

FINANCE COMMITTEE

Meeting Agenda

Friday, September 5, 2025

10:30 a.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
Call To Order				
I.	Establishment of Quorum	1		10:30
II.	Public Comments¹	30		11:00
III.	Action Item(s) (ADD A)			
	a. Finance Committee Minutes, July 30, 2025 (Pp 6-8)	5		11:05
	b. July Guidehouse Update – Informational Only (Pp 9-14)	10		11:15
	c. YTD FY2025 and Year End Financials (Pp 15-35)	15		11:30
	d. YTD FY2026 and July 2025 Financials (Pp 36-54)	15		11:45
Final Adjournment				

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	
Alternate Voting Members	
Laurie Edwards-Tate, MS – 1 st 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.

¹ 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#¹

- 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

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

Policy : Public Comments and Attendance at Public Board Meetings

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 10:30 a.m.



Request for Public Comments

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

- *In Person: Submit a Public Comment Form, or verbally submit a request, to the Board Clerk*
- *Virtual: Enter your name and "Public Comment" in the chat function*

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, July 30, 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, July 25, 2025. An amended agenda packet was posted on the Palomar Health website on Monday, July 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 1:31 p.m. by Director Jeff Griffith.

I. Establishment of Quorum

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

*Andrew Nguyen, MD attended the meeting as a voting member until Kanchan Koirala, MD, joined the meeting after agenda item III, a.

II. Public Comments

- No public comments

III. <i>Action Items</i>	
a. Finance Committee Minutes, June 25, 2025	<p>MOTION by Hansen, 2nd by Pacheco to approve the Finance Committee Minutes from June 25, 2025, as written.</p> <p>Roll call voting was utilized. Director Greer - absent Director Griffith – aye Director Pacheco – aye Hansen – aye Goldsworthy, MD – aye Nguyen, MD - aye</p> <p>Five in favor. None opposed. One absent. None abstained. Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> No discussion 	
b. YTD FY2025 and June 2025 Volumes	NO MOTION, INFORMATIONAL ONLY
<p>Discussion:</p> <ul style="list-style-type: none"> Andrew Tokar, Chief Financial Officer, presented the YTD FY2025 and June 2025 Volumes presentation with the committee. Committee discussion ensued. 	

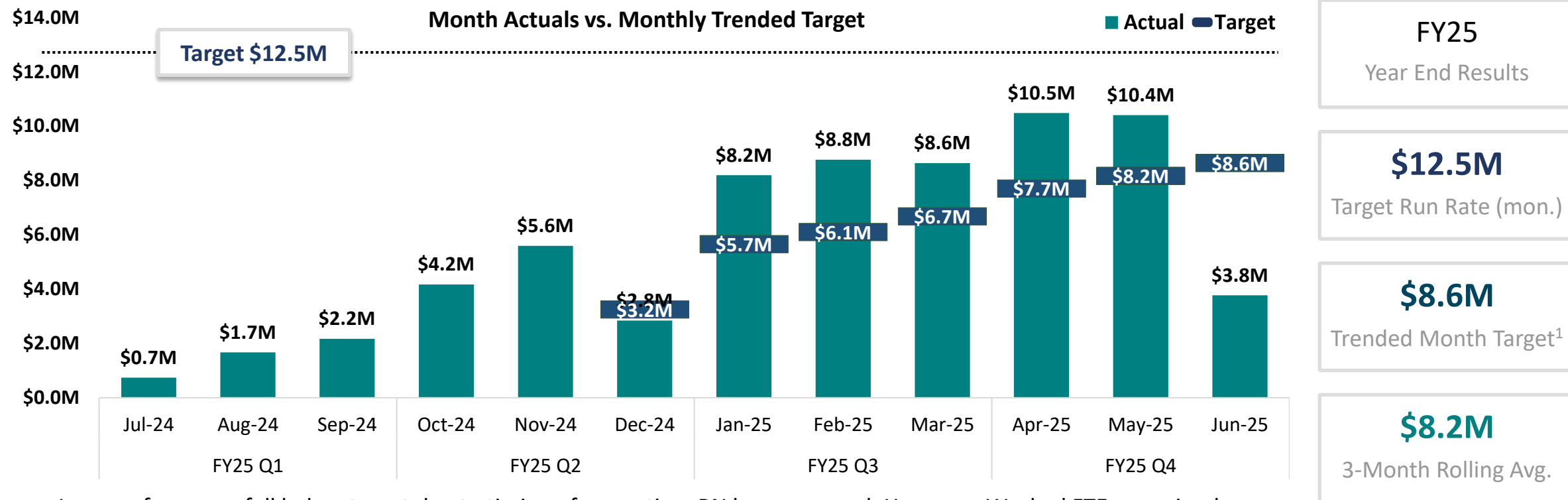
<p>c. Review: Resolution 08.11.25(01)-11 of the Board of Directors of Palomar Health Concerning the Levy & Collection of Taxes by the Board of Supervisors of the County of San Diego for Fiscal Year 2025-2026 to Pay Principal & Interest on General Obligation Bonds & Authorizing the Taking of All Actions Necessary in Connection Therewith</p> <p>d. Review: Resolution 08.11.25(02)-12 of the Board of Directors of Palomar Health Establishing the Appropriations Limit of the District for the Fiscal Year July 1, 2025 - June 30, 2026</p>	<p>MOTION by Hansen, 2nd by Griffith to move Resolution 08.11.25(01)-11 and 08.11.25(02)-12 to the Board of Directors for ratification.</p> <p>Roll call voting was utilized. Director Greer - absent Director Griffith – aye Director Pacheco – aye Hansen – aye Koirala, MD – aye Goldsworthy, MD – aye</p> <p>Five in favor. None opposed. One absent. None abstained. Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> Kevin DeBruin, Chief Legal Officer and Andrew Tokar, Chief Financial Officer, reviewed the resolutions with the committee. 	
<p>Final Adjournment</p>	
<p>Meeting adjourned by Director Griffith at 1:55 p.m.</p>	
<p>Signatures:</p> <div style="display: flex; justify-content: space-between; margin-top: 100px;"> <div style="text-align: center;"> <p>Committee Chair</p> </div> <div style="text-align: center;"> <p>_____</p> <p>Linda Greer, RN</p> </div> </div>	
<div style="display: flex; justify-content: space-between; margin-top: 100px;"> <div style="text-align: center;"> <p>Committee Assistant</p> </div> <div style="text-align: center;"> <p>_____</p> <p>Carla Albright</p> </div> </div>	

Margin Improvement / Turnaround Project Financial Update

Reporting Month: Jul-25

September 5, 2025

FY25 resulted in \$67.5M cumulative realization vs. \$46.2M forecast. Rolling 3-mo. run-rate equaled \$8.2M vs. \$8.6M YE goal



- June performance fell below target due to timing of a one-time RN bonus accrual. However, Worked FTEs remained favorable, reflecting staffing efficiency and improved productivity. All other workstreams sustained improvement trends, and **without the one-time accrual, June actuals would be trending toward the \$12.5M run rate.**
- Prior months (Jan–Jun) were retroactively adjusted to reflect gains from denial reductions and payer rate increases.
- One-time, non-operating revenue gains related to Graybill asset purchases/rent were removed from actuals.

