	(3,327,754)	(8,452,768)	(5,640,429)	(2,322,905)	(1,840,462)	(2,125,782)	(6,894,302)	(396,356)	(50,302,211)
<b>Non-operating revenue (expense)</b>												
Property tax revenues <sup>1</sup>	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	1,739,604	1,739,604	1,749,531	2,298,731	22,402,470
Investment Income	1,264,997	1,347,561	1,207,216	1,237,202	990,738	1,332,953	1,484,615	1,112,481	1,636,411	1,814,809	1,330,040	14,759,025
Interest Expense	(4,431,369)	(4,424,943)	(4,426,719)	(4,449,375)	(4,418,116)	(4,515,644)	(4,393,833)	(4,380,540)	(4,387,724)	(4,367,672)	(4,375,965)	(48,571,901)
Non-operating depreciation & amortization	(1,477,130)	(1,478,750)	(1,478,750)	(1,478,750)	(1,478,046)	(1,479,454)	(1,478,750)	(1,478,750)	(1,478,750)	(1,459,970)	(1,474,055)	(16,241,155)
Other non-operating revenue(expense)	595,819	582,346	639,696	(581,209)	673,917	(52,280)	2,225,696	560,363	252,845	(3,608,614)	(2,307,224)	(1,018,642)
Net income(loss) <sup>2</sup>	(3,923,996)	(11,038,188)	(10,044,292)	(6,474,886)	(10,559,275)	(8,229,853)	(2,360,176)	(4,287,305)	(4,363,396)	(12,766,218)	(4,924,829)	(78,972,414)
<b>EBIDA Margin</b>	9.9%	(0.3%)	1.3%	6.7%	0.4%	5.3%	12.0%	10.2%	8.9%	(3.3%)	8.3%	5.6%

1= Property Tax Revenue excludes G.O. Bonds Levy

2= Excludes G.O. Bonds income / expense

# Statement of Net Position excluding G.O. Bonds

## Excludes PHMG

Assets	Current Fiscal Year					Prior Fiscal Year
	Feb-25	Mar-25	Apr-25	May-25	Jun-24	
<b>Current Assets</b>						
Cash and cash equivalents	3,778,125	6,004,778	6,593,276	14,810,682	17,359,239	
Investments	32,106,194	21,158,125	26,354,278	30,408,253	54,298,096	
Board Designated	-	-	-	-	7,082,739	
Total cash, cash equivalents & investments	35,884,319	27,162,903	32,947,553	45,218,935	78,740,073	
<b>Patient Accounts Receivable</b>	530,520,957	545,172,225	525,879,658	479,029,989	475,079,653	
Allowance on accounts	(373,895,989)	(384,065,405)	(374,907,063)	(327,387,929)	(327,700,367)	
Net accounts receivable	156,624,969	161,106,820	150,972,595	151,642,060	147,379,287	
Inventories	12,909,464	12,797,227	12,801,659	12,804,193	12,512,288	
Prepaid expenses	17,240,243	15,904,150	13,831,848	10,322,531	9,872,204	
Est. third party settlements	97,335,093	104,370,756	107,704,649	91,642,530	87,806,947	
Other	74,352,101	77,782,246	72,785,125	71,148,019	71,689,100	
Total current assets	394,346,189	399,124,103	391,043,429	382,778,268	407,999,899	
<b>Non-Current Assets</b>						
Restricted assets	92,929,848	93,215,845	105,938,702	87,051,017	106,528,977	
Restricted other	357,317	357,396	357,554	357,623	356,833	
Total restricted assets	93,287,165	93,573,240	106,296,256	87,408,640	106,885,809	
Property, plant & equipment	1,555,435,345	1,555,425,207	1,555,505,599	1,555,434,423	1,556,364,751	
Accumulated depreciation	(672,797,656)	(676,321,198)	(679,826,761)	(682,748,720)	(644,358,038)	
Construction in process	69,395,353	70,379,627	71,352,821	74,049,539	57,513,297	
Net property, plant & equipment	952,033,041	949,483,636	947,031,659	946,735,242	969,520,010	
Right of Use Assets	322,316,604	319,395,245	316,497,623	313,922,957	334,609,278	
Investment related companies	2,911,516	3,768,054	3,455,870	3,059,666	6,754,766	
Prepaid debt insurance costs	7,090,192	7,064,218	7,038,244	7,012,271	7,298,149	
Other non-current assets	67,980,619	67,462,779	66,985,161	66,476,790	78,831,767	
Total non-current assets	1,445,619,136	1,440,747,173	1,447,304,813	1,424,615,565	1,503,899,779	
<b>Total assets</b>	<b>1,839,965,325</b>	<b>1,839,871,276</b>	<b>1,838,348,242</b>	<b>1,807,393,833</b>	<b>1,911,899,678</b>	
Deferred outflow of resources-loss on refunding of debt	42,774,400	42,556,485	42,338,570	42,120,656	44,517,717	
<b>Total assets and deferred outflow of resources</b>	<b>1,882,739,725</b>	<b>1,882,427,761</b>	<b>1,880,686,812</b>	<b>1,849,514,488</b>	<b>1,956,417,396</b>	