In FY25, key initiatives across all workstreams accelerated operational turnaround and improved financial performance

Key FY25 Initiatives Implemented¹:

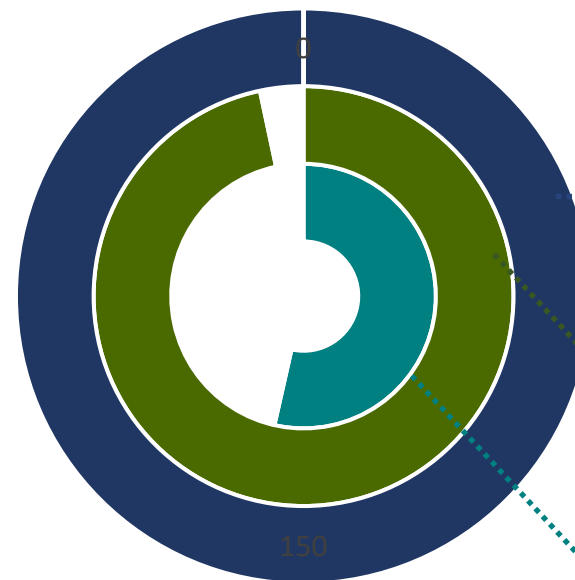
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|------------------|---|------------------|---|
| ✓ \$16.9M | Revenue Cycle Revenue Cycle optimization which created a foundation for revenue yield improvement, denials reductions, and cash acceleration | ✓ \$11.5M | Corporate Services Renegotiated/Eliminated contracts and restructured corporate functions to reduce overall spend |
| ✓ \$10.9M | Supply Chain Renegotiated/Eliminated contracts and managed purchased services utilization to reduce non-labor spend | ✓ \$1.3M | PHMG Restructured/Eliminated directorships to reduce unnecessary expenses. Established foundation to drive productivity improvements in FY26 |
| ✓ \$13.4M | Care Transitions Implemented processes to reduce length of stay which improved capacity and throughput | ✓ \$4.7M | Hospital Strategy Finalized agreement with Rady's. Improved Radiation Oncology capacity and added HDR to drive growth of service line |
| ✓ \$26.5M | Workforce Revamped productivity targets, implemented position control, and monitored productivity biweekly, leading to improved labor efficiencies and lower premium pay utilization | ✓ \$15.0M | Managed Care Renegotiated managed care rates |

¹Implemented to date (TD) reflects pipeline initiatives actively implemented, with a confidence factor applied to projected impact. Implemented dollars on slide reflect key initiatives only.

Palomar Health has implemented a projected \$145.0M of initiatives and realized \$80.3M over the past 12 months

Key upcoming high value initiatives include:

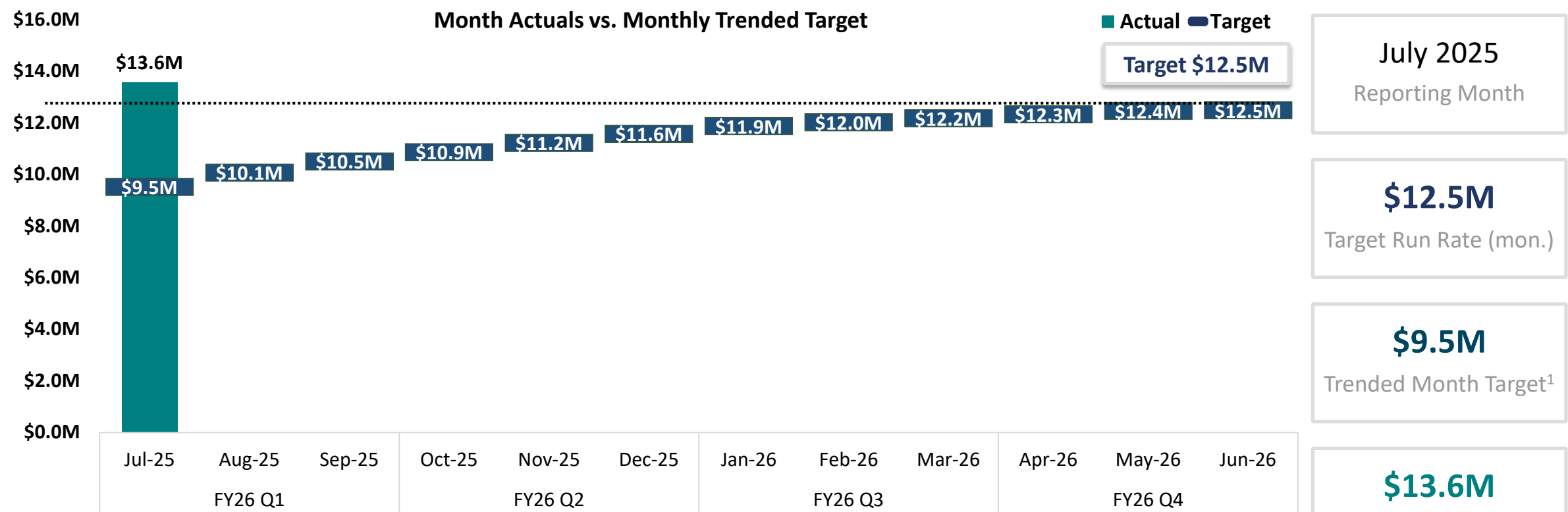
- ❑ **\$15.0M** **Denials Reduction** | Initial and fatal denials reduction, supported by UM improvement
- ❑ **\$10.0M** **PHMG** | Increase PB and HB revenue due to improved patient access & capacity management
- ❑ **\$3.1M** **Corporate Services** | Department restructuring and vendor management
- ❑ **\$5.7M** **Care Transitions** | Reinvigorate efforts to hardwire processes, improve throughput and optimize post-acute care (SNF) integration
- ❑ **\$12.3M** **Workforce** | Continue focus on biweekly productivity and position control. Implement additional premium pay strategies



Pipeline value has increased **\$15.0M** from **\$231.8M** reported at 6/25 Finance Committee; increase driven by denials reduction exceeding initial projections based on Avoidable Write-Offs. Implemented value has increased **\$13.9M** from **\$131.0M** previously reported; increase driven by revenue cycle and implementation of remaining purchased services initiatives.

¹Implemented to date (TD) reflects pipeline initiatives actively implemented, with a confidence factor applied to projected impact.

Initiative performance in July 2025 resulted in \$13.6M in realization, exceeding monthly target of \$9.5M



July's performance (\$13.6M) surpassed both the July'25 forecast of \$9.5M and the overall monthly run-rate goal of \$12.5M. Realization was driven by ongoing Revenue Cycle improvements, continued progress in reducing length of stay (LOS) and capacity management, as well as effective control of labor and non-labor expenses.

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

Workstream	Jun (Current Month)		Jul (Current Month)		Aug	Status
	Target	Actual	Target	Actual	Target	
Revenue Cycle	\$2.7M	\$8.4M	\$2.9M	\$8.0M	\$3.0M	
PHMG	\$1.1M	\$0.2M	\$1.2M	\$0.2M	\$1.3M	
Workforce & Periop	\$1.2M	(\$10.0M)	\$1.3M	\$1.1M	\$1.5M	
Corporate Services	\$1.1M	\$0.6M	\$1.2M	\$0.7M	\$1.2M	
Hospital Strategy	\$1.0M	\$1.9M	\$1.1M	\$1.1M	\$1.2M	
Care Transitions & PSA	\$1.0M	\$2.0M	\$1.0M	\$1.6M	\$1.0M	
Supply Chain & PS	\$0.4M	\$0.7M	\$0.7M	\$0.7M	\$0.7M	
Facilities & Real Estate	\$0.1M	\$0.0M	\$0.1M	\$0.0M	\$0.1M	
Total:	\$8.6M	\$3.8M	\$9.5M	\$13.6M	\$10.1M	

¹Prior months (Jan–June) were retroactively adjusted to reflect gains from denial reductions and payer rate increases.

Key Updates

- Revenue Cycle:** Avoidable Write-Offs as a % of NPR have declined since Jan-25; Overall denials reduction has outpaced projections/targets, and HB cash collections continue to surpass prior year levels
- PHMG:** Focus has shifted to strengthening collections and deploying productivity and access strategies essential for driving volume and revenue growth
- Workforce:** Sustained emphasis on productivity and cost containment to achieve FY26 budget targets; Implementing *additional strategies* aimed at reducing premium pay
- Corporate Services:** HR function transitioned in-house; projected to lower service delivery costs
- Hospital Strategy:** NICU program agreement finalized; Expecting Radiation Oncology volume growth through new offering of HDR brachytherapy and increased capacity
- Supply Chain:** All active initiatives fully implemented and in monitoring phase

July 2025

Reporting Month

\$9.5M

Trended Month Target

\$13.6M

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

Pre-Audit

**June 2025
Unaudited**

<u>Page</u>	<u>Report</u>
3	Key Achievements & Strategic Initiatives
4	FY2025 Financial Performance Highlights
5-7	Executive Dashboard
8	Income Statement for Fiscal Period, Excludes PHMG
9	Income Statement for Current Year, Excludes PHMG
10	Income Statement for the Current Year versus Prior Year, Excludes PHMG
11	Income Statement for the Current Fiscal Year Trend, Excludes PHMG
12	Statement of Net Position excluding G.O. Bonds, Excludes PHMG
13	Statement of Net Position including G.O. Bonds, Excludes PHMG
14	Statement of Cash Flows, Excludes PHMG
16	Condensed Combining Statement of Net Position for the Fiscal Year-to-Date Ended June 30, 2025
17	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position for the Fiscal Year-to-Date Ended June 30, 2025
18	Condensed Combining Statement of Net Position
19	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position
20	Condensed Combining Statement of Cash Flows
21	Bond Covenants

Key Achievements:

- **Extended repayment of CHFFA loan through**
- **Vendor / Payables Update** – Reduced outstanding payables by \$28M/ 23% since December 2024
- **Hospital Performance** – Improved net income from (\$136.8M) to (\$95.8M) and had positive EBIDA margin of 4.4%

Strategic Initiatives Update:

- **Revenue cycle improvements** – denial rate decline from 15% to 2%
- **MediCal Update** – baseline revenue increase of \$48M and very little change to the supplemental program in 2026; from 2027 onward will see reductions per the federal mandates
- **UCSD LOI** – signed and working towards a definitive agreement

Volumes and Utilization Statistics

- Significant volume growth; 13.3% increase in total discharges and 6.4% increase in total patient days from prior year
- 5.8% increase in surgical volume and 0.2% increase in ER visits from prior year
- Significant increases in imaging volume, including a 23.3% increase in MRI procedures and a 11.4% increase in CAT procedures at Poway
- Reduction in length of stay to 4.30 days from 4.51 days from prior year

Hospital Financial Performance

- Increased total revenue by over \$76 million from prior year (>10% growth)
- Hospital EBIDA margin improved to 4.4% in 2025 from (1.3%) in 2024, a 5.7% increase

Consolidated Financial Performance

- Generated a consolidated EBIDA margin of 1.6%
- Cash ended the year at 18.7 days
- Debt Service Coverage ended at (0.63) up from (1.13)

	Month					Year to Date				
	Actual Jun-25	Budget Jun-25	Budget Variance	Prior Year Jun-24	Prior Year Variance	Actual Jun-25	Budget Jun-25	Budget Variance	Prior Year Jun-24	Prior Year Variance
Key Volumes										
Discharges - Total	2,341	2,005	16.8%	2,066	13.3%	26,723	23,626	13.1%	24,025	11.2%
Acute - General	2,296	1,952	17.6%	1,992	15.3%	26,237	22,977	14.2%	22,976	14.2%
Acute - Behavioral Health	-	-	0.0%	35	(100.0%)	-	-	0.0%	522	(100.0%)
Total Acute Discharges	2,296	1,952	17.6%	2,027	13.3%	26,237	22,977	14.2%	23,498	11.7%
The Villas at Poway	45	53	(14.6%)	39	15.4%	486	649	(25.1%)	527	(7.8%)
Patient Days - Total	12,031	11,959	0.6%	11,304	6.4%	144,501	142,595	1.3%	141,615	2.0%
Acute - General	9,562	8,689	10.1%	8,422	13.5%	112,703	102,799	9.6%	102,011	10.5%
Acute - Behavioral Health	-	-	0.0%	239	(100.0%)	-	-	0.0%	3,887	(100.0%)
Total Acute Patient Days	9,562	8,689	10.1%	8,661	10.4%	112,703	102,799	9.6%	105,898	6.4%
The Villas at Poway	2,469	3,270	(24.5%)	2,643	(6.6%)	31,798	39,796	(20.1%)	35,717	(11.0%)
Acute Adjusted Discharges	3,588	3,273	9.6%	3,266	9.9%	41,477	38,537	7.6%	39,213	5.8%
Total Adjusted Discharges*	3,643	3,325	9.6%	3,305	10.2%	42,054	39,186	7.3%	39,751	5.8%
Acute Adjusted Patient Days	14,942	14,562	2.6%	13,954	7.1%	178,076	172,290	3.4%	176,653	0.8%
Total Adjusted Patient Days*	17,411	17,832	(2.4%)	16,597	4.9%	209,874	212,086	(1.0%)	212,370	(1.2%)
Acute Average Daily Census	319	290	10.1%	289	10.4%	309	282	9.6%	289	6.7%
Total Average Daily Census*	401	399	0.6%	377	6.4%	396	391	1.3%	387	2.3%
Surgeries - Total	962	1,027	(6.3%)	909	5.8%	11,118	11,454	(2.9%)	11,466	(3.0%)
Inpatient	573	515	11.2%	519	10.4%	6,203	5,948	4.3%	5,937	4.5%
Outpatient	389	512	(24.0%)	390	(0.3%)	4,915	5,506	(10.7%)	5,529	(11.1%)
Deliveries	274	316	(13.3%)	296	(7.4%)	3,393	3,544	(4.3%)	3,597	(5.7%)
ER Visits (Includes Trauma) - Total	9,586	10,435	(8.1%)	9,568	0.2%	122,352	126,786	(3.5%)	122,029	0.3%
Inpatient	1,841	1,415	30.1%	1,406	30.9%	20,782	17,228	20.6%	17,080	21.7%
Outpatient	7,745	9,020	(14.1%)	8,162	(5.1%)	101,570	109,558	(7.3%)	104,949	(3.2%)