Liabilities	Current Fiscal Year					Prior Fiscal Year
	Feb-25	Mar-25	Apr-25	May-25	Jun-24	
<b>Current Liabilities</b>						
Accounts payable	111,781,823	113,762,981	106,731,078	94,435,320	67,475,287	
Accrued payroll	29,561,067	30,985,657	31,805,190	35,980,888	38,178,331	
Accrued PTO	22,651,682	22,880,548	23,052,607	23,414,051	24,267,836	
Accrued interest payable	14,680,683	16,289,392	18,635,765	4,036,001	8,905,068	
Current portion of bonds	8,925,000	8,925,000	8,925,000	8,925,000	8,530,000	
Current portion of lease liab	21,287,484	21,293,255	21,395,699	21,542,184	20,245,743	
Est. third party settlements	16,238,521	15,227,643	15,227,642	12,664,800	16,933,480	
Other current liabilities	122,100,347	126,694,795	146,334,378	149,066,305	128,832,172	
Total current liabilities	347,226,607	356,059,270	372,107,358	350,064,548	313,367,918	
<b>Long Term Liabilities</b>						
Other LT liabilities	27,532,265	27,510,361	27,488,455	27,466,551	27,708,572	
Bonds & contracts payable	714,090,625	713,867,919	713,645,212	713,422,506	724,797,898	
Lease liabilities	334,424,640	332,771,496	330,751,934	329,391,671	342,095,335	
Total long term liabilities	1,076,047,531	1,074,149,775	1,071,885,601	1,070,280,728	1,094,601,805	
<b>Total liabilities</b>	<b>1,423,274,138</b>	<b>1,430,209,045</b>	<b>1,443,992,959</b>	<b>1,420,345,276</b>	<b>1,407,969,723</b>	
Deferred inflow of resources-unearned revenue	6,749,541	6,699,024	6,648,506	6,597,988	6,653,683	
<b>Total liabilities and deferred inflow of resources</b>	<b>1,430,023,679</b>	<b>1,436,908,069</b>	<b>1,450,641,465</b>	<b>1,426,943,264</b>	<b>1,414,623,405</b>	
<b>Net Position</b>						
Unrestricted	452,358,728	445,162,297	429,687,793	422,213,601	541,437,159	
Restricted for other purpose	357,317	357,396	357,554	357,623	356,833	
Total net position	452,716,045	445,519,692	430,045,347	422,571,224	541,793,991	
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,882,739,724</b>	<b>1,882,427,761</b>	<b>1,880,686,812</b>	<b>1,849,514,488</b>	<b>1,956,417,396</b>	