	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jun-25	Jun-25	Variance	Jun-24	Variance	Jun-25	Jun-25	Variance	Jun-24	Variance
Cardiac Cath RVUs	951	1,271	(25.2%)	946	0.5%	12,586	15,904	(20.9%)	14,914	(15.6%)
Escondido Interv. Radiology RVUs	868	996	(12.9%)	955	(9.1%)	11,147	11,256	(1.0%)	11,217	(0.6%)
Poway Interv. Radiology RVUs	286	284	0.7%	176	62.2%	3,233	3,127	3.4%	2,925	10.5%
Radiation Oncology RVUs	3,504	3,132	11.9%	4,006	(12.5%)	37,488	48,216	(22.3%)	39,680	(5.5%)
Infusion Therapy Hours	1,123	855	31.4%	873	28.6%	11,907	10,400	14.5%	9,421	26.4%
Imaging										
Escondido CAT Procedures	9,115	8,239	10.6%	8,763	4.0%	109,258	96,289	13.5%	97,258	12.3%
Poway CAT Procedures	2,969	2,352	26.2%	2,665	11.4%	32,363	29,539	9.6%	28,095	15.2%
Escondido MRI Procedures	466	362	28.7%	438	6.4%	5,756	4,504	27.8%	4,657	23.6%
Poway MRI Procedures	164	173	(5.0%)	133	23.3%	1,594	1,631	(2.3%)	1,682	(5.2%)
Escondido Diagnostic Rad. Procedures	6,715	6,844	(1.9%)	6,763	(0.7%)	84,097	84,020	0.1%	83,678	0.5%
Poway Diagnostic Rad. Procedures	2,123	2,296	(7.5%)	2,254	(5.8%)	26,748	27,820	(3.9%)	25,932	3.2%
*Includes The Villas at Poway										

	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jun-25	Jun-25	Variance	Jun-24	Variance	Jun-25	Jun-25	Variance	Jun-24	Variance
Key Statistics										
Acute Average LOS - Days	4.16	4.45	6.4%	4.27	(2.5%)	4.30	4.47	4.0%	4.51	(4.7%)
Acute - General	4.16	4.45	6.4%	4.23	(1.5%)	4.30	4.47	4.0%	4.44	(3.3%)
Acute Behavioral Health	0.00	0.00	0.0%	6.83	(100.0%)	0.00	0.00	0.0%	7.45	(100.0%)
Average Observation Hours	23	31	23.4%	31	(23.4%)	26	36	27.0%	36	(27.0%)
Acute Case Mix - Excludes Deliveries	1.63	1.76	7.4%	1.76	(7.4%)	1.70	1.77	4.0%	1.77	(4.0%)
Acute Case Mix - Medicare Only	1.59	1.76	9.7%	1.76	(9.7%)	1.68	1.77	5.1%	1.77	(5.1%)
Labor Productivity by Hrs						99.7%	100%	0.3%	98.9%	0.8%
Days Cash on Hand						19.2			32.6	
Financial Performance										
Operating Income	(15,175,612)	2,090,092	(17,265,704)	(47,678,251)	32,502,639	(65,485,142)	3,000,078	(68,485,220)	(116,253,834)	50,768,692
Net Income	(16,841,459)	2,245,221	(19,086,680)	(50,921,247)	34,079,788	(79,083,251)	(11,346,251)	(67,737,000)	(136,782,067)	57,698,816
Oper. Expenses/Adj. Patient Days	4,505	3,968	13.6%	4,385	2.8%	3,930	3,911	0.5%	3,777	4.0%
EBIDA Margin-Excludes PHMG	(8.5%)	15.8%	(153.8%)	(96.9%)	(91.2%)	4.4%	12.2%	(63.9%)	(1.3%)	(438.5%)
EBIDA-Excludes PHMG	(5,827,377)	12,306,649	(147.4%)	(31,873,799)	(81.7%)	36,390,160	108,679,581	(66.5%)	(9,905,017)	(467.4%)

Note: Financial Performance excludes GO Bonds

	<u>Actual</u> <u>Jun 25</u>	<u>Budget</u> <u>Jun 25</u>	<u>Variance</u> <u>Jun 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>
Adjusted Patient Days	17,411	17,832	(421)					
Adjusted Discharges	3,643	3,325	318					
Operating Revenue								
Gross revenue	488,941,085	469,261,494	19,679,591	(11,078,908)	30,758,499	28,082.31	26,315.70	1,766.61
Deductions from revenue	(421,938,627)	(392,562,574)	(29,376,053)	9,268,105	(38,644,158)	(24,234.03)	(22,014.50)	(2,219.53)
Net patient revenue	67,002,458	76,698,920	(9,696,462)	(1,810,803)	(7,885,659)	3,848.28	4,301.20	(452.91)
Other operating revenue	1,206,115	1,357,165	(151,050)	(32,042)	(119,008)	69.27	76.11	(6.84)
Total net revenue	68,208,573	78,056,085	(9,847,512)	(1,842,845)	(8,004,667)	3,917.56	4,377.30	(459.75)
Operating Expenses								
Salaries, wages & contract labor	41,315,919	33,285,223	(8,030,696)	785,839	(8,816,535)	2,372.98	1,866.60	(506.38)
Benefits	9,578,067	8,948,170	(629,897)	211,260	(841,157)	550.12	501.80	(48.31)
Supplies	10,913,977	10,173,889	(740,088)	240,198	(980,286)	626.84	570.54	(56.30)
Prof fees & purch svcs	13,308,388	14,096,126	787,738	332,799	454,939	764.37	790.50	26.13
Depreciation & amortization	4,941,129	5,208,384	267,255	122,966	144,289	283.79	292.08	8.29
Other	3,326,705	4,254,201	927,496	100,438	827,058	191.07	238.57	47.50
Total expenses	83,384,185	75,965,993	(7,418,192)	1,793,499	(9,211,691)	4,789.17	4,260.09	(529.07)
Income from operations	(15,175,612)	2,090,092	(17,265,704)	(49,345)	(17,216,359)	(871.61)	117.21	69.33
Non-operating revenue (expense)								
Property tax revenues ¹	1,969,359	2,125,000	(155,641)					
Investment Income	2,158,056	881,116	1,276,940					
Interest Expense	(4,594,154)	(4,130,682)	(463,472)					
Non-operating depreciation & amortization	(1,478,800)	(722,363)	(756,437)					
Other non-operating revenue(expense)	279,692	2,002,058	(1,722,366)					
Net income(loss) ²	(16,841,459)	2,245,221	(19,086,680)					

EBIDA Margin (8.5%) 15.8% (24.3%)

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

2= Excludes G.O. Bonds income / expense

	<u>Actual</u> <u>Jun 25</u>	<u>Budget</u> <u>Jun 25</u>	<u>Variance</u> <u>Jun 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>
Adjusted Patient Days	209,874	212,086	(2,212)					
Adjusted Discharges	42,054	39,186	2,868					
Operating Revenue								
Gross revenue	5,814,960,231	5,618,319,055	196,641,176	(58,597,558)	255,238,734	27,706.91	26,490.76	1,216.15
Deductions from revenue	(5,006,108,594)	(4,740,025,723)	(266,082,871)	49,437,195	(315,520,066)	(23,852.92)	(22,349.55)	(1,503.38)
Net patient revenue	808,851,637	878,293,332	(69,441,695)	(9,160,363)	(60,281,332)	3,853.99	4,141.21	(287.23)
Other operating revenue	11,791,040	16,053,985	(4,262,945)	(167,439)	(4,095,506)	56.18	75.70	(19.51)
Total net revenue	820,642,677	894,347,317	(73,704,640)	(9,327,802)	(64,376,838)	3,910.17	4,216.91	(306.74)
Operating Expenses								
Salaries, wages & contract labor	388,673,876	394,577,870	5,903,994	4,115,341	1,788,653	1,851.94	1,860.46	8.52
Benefits	99,033,974	102,117,339	3,083,365	1,065,056	2,018,309	471.87	481.49	9.62
Supplies	125,551,937	120,744,849	(4,807,088)	1,259,336	(6,066,424)	598.23	569.32	(28.91)
Prof fees & purch svcs	176,043,273	169,943,154	(6,100,119)	1,772,461	(7,872,580)	838.80	801.29	(37.51)
Depreciation & amortization	61,325,345	61,789,216	463,871	644,445	(180,574)	292.20	291.34	(0.86)
Other	35,499,414	42,174,811	6,675,397	439,872	6,235,525	169.15	198.86	29.71
Total expenses	886,127,819	891,347,239	5,219,420	9,296,512	(4,077,092)	4,222.19	4,202.76	(19.43)
Income from operations	(65,485,142)	3,000,078	(68,485,220)	(31,290)	(68,453,930)	(312.02)	14.15	(287.31)
Non-operating revenue (expense)								
Property tax revenues ¹	24,371,829	25,500,000	(1,128,171)					
Investment Income	16,917,081	12,350,355	4,566,726					
Interest Expense	(53,166,053)	(49,568,183)	(3,597,870)					
Non-operating depreciation & amortization	(17,719,953)	(8,668,436)	(9,051,517)					
Other non-operating revenue(expense)	(738,952)	6,039,935	(6,778,887)					
Net income(loss) ²	(95,821,190)	(11,346,251)	(84,474,939)					

EBIDA Margin 4.4% 12.2% (7.7%)

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

2= Excludes G.O. Bonds income / expense

Income Statement for the Current Year versus Prior Year

Excludes PHMG

	<u>Actual</u> <u>Jun 25</u>	<u>Prior Year</u> <u>Jun 24</u>	<u>Variance</u> <u>Jun 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>
Adjusted Patient Days	209,874	212,370	(2,496)					
Adjusted Discharges	42,054	39,751	2,303					
Operating Revenue								
Gross revenue	5,814,960,231	5,326,894,932	488,065,299	(62,607,382)	550,672,681	27,706.91	25,083.09	2,623.83
Deductions from revenue	(5,006,108,594)	(4,596,725,338)	(409,383,256)	54,025,646	(463,408,902)	(23,852.92)	(21,644.89)	(2,208.03)
Net patient revenue	808,851,637	730,169,594	78,682,043	(8,581,736)	87,263,779	3,853.99	3,438.20	415.79
Other operating revenue	11,791,040	13,655,481	(1,864,439)	(160,494)	(1,703,947)	56.18	64.30	(8.12)
Total net revenue	820,642,677	743,825,075	76,817,604	(8,742,230)	85,559,832	3,910.17	3,502.50	407.67
Operating Expenses								
Salaries, wages & contract labor	388,673,876	385,567,812	(3,106,064)	4,531,606	(7,637,670)	1,851.94	1,815.55	(36.39)
Benefits	99,033,974	99,308,696	274,722	1,167,182	(892,460)	471.87	467.62	(4.25)
Supplies	125,551,937	118,009,078	(7,542,859)	1,386,969	(8,929,828)	598.23	555.68	(42.55)
Prof fees & purch svcs	176,043,273	161,211,726	(14,831,547)	1,894,733	(16,726,280)	838.80	759.11	(79.70)
Depreciation & amortization	61,325,345	57,894,071	(3,431,274)	680,433	(4,111,707)	292.20	272.61	(19.59)
Other	35,499,414	38,087,526	2,588,113	447,645	2,140,467	169.15	179.35	10.20
Total expenses	886,127,819	860,078,909	(26,048,909)	10,108,570	(36,157,480)	4,222.19	4,049.91	(172.28)
Income from operations	(65,485,142)	(116,253,834)	50,768,692	1,366,340	49,402,352	(312.02)	(547.41)	579.95
Non-operating revenue (expense)								
Property tax revenues ¹	24,371,829	23,366,470	1,005,359					
Investment Income	16,917,081	17,906,099	(989,018)					
Interest Expense	(53,166,053)	(52,574,165)	(591,888)					
Non-operating depreciation & amortization	(17,719,953)	(16,408,812)	(1,311,141)					
Other non-operating revenue(expense)	(738,952)	7,182,175	(7,921,127)					
Net income(loss) ²	(95,821,190)	(136,782,067)	40,960,877					

EBIDA Margin 4.4% (1.3%) 5.8%

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

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Fiscal Year 2025
Adjusted Patient Days	16,533	17,241	17,034	17,052	16,530	17,801	19,261	18,126	18,196	16,766	17,923	17,411	209,874
Adjusted Discharges	3,374	3,358	3,348	3,424	3,237	3,575	3,507	3,403	3,706	3,629	3,850	3,643	42,054
Operating Revenue													
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	488,941,085	5,814,960,231
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)	(421,938,627)	(5,006,108,594)
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	67,002,458	808,851,637
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	1,206,115	11,791,040
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	68,208,573	820,642,677
Operating Expenses													
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	41,315,919	388,673,876
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	9,578,067	99,033,974
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	10,913,977	125,551,937
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	12,988,998	13,308,388	176,043,273
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	4,941,129	61,325,345
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	3,326,705	35,499,414
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	72,272,198	83,384,185	886,127,819
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)	(403,673)	(15,175,612)	(65,485,142)
Non-operating revenue (expense)													
Property tax revenues ¹	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	1,969,359	24,371,829
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	2,158,056	16,917,081
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)	(4,594,154)	(53,166,053)
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)	(1,478,800)	(17,719,953)
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)	279,692	(738,952)
Net income(loss) ²	(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)	(4,932,146)	(16,841,459)	(95,821,190)
EBIDA Margin	9.9%	(0.3%)	1.3%	6.7%	0.4%	5.3%	12.0%	10.2%	8.9%	(3.3%)	8.3%	(8.5%)	4.4%

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

	Current Fiscal Year				Prior Fiscal Year
Assets	Mar-25	Apr-25	May-25	Jun-25	Jun-24
Current Assets					
Cash and cash equivalents	6,004,778	6,593,276	14,810,682	15,000,751	17,359,239
Investments	21,158,125	26,354,278	30,408,253	28,463,741	54,298,096
Board Designated	-	-	-	-	7,082,739
Total cash, cash equivalents & investments	27,162,903	32,947,553	45,218,935	43,464,492	78,740,073
Patient Accounts Receivable	545,172,225	525,879,658	479,029,989	504,133,063	475,079,653
Allowance on accounts	(384,065,405)	(374,907,063)	(327,387,929)	(360,699,498)	(327,700,367)
Net accounts receivable	161,106,820	150,972,595	151,642,060	143,433,565	147,379,287
Inventories	12,797,227	12,801,659	12,804,193	12,194,024	12,512,288
Prepaid expenses	15,904,150	13,831,848	10,322,531	8,309,163	9,872,204
Est. third party settlements	104,370,756	107,704,649	91,642,530	95,529,680	87,806,947
Other	77,782,246	72,785,125	71,148,019	71,655,916	71,689,100
Total current assets	399,124,103	391,043,429	382,778,268	374,586,839	407,999,899
Non-Current Assets					
Restricted assets	93,215,845	105,938,702	87,051,017	87,348,717	106,528,977
Restricted other	357,396	357,554	357,623	357,688	356,833
Total restricted assets	93,573,240	106,296,256	87,408,640	87,706,405	106,885,809
Property, plant & equipment	1,555,425,207	1,555,505,599	1,555,434,423	1,593,114,786	1,556,364,751
Accumulated depreciation	(676,321,198)	(679,826,761)	(682,748,720)	(686,328,663)	(644,358,038)
Construction in process	70,379,627	71,352,821	74,049,539	39,167,673	57,513,297
Net property, plant & equipment	949,483,636	947,031,659	946,735,242	945,953,795	969,520,010
Right of Use Assets	319,395,245	316,497,623	313,922,957	311,158,753	334,609,278
Investment related companies	3,768,054	3,455,870	3,059,666	5,718,913	6,754,766
Prepaid debt insurance costs	7,064,218	7,038,244	7,012,271	6,986,297	7,298,149
Other non-current assets	67,462,779	66,985,161	66,476,790	66,188,501	78,831,767
Total non-current assets	1,440,747,173	1,447,304,813	1,424,615,565	1,423,712,664	1,503,899,779
Total assets	1,839,871,276	1,838,348,242	1,807,393,833	1,798,299,503	1,911,899,678
Deferred outflow of resources-loss on refunding of debt	42,556,485	42,338,570	42,120,656	41,902,741	44,517,717
Total assets and deferred outflow of resources	1,882,427,761	1,880,686,812	1,849,514,488	1,840,202,244	1,956,417,396