# Statement of Net Position including G.O. Bonds

## Excludes PHMG

	Current Fiscal Year				Prior Fiscal Year
Assets	Feb-25	Mar-25	Apr-25	May-25	Jun-24
<b>Current Assets</b>					
Cash and cash equivalents	3,778,125	6,004,778	6,593,276	14,810,682	17,359,239
Investments	32,106,194	21,158,125	26,354,278	30,408,253	54,298,096
Board Designated	-	-	-	-	7,082,739
Total cash, cash equivalents & investments	35,884,319	27,162,903	32,947,553	45,218,935	78,740,073
<b>Patient Accounts Receivable</b>	530,520,957	545,172,225	525,879,658	479,029,989	475,079,653
Allowance on accounts	(373,895,989)	(384,065,405)	(374,907,063)	(327,387,929)	(327,700,367)
Net accounts receivable	156,624,969	161,106,820	150,972,595	151,642,060	147,379,287
Inventories	12,909,464	12,797,227	12,801,659	12,804,193	12,512,288
Prepaid expenses	17,240,243	15,904,150	13,831,848	10,322,531	9,872,204
Est. third party settlements	97,335,093	104,370,756	107,704,649	91,642,530	87,806,947
Other	82,132,530	87,425,434	68,361,015	68,432,002	71,978,298
<b>Total current assets</b>	<b>402,126,618</b>	<b>408,767,290</b>	<b>386,619,319</b>	<b>380,062,251</b>	<b>408,289,097</b>
<b>Non-Current Assets</b>					
Restricted assets	148,149,953	149,669,316	179,634,387	162,834,305	176,672,759
Restricted other	357,317	357,396	357,554	357,623	356,833
Total restricted assets	148,507,271	150,026,711	179,991,941	163,191,928	177,029,591
Property, plant & equipment	1,555,435,345	1,555,425,207	1,555,505,599	1,555,434,423	1,556,364,751
Accumulated depreciation	(672,797,656)	(676,321,198)	(679,826,761)	(682,748,720)	(644,358,038)
Construction in process	69,395,353	70,379,627	71,352,821	74,049,539	57,513,297
Net property, plant & equipment	952,033,041	949,483,636	947,031,659	946,735,242	969,520,010
Right of Use Assets	322,316,604	319,395,245	316,497,623	313,922,957	334,609,278
Investment related companies	2,911,516	3,768,054	3,455,870	3,059,666	6,754,766
Prepaid debt insurance and other costs	8,291,916	8,253,030	8,214,144	8,175,258	8,603,170
Other non-current assets	67,980,619	67,462,779	66,985,161	66,476,790	78,831,767
Total non-current assets	1,502,040,967	1,498,389,456	1,522,176,398	1,501,561,841	1,575,348,583
<b>Total assets</b>	<b>1,904,167,584</b>	<b>1,907,156,746</b>	<b>1,908,795,717</b>	<b>1,881,624,092</b>	<b>1,983,637,680</b>
Deferred outflow of resources-loss on refunding of debt	45,221,281	44,985,506	44,749,731	44,513,956	47,107,482
<b>Total assets and deferred outflow of resources</b>	<b>1,949,388,867</b>	<b>1,952,142,253</b>	<b>1,953,545,449</b>	<b>1,926,138,049</b>	<b>2,030,745,163</b>

	Current Fiscal Year				Prior Fiscal Year
Liabilities	Feb-25	Mar-25	Apr-25	May-25	Jun-24
<b>Current Liabilities</b>					
Accounts payable	111,781,823	113,763,481	106,731,078	94,435,320	67,477,787
Accrued payroll	29,561,067	30,985,657	31,805,190	35,980,888	38,178,331
Accrued PTO	22,651,682	22,880,548	23,052,607	23,414,051	24,267,836
Accrued interest payable	23,182,940	29,144,315	34,557,338	23,024,224	28,882,187
Current portion of bonds	19,081,756	19,081,756	19,081,756	19,081,756	18,010,103
Current portion of lease liab	21,287,484	21,293,255	21,395,699	21,542,184	20,245,743
Est. third party settlements	16,238,521	15,227,643	15,227,642	12,664,800	16,933,480
Other current liabilities	53,603,989	58,803,123	78,992,898	82,305,689	55,689,956
<b>Total current liabilities</b>	<b>297,389,263</b>	<b>311,179,776</b>	<b>330,844,207</b>	<b>312,448,912</b>	<b>269,685,423</b>
<b>Long Term Liabilities</b>					
Other LT liabilities	27,532,265	27,510,361	27,488,456	27,466,551	27,708,572
Bonds & contracts payable	1,342,786,254	1,341,104,673	1,340,775,462	1,340,446,250	1,362,956,758
Lease liabilities	334,424,640	332,771,496	330,751,934	329,391,671	342,095,335
Total long term liabilities	1,704,743,159	1,701,386,530	1,699,015,852	1,697,304,473	1,732,760,665
<b>Total liabilities</b>	<b>2,002,132,422</b>	<b>2,012,566,306</b>	<b>2,029,860,059</b>	<b>2,009,753,385</b>	<b>2,002,446,088</b>
Deferred inflow of resources- unearned revenue	75,245,901	74,590,697	73,989,987	73,358,605	79,795,899
<b>Total liabilities and deferred inflow of resources</b>	<b>2,077,378,324</b>	<b>2,087,157,003</b>	<b>2,103,850,046</b>	<b>2,083,111,990</b>	<b>2,082,241,987</b>
<b>Net Position</b>					
Unrestricted	(128,346,774)	(135,372,146)	(150,662,151)	(157,331,564)	(51,853,656)
Restricted for other purpose	357,317	357,396	357,554	357,623	356,833
Total net position	(127,989,457)	(135,014,750)	(150,304,597)	(156,973,941)	(51,496,824)
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,949,388,867</b>	<b>1,952,142,253</b>	<b>1,953,545,449</b>	<b>1,926,138,049</b>	<b>2,030,745,163</b>