	Current Fiscal Year				Prior Fiscal Year
Liabilities	Mar-25	Apr-25	May-25	Jun-25	Jun-24
Current Liabilities					
Accounts payable	113,762,981	106,731,078	94,435,320	94,240,154	67,475,287
Accrued payroll	30,985,657	31,805,190	35,980,888	49,881,621	38,178,331
Accrued PTO	22,880,548	23,052,607	23,414,051	23,828,506	24,267,836
Accrued interest payable	16,289,392	18,635,765	4,036,001	7,842,158	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	21,293,255	21,395,699	21,542,184	21,510,594	20,245,743
Est. third party settlements	15,227,643	15,227,642	12,664,800	8,593,099	16,933,480
Other current liabilities	126,694,795	146,334,378	149,066,305	147,853,725	128,832,172
Total current liabilities	356,059,270	372,107,358	350,064,548	362,674,857	313,367,918
Long Term Liabilities					
Other LT liabilities	27,510,361	27,488,455	27,466,551	27,444,646	27,708,572
Bonds & contracts payable	713,867,919	713,645,212	713,422,506	713,199,799	724,797,898
Lease liabilities	332,771,496	330,751,934	329,391,671	327,879,779	342,095,335
Total long term liabilities	1,074,149,775	1,071,885,601	1,070,280,728	1,068,524,225	1,094,601,805
Total liabilities	1,430,209,045	1,443,992,959	1,420,345,276	1,431,199,082	1,407,969,723
Deferred inflow of resources- unearned revenue	6,699,024	6,648,506	6,597,988	6,547,471	6,653,683
Total liabilities and deferred inflow of resources	1,436,908,069	1,450,641,465	1,426,943,264	1,437,746,553	1,414,623,405
Net Position					
Unrestricted	445,162,297	429,687,793	422,213,601	402,098,003	541,437,159
Restricted for other purpose	357,396	357,554	357,623	357,688	356,833
Total net position	445,519,692	430,045,347	422,571,224	402,455,691	541,793,991
Total liabilities, deferred inflow of resources and net position	1,882,427,761	1,880,686,812	1,849,514,488	1,840,202,244	1,956,417,396

Statement of Net Position including G.O. Bonds Excludes PHMG

Assets	Current Fiscal Year					Prior Fiscal Year
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jun-24
Current Assets						
Cash and cash equivalents	3,778,125	6,004,778	6,593,276	14,810,682	15,000,751	17,359,239
Investments	32,106,194	21,158,125	26,354,278	30,408,253	28,463,741	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	43,464,492	78,740,073
Patient Accounts Receivable						
Allowance on accounts	530,520,957	545,172,225	525,879,658	479,029,989	504,133,063	475,079,653
	(373,895,989)	(384,065,405)	(374,907,063)	(327,387,929)	(360,699,498)	(327,700,367)
Net accounts receivable	156,624,969	161,106,820	150,972,595	151,642,060	143,433,565	147,379,287
Inventories	12,909,464	12,797,227	12,801,659	12,804,193	12,194,024	12,512,288
Prepaid expenses	17,240,243	15,904,150	13,831,848	10,322,531	8,309,163	9,872,204
Est. third party settlements	97,335,093	104,370,756	107,704,649	91,642,530	95,529,680	87,806,947
Other	82,132,530	87,425,434	68,361,015	68,432,002	71,973,475	71,978,298
Total current assets	402,126,618	408,767,290	386,619,319	380,062,251	374,904,398	408,289,097
Non-Current Assets						
Restricted assets	148,149,953	149,669,316	179,634,387	162,834,305	163,601,420	176,672,759
Restricted other	357,317	357,396	357,554	357,623	357,688	356,833
Total restricted assets	148,507,271	150,026,711	179,991,941	163,191,928	163,959,108	177,029,591
Property, plant & equipment	1,555,435,345	1,555,425,207	1,555,505,599	1,555,434,423	1,593,114,786	1,556,364,751
Accumulated depreciation	(672,797,656)	(676,321,198)	(679,826,761)	(682,748,720)	(686,328,663)	(644,358,038)
Construction in process	69,395,353	70,379,627	71,352,821	74,049,539	39,167,673	57,513,297
Net property, plant & equipment	952,033,041	949,483,636	947,031,659	946,735,242	945,953,795	969,520,010
Right of Use Assets	322,316,604	319,395,245	316,497,623	313,922,957	311,158,753	334,609,278
Investment related companies	2,911,516	3,768,054	3,455,870	3,059,666	5,718,913	6,754,766
Prepaid debt insurance and other costs	8,291,916	8,253,030	8,214,144	8,175,258	8,136,372	8,603,170
Other non-current assets	67,980,619	67,462,779	66,985,161	66,476,790	66,188,501	78,831,767
Total non-current assets	1,502,040,967	1,498,389,456	1,522,176,398	1,501,561,841	1,501,115,443	1,575,348,583
Total assets	1,904,167,584	1,907,156,746	1,908,795,717	1,881,624,092	1,876,019,841	1,983,637,680
Deferred outflow of resources-loss on refunding of debt	45,221,281	44,985,506	44,749,731	44,513,956	44,278,181	47,107,482
Total assets and deferred outflow of resources	1,949,388,867	1,952,142,253	1,953,545,449	1,926,138,049	1,920,298,022	2,030,745,163

Liabilities	Current Fiscal Year					Prior Fiscal Year
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jun-24
Current Liabilities						
Accounts payable	111,781,823	113,763,481	106,731,078	94,435,320	94,240,154	67,477,787
Accrued payroll	29,561,067	30,985,657	31,805,190	35,980,888	49,881,621	38,178,331
Accrued PTO	22,651,682	22,880,548	23,052,607	23,414,051	23,828,506	24,267,836
Accrued interest payable	23,182,940	29,144,315	34,557,338	23,024,224	29,897,032	28,882,187
Current portion of bonds	19,081,756	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	21,510,594	20,245,743
Est. third party settlements	16,238,521	15,227,643	15,227,642	12,664,800	8,593,099	16,933,480
Other current liabilities	31,542,998	36,852,934	57,153,511	60,577,104	60,080,928	32,742,549
Total current liabilities	275,328,272	289,229,588	309,004,820	290,720,327	307,113,691	246,738,016
Long Term Liabilities						
Other LT liabilities	27,532,265	27,510,361	27,488,456	27,466,551	27,444,646	27,708,572
Bonds & contracts payable	1,342,786,254	1,341,104,673	1,340,775,462	1,340,446,250	1,340,117,039	1,362,956,758
Lease liabilities	334,424,640	332,771,496	330,751,934	329,391,671	327,879,779	342,095,335
Total long term liabilities	1,704,743,159	1,701,386,530	1,699,015,852	1,697,304,473	1,695,441,465	1,732,760,665
Total liabilities	1,980,071,432	1,990,616,118	2,008,020,672	1,988,024,800	2,002,555,155	1,979,498,681
Deferred inflow of resources-unearned revenue	97,306,892	96,540,886	95,829,374	95,087,190	94,320,269	102,743,306
Total liabilities and deferred inflow of resources	2,077,378,324	2,087,157,003	2,103,850,046	2,083,111,990	2,096,875,424	2,082,241,987
Net Position						
Unrestricted	(128,346,774)	(135,372,146)	(150,662,151)	(157,331,564)	(176,935,090)	(51,853,656)
Restricted for other purpose	357,317	357,396	357,554	357,623	357,688	356,833
Total net position	(127,989,457)	(135,014,750)	(150,304,597)	(156,973,941)	(176,577,402)	(51,496,824)
Total liabilities, deferred inflow of resources and net position	1,949,388,867	1,952,142,253	1,953,545,449	1,926,138,049	1,920,298,022	2,030,745,163

	Jun-25	YTD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	(15,175,615)	(65,485,143)
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation Expense	4,941,129	61,325,343
Provision for bad debts	9,517,022	90,365,061
Changes in operating assets and liabilities:		
Patient accounts receivable	(1,308,527)	(86,419,340)
Property Tax and other receivables	1,338,769	6,923,744
Inventories	610,169	318,264
Prepaid expenses and other current assets	(2,586,520)	(1,197,758)
Accounts payable	(195,166)	32,784,197
Accrued compensation	14,315,188	11,263,961
Estimated settlement amounts due third-party payors	(7,958,851)	(20,071,456)
Other liabilities	(804,600)	27,725,523
Net cash provided from (used by) operating activities	2,692,998	57,532,395
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	1,177,332	45,987,578
Income (Loss) on investments	2,405,392	19,290,743
Investment in affiliates	(3,428,115)	(39,572,788)
Net cash provided from (used by) investing activities	154,609	25,705,533
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	222,079	47,753,700
Receipt of District Taxes	122,693	24,344,056
Net cash provided from non-capital financing activities	344,772	72,097,756
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds on asset sale	401	401
Acquisition of property plant and equipment	(2,798,497)	(27,937,758)
Redevelopment Trust Fund Distributions	2,059,390	3,514,066
G.O. Bond Interest paid	0	(34,538,335)
Revenue Bond Interest paid	0	(35,376,420)
ROU Interest paid	(1,299,652)	(16,537,338)
Proceeds (Payments) of Long Term Debt	0	(18,011,171)
Payments of Long Term Lease Liabilities	(963,953)	(28,807,623)
Net cash provided from (used by) capital and related financing activities	(3,002,311)	(157,694,178)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	190,069	(2,358,488)
CASH AND CASH EQUIVALENTS - Beginning of period	14,810,681	17,359,239
CASH AND CASH EQUIVALENTS - End of period	15,000,751	15,000,751

Pre-Audit

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 June 30, 2025

	Palomar Health	PHMG	PAC	NCRE	Eliminations	Total
ASSETS						
Current assets	451,212,550	46,938,112	3,971,851	237,534	(57,462,982)	444,897,065
Capital assets - net	945,953,795	7,623,802	-	868,948	-	954,446,545
Right of use assets - net	311,158,753	28,560,040	-	-	(19,235,990)	320,482,804
Non-current assets	167,694,743	2,365,808	-	-	-	170,060,550
Total assets	1,876,019,841	85,487,762	3,971,851	1,106,482	(76,698,972)	1,889,886,963
Deferred outflow of resources	44,278,181	-	-	-	-	44,278,181
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	1,920,298,022	85,487,762	3,971,851	1,106,482	(76,698,972)	1,934,165,144
LIABILITIES AND NET POSITION						
Current liabilities	289,811,815	103,301,737	36,316	1,489,987	(61,503,555.66)	333,136,296
Long-term liabilities	1,384,863,561	0	-	-	-	1,384,863,561
Right of use lease liabilities	327,879,779	23,107,554	-	-	(16,260,554)	334,726,779
Total liabilities	2,002,555,155	126,409,292	36,316	1,489,987	(77,764,110)	2,052,726,636
Deferred inflow of resources - deferred revenue	94,320,269	-	-	-	-	94,320,269
Total liabilities and deferred inflow of resources	2,096,875,424	126,409,292	36,316	1,489,987	(77,764,110)	2,147,046,905
Invested in capital assets - net of related debt	(319,940,793)	6,285,209	-	1,660,879	1,065,138	(310,929,567)
Restricted	48,003,551	-	-	-	-	48,003,551
Unrestricted	95,359,840	(47,206,739)	3,935,535	(2,044,384)	-	50,044,255
Total net position	(176,577,402)	(40,921,530)	3,935,535	(383,505)	1,065,138	(212,881,760)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	1,920,298,022	85,487,762	3,971,851	1,106,482	(76,698,972)	1,934,165,144

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

Pre-Audit

	Palomar Health	PHMG	PAC	NCRE	Elimination	YTD Consolidated
OPERATING REVENUE:						
Net patient service revenue	733,069,945	59,455,617	-	-	-	792,525,562
Shared risk revenue	75,781,692	29,915,124	-	-	(1,560,543)	104,136,273
Other revenue	11,791,040	8,409,930	223,089	1,585,511	(589,044)	21,420,526
PH Program revenue	-	30,721,053	-	-	(30,721,053)	-
Total operating revenue	820,642,677	128,501,724	223,089	1,585,511	(32,870,640)	918,082,361
OPERATING EXPENSES	824,802,474	200,234,546	974,148	1,940,291	(39,773,762)	988,177,698
DEPRECIATION AND AMORTIZATION	61,325,345	4,888,943	-	-	-	66,214,288
Total operating expenses	886,127,819	205,123,490	974,148	1,940,291	(39,773,762)	1,054,391,986
INCOME (LOSS) FROM OPERATIONS	(65,485,142)	(76,621,766)	(751,059)	(354,780)	6,903,121	(136,309,625)
NON-OPERATING INCOME (EXPENSE):						
Investment income	19,290,739	(292,318)	-	-	-	18,998,421
Interest expense	(89,066,550)	(200,781)	-	-	220,326	(89,047,005)
Property tax revenue	72,153,889	-	-	-	-	72,153,889
Other - net	(18,074,287)	(71,277)	-	-	(5,756,780)	(23,902,344)
Total non-operating expense - net	(15,696,209)	(564,376)	-	-	(5,536,454)	(21,797,039)
CHANGE IN NET POSITION	(81,181,351)	(77,186,142)	(751,059)	(354,780)	1,366,667	(158,106,664)
Interfund - PHMG	(43,899,228)	45,364,322	-	-	-	1,465,094
NET POSITION - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(28,725)	(301,529)	(56,240,193)
NET POSITION - Year to date	(176,577,402)	(40,921,530)	3,935,535	(383,505)	1,065,138	(212,881,760)
EBIDA						14,874,582
EBIDA Margin						1.6%