	May-25	YTD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income (Loss) from operations	(396,356)	(50,302,211)
<b>Adjustments to reconcile change in net assets to net cash provided from operating activities:</b>		
Depreciation Expense	5,014,947	56,384,214
Provision for bad debts	4,001,680	80,848,039
<b>Changes in operating assets and liabilities:</b>		
Patient accounts receivable	(4,671,145)	(85,110,813)
Property Tax and other receivables	3,475,145	5,584,975
Inventories	(2,534)	(291,905)
Prepaid expenses and other current assets	1,498,129	1,381,444
Accounts payable	(12,295,758)	32,979,363
Accrued compensation	4,537,144	(3,051,227)
Estimated settlement amounts due third-party payors	13,499,277	(12,112,605)
Other liabilities	3,384,903	28,530,123
Net cash provided from (used by) operating activities	18,045,432	54,839,397
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (purchases) sales of investments	12,746,038	44,810,246
Income (Loss) on investments	1,530,161	16,885,351
Investment in affiliates	(2,735,564)	(36,144,673)
Net cash provided from (used by) investing activities	11,540,635	25,550,924
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipt of G.O. Bond Taxes	1,887,483	47,531,621
Receipt of District Taxes	1,274,719	24,221,363
Net cash provided from non-capital financing activities	3,162,201	71,752,984
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds on asset sale	0	0
Proceeds from the issuance of long-term debt	0	0
Cost of Issuance payments	0	0
Acquisition of property plant and equipment	(2,625,542)	(25,139,261)
Redevelopment Trust Fund Distributions	0	1,454,676
G.O. Bond Interest paid	0	(34,538,335)
Revenue Bond Interest paid	(17,581,585)	(35,376,420)
ROU Interest paid	(1,320,351)	(15,237,686)
Proceeds (Payments) of Long Term Debt	0	(18,011,171)
Payments of Long Term Lease Liabilities	(3,003,384)	(27,843,669)
Net cash provided from (used by) capital and related financing activities	(24,530,861)	(154,691,867)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	8,217,407	(2,548,562)
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	6,593,276	17,359,239
<b>CASH AND CASH EQUIVALENTS - End of period</b>	14,810,682	14,810,682

# *Supplemental Information*

*\*Financial performance includes Palomar Health Medical Group (PHMG) and Consolidating Schedules*

**Condensed Combining Statement of Net Position**  
For the Fiscal Year-to-Date Ended May 31, 2025

	Palomar Health	PHMG	PAC	NCRE	Eliminations	Total
<b>ASSETS</b>						
Current assets	455,900,806	56,553,401	4,049,864	265,008	(57,558,242)	459,210,837
Capital assets - net	946,735,242	7,794,471	-	868,948	-	955,398,661
Right of use assets - net	313,922,957	29,212,340	-	-	(19,588,361)	323,546,936
Non-current assets	165,065,087	2,228,675	-	-	-	167,293,761
Total assets	1,881,624,092	95,788,887	4,049,864	1,133,956	(77,146,603)	1,905,450,195
Deferred outflow of resources	44,513,956	-	-	-	-	44,513,956
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,926,138,048</b>	<b>95,788,887</b>	<b>4,049,864</b>	<b>1,133,956</b>	<b>(77,146,603)</b>	<b>1,949,964,151</b>
<b>LIABILITIES AND NET POSITION</b>						
Current liabilities	282,400,444	102,741,203	74,271	1,458,747	(61,818,154.31)	324,856,509
Long-term liabilities	1,376,232,686	(0)	-	-	-	1,376,232,686
Right of use lease liabilities	329,391,671	23,359,713	-	-	(16,387,152)	336,364,233
Total liabilities	1,988,024,801	126,100,917	74,271	1,458,747	(78,205,306)	2,037,453,427
Deferred inflow of resources - deferred revenue	95,087,190	-	-	-	-	95,087,190
Total liabilities and deferred inflow of resources	2,083,111,991	126,100,917	74,271	1,458,747	(78,205,306)	2,132,540,617
Invested in capital assets - net of related debt	(318,288,764)	6,577,658	-	1,660,879	1,058,703	(308,991,523)
Restricted	54,404,767	-	-	-	-	54,404,767
Unrestricted	106,910,058	(36,889,687)	3,975,593	(1,985,669)	-	72,010,295
Total net position	(156,973,939)	(30,312,028)	3,975,593	(324,790)	1,058,703	(182,576,461)
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>1,926,138,048</b>	<b>95,788,887</b>	<b>4,049,864</b>	<b>1,133,956</b>	<b>(77,146,603)</b>	<b>1,949,964,151</b>