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

Pre-Audit

Assets		Liabilities	
Current Assets		Current Liabilities	
Cash and cash equivalents	\$ 22,258,412	Accounts payable	99,415,453
Investments	28,463,741	Accrued compensation and related liabilities	68,358,909
Patient accounts receivable - net of allowances for uncollectible accounts of \$130,598	162,985,912	Current portion of general obligation bonds	10,156,756
Other receivables	35,552,002	Current portion of long-term debt	9,132,071
Supplies and inventories	12,870,230	Current portion of lease liabilities	24,261,099
Prepaid expenses and other	10,928,938	Estimated third-party payor settlements	-
Estimated third-party payor settlements receivable	95,529,680	Other accrued liabilities	91,892,375
Assets whose use is limited - current portion	55,447	Accrued interest payable	28,466,791
Restricted cash and investments, current	76,252,703	Accrued interest payable-ROU's	1,452,842
Total current assets	444,897,065	Total current liabilities	333,136,296
		Long-term debt - general obligation bonds - net of current portion	626,917,240
Restricted Noncurrent Cash and Investments		Long-term debt - net of current portion	757,946,321
Held by trustee under indenture agreements	86,637,141	Long-term debt - Lease liability - net of current portion	334,726,779
Held by trustee under general obligation bonds indenture	76,252,703		
Held in escrow for street improvements	711,576	Total liabilities	2,052,726,636
Restricted by donor and other	357,688		
		Deferred inflow of resources - unearned revenue	94,320,269
Total restricted cash and investments	163,959,108		
		Total liabilities and deferred inflow of resources	2,147,046,905
Less amounts required to meet current obligations	76,308,150		
		Net Position	
Total restricted noncurrent cash and investments	87,650,958	Net investment in capital assets	(310,929,566)
Capital Assets - net	954,446,545	Restricted, expendable for:	
		Repayment of debt	46,934,287
Right of Use Assets - Net	320,482,805	Capital acquisitions	711,576
		Other purposes	357,688
Other Assets		Unrestricted	50,044,255
Prepaid debt insurance costs	8,136,372		
Investment in and amounts due from affiliated entities	6,370,094	Total net position	(212,881,760)
Other	67,903,124		
		Total Liabilities, Deferred Inflow of Resources, and Net Position	\$ 1,934,165,144
Total other assets	82,409,590		
Total assets	1,889,886,963		
Deferred outflow of resources - loss on refunding of debt	44,278,181		
Total Assets and Deferred Outflow of Resources	\$ 1,934,165,144		

Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$92,504	\$ 792,525,562
Premium revenue	
Shared risk revenue	104,136,273
Other revenue	21,420,526
	<hr/>
Total operating revenue	918,082,361
	<hr/>
Operating Expenses	
Salaries, wages, and benefits	645,909,136
Professional fees	44,904,544
Supplies	131,769,301
Purchased services	114,995,522
Depreciation and amortization	66,214,288
Rent expense	18,075,101
Utilities	5,965,673
Other	26,558,420
	<hr/>
Total operating expenses	1,054,391,986
	<hr/>
Income (Loss) From Operations	(136,309,625)
	<hr/>
Non-Operating Income (Expenses)	
Investment income	18,998,421
Interest expense	(89,047,005)
Property tax revenue - unrestricted	24,371,829
Property tax revenue - restricted	47,782,060
Amortization expense	(17,719,953)
Other - net	(4,717,294)
	<hr/>
Total non-operating expenses - net	(20,331,943)
	<hr/>
Change in net position	(156,641,567)
	<hr/>
Net Position - Beginning of year	(56,321,285)
	<hr/>
Net Position - Adjustment to begin Bal	81,092.00
	<hr/>
Net Position - Beginning of year (as restated)	(56,240,193)
	<hr/>
Net Position - June 30, 2025	\$ (212,881,760)
	<hr/>

CASH FROM OPERATING ACTIVITIES

Receipts from:

Patients, insurers, and other third-party payers	923,767,850
Other sources	4,233,007

Payments to:

Employees	(635,686,953)
Suppliers	(269,090,608)

Net cash provided by operating activities 23,223,297

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipt of district taxes 24,371,829

Net cash provided by noncapital financing activities 24,371,829

CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES

Acquisition and construction of capital assets	(23,925,573)
Interest payments on long-term debt	(71,278,981)
Interest payments on lease liabilities	(17,054,368)
Principal repayment on long-term debt	(18,229,070)
Principal repayment on lease obligations	(20,860,849)
Proceeds on sale of capital assets	(47,365)
Receipt of property taxes restricted for debt service on general obligation bonds	47,782,060
Other	(12,083,990)

Net cash used in capital and related financing activities (115,698,137)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(115,173,478)
Proceeds from sale of investments	169,605,336
Interest received on investments and notes receivable	11,340,062
Net cash provided by (used in) investing activities	<u>65,771,920</u>

NET INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS

(2,331,091)

CASH AND CASH EQUIVALENTS - beginning of year

24,589,503

CASH AND CASH EQUIVALENTS - end of year

\$ 22,258,412

Pre-Audit

Days Cash on Hand Ratio Covenant		June 30, 2025 Consolidated
Cash and Cash Equivalents		50,524,435
Total		50,524,435
Divide Total by Average Adjusted Expenses per Day		
Total Expenses		1,054,391,988
Less: Depreciation		66,214,288
Adjusted Expenses		988,177,699
Number of days in period		365
Average Adjusted Expenses per Day		2,707,336
Days Cash on Hand		18.7
REQUIREMENT		65

Debt Service Coverage Ratio Covenant		June 30, 2025 Consolidated
Excess of revenues over expenses		(172,391,718)
REVERSE:		
Depreciation and Amortization		66,214,288
Depreciation and Amortization-NonOp		17,719,953
Interest Expense		53,146,507
Income Available for Debt Service		(35,310,969)
Divided by:		
Maximum Annual Debt Service (excludes GO Bonds)		56,290,359
Debt Service Coverage Ratio		(0.63)
REQUIREMENT		1.15

Fiscal Year 2026 Financial Performance

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

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Highlights for July 2025

Revenue

- Gross Revenue was \$15.7M above budget, or 3.1%
- Net Patient Revenue was above budget by \$3.6M on a much improved month over previous months, or 5.1%
- Uncompensated care was \$7.7M in July compared to a budget of \$10.4M. Prior July 2024 was \$7.4M

Volumes

- July continued to be a strong month for inpatient volumes
 - Acute Inpatient days are 4.4% higher than budget and acute discharges were 3.7%
- For both surgery and emergency room, the trend has been reset for the current year
 - OP Surgery is up 2.2% from PY
 - IP ED visits are up 13.2% from PY
 - Emergency Visits in total were 7.7% below budget but we believe this is seasonal and expect this to rebound in the coming months
- Infusion Therapy was flat to prior year and Radiation Oncology was up 4.0% to budget and 10.1% higher than PY
- Length of Service remained in a low band at 4.10 days in a nod to the Care Transitions work, which leads to fewer days and lower overall expenses for the hospital

Expenses

- Total expenses