Note: Financial Performance includes GO Bonds  
Financial Performance excludes PHMG

	<u>Palomar Health</u>	<u>PHMG</u>	<u>PAC</u>	<u>NCRE</u>	<u>Elimination</u>	<u>Consolidated</u>
<b>OPERATING REVENUE:</b>						
Net patient service revenue	674,802,139	62,791,537	-	-	-	737,593,676
Shared risk revenue	67,047,039	28,707,452	-	-	(1,560,543)	94,193,948
Other revenue	10,584,928	6,646,763	223,089	1,338,849	(536,606)	18,257,024
PH Program revenue	-	28,095,087	-	-	(28,095,087)	-
Total operating revenue	752,434,106	126,240,839	223,089	1,338,849	(30,192,236)	850,044,647
<b>OPERATING EXPENSES</b>						
DEPRECIATION AND AMORTIZATION	746,352,097	184,842,394	934,090	1,634,914	(36,512,643)	897,250,852
	56,384,216	4,485,112	-	-	-	60,869,328
Total operating expenses	802,736,313	189,327,507	934,090	1,634,914	(36,512,643)	958,120,180
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(50,302,207)</b>	<b>(63,086,668)</b>	<b>(711,001)</b>	<b>(296,065)</b>	<b>6,320,407</b>	<b>(108,075,533)</b>
<b>NON-OPERATING INCOME (EXPENSE):</b>						
Investment income	16,885,347	(285,053)	-	-	-	16,600,294
Interest expense	(81,481,478)	(192,090)	-	-	141,357	(81,532,211)
Property tax revenue	66,928,875	-	-	-	-	66,928,875
Other - net	(16,608,421)	487,165	-	-	(5,101,531)	(21,222,787)
Total non-operating expense - net	(14,275,677)	10,022	-	-	(4,960,175)	(19,225,830)
<b>CHANGE IN NET POSITION</b>	<b>(64,577,884)</b>	<b>(63,076,645)</b>	<b>(711,001)</b>	<b>(296,065)</b>	<b>1,360,232</b>	<b>(127,301,363)</b>
Interfund - PHMG	(40,899,229)	41,864,322	-	-	-	965,093
NET POSITION - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(28,725)	(301,529)	(56,240,193)
<b>NET POSITION - Year to date</b>	<b>(156,973,939)</b>	<b>(30,312,028)</b>	<b>3,975,593</b>	<b>(324,790)</b>	<b>1,058,703</b>	<b>(182,576,461)</b>

Note: Financial Performance includes GO Bonds  
Financial Performance excludes PHMG



## Assets

### Current Assets

Cash and cash equivalents	\$ 24,930,494
Investments	30,408,253
Patient accounts receivable - net of allowances for uncollectible accounts of \$121,482	179,778,578
Other receivables	30,213,669
Supplies and inventories	13,480,399
Prepaid expenses and other	12,918,359
Estimated third-party payor settlements receivable	91,642,530
Assets whose use is limited - current portion	55,266
Restricted cash and investments, current	<u>75,783,288</u>

Total current assets 459,210,836

### Restricted Noncurrent Cash and Investments

Held by trustee under indenture agreements	86,339,615
Held by trustee under general obligation bonds indenture	75,783,288
Held in escrow for street improvements	711,402
Restricted by donor and other	<u>357,623</u>

Total restricted cash and investments 163,191,928

Less amounts required to meet current obligations 75,838,554

Total restricted noncurrent cash and investments 87,353,374

### Capital Assets - net

955,398,661

### Right of Use Assets - Net

323,546,936

### Estimated third-party payor settlements receivable

-

### Other Assets

Prepaid debt insurance costs	8,175,258
Investment in and amounts due from affiliated entities	3,718,112
Other	<u>68,047,018</u>

Total other assets 79,940,388

Total assets 1,905,450,195

### Deferred outflow of resources - loss on refunding of debt

44,513,956

### Total Assets and Deferred Outflow of Resources

\$ 1,949,964,151

## Liabilities

### Current Liabilities

Accounts payable	98,809,835
Accrued compensation and related liabilities	54,152,426
Current portion of general obligation bonds	10,156,756
Current portion of long-term debt	9,165,945
Current portion of lease liabilities	24,351,711
Estimated third-party payor settlements	12,664,800
Other accrued liabilities	92,512,974
Accrued interest payable	21,607,724
Accrued interest payable-ROU's	<u>1,434,335</u>

Total current liabilities 324,856,506

Long-term debt - general obligation bonds - net of current portion 627,023,745

Long-term debt - net of current portion 749,208,945

Long-term debt - Lease liability - net of current portion 336,364,233

Total liabilities 2,037,453,429

### Deferred inflow of resources - unearned revenue

95,087,190

Total liabilities and deferred inflow of resources 2,132,540,619

### Net Position

Net investment in capital assets	(308,991,523)
Restricted, expendable for:	
Repayment of debt	53,335,742
Capital acquisitions	711,402
Other purposes	357,623
Unrestricted	<u>72,010,294</u>

Total net position (182,576,461)

Total Liabilities, Deferred Inflow of Resources, and Net Position \$ 1,949,964,151

Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$82,693	\$ 737,593,676
Premium revenue	
Shared risk revenue	94,193,948
Other revenue	<u>18,257,022</u>
Total operating revenue	<u>850,044,645</u>
Operating Expenses	
Salaries, wages, and benefits	583,568,268
Professional fees	42,116,504
Supplies	120,333,860
Purchased services	105,595,623
Depreciation and amortization	60,869,329
Rent expense	16,601,839
Utilities	5,164,153
Other	<u>23,870,610</u>
Total operating expenses	<u>958,120,184</u>
Income (Loss) From Operations	<u>(108,075,539)</u>
Non-Operating Income (Expenses)	
Investment income	16,600,294
Interest expense	(81,532,210)
Property tax revenue - unrestricted	22,402,470
Property tax revenue - restricted	44,526,405
Amortization expense	(16,241,154)
Other - net	<u>(4,016,538)</u>
Total non-operating expenses - net	<u>(18,260,733)</u>
Change in net position	(126,336,272)
Net Position - Beginning of year	<u>(56,321,285)</u>
Net Position - May 31, 2025	<u>\$ (182,576,461)</u>

	May 31, 2025
<b>CASH FROM OPERATING ACTIVITIES</b>	
Receipts from:	
Patients, insurers, and other third-party payers	846,896,315
Other sources	12,128,062
Payments to:	
Employees	(587,941,460)
Suppliers	<u>(241,603,326)</u>
Net cash provided by operating activities	<u>29,479,592</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Receipt of district taxes	<u>22,402,470</u>
Net cash provided by noncapital financing activities	<u>22,402,470</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(21,051,294)
Interest payments on long-term debt	(71,931,497)
Interest payments on lease liabilities	(16,007,346)
Principal repayment on long-term debt	(18,195,196)
Principal repayment on lease obligations	(20,860,849)
Proceeds on sale of capital assets	(47,766)
Receipt of property taxes restricted for debt service on general obligation bonds	44,526,405
Other	<u>(10,169,978)</u>
Net cash used in capital and related financing activities	<u>(113,737,521)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(114,951,399)
Proceeds from sale of investments	167,605,336
Interest received on investments and notes receivable	9,542,524
Net cash provided by (used in) investing activities	<u>62,196,461</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	341,002
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<u>24,589,503</u>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<u>\$ 24,930,494</u>

Days Cash on Hand Ratio Covenant	May 31, 2025 Consolidated
Cash and Cash Equivalents	55,113,555
Total	55,113,555
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	958,120,184
Less: Depreciation	60,869,329
Adjusted Expenses	897,250,856
Number of days in period	335
Average Adjusted Expenses per Day	2,678,361
<b>Days Cash on Hand</b>	<b>20.6</b>
<b>REQUIREMENT</b>	<b>65</b>
	NOT ACHIEVED

Debt Service Coverage Ratio Covenant	May 31, 2025 Consolidated
Excess of revenues over expenses	(141,399,820)
REVERSE:	
Depreciation and Amortization	60,869,329
Depreciation and Amortization-NonOp	16,241,154
Interest Expense	48,622,632
Income Available for Debt Service	(15,666,706)
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	51,599,496
<b>Debt Service Coverage Ratio</b>	<b>(0.30)</b>

**NOTE: Pre-audit results shown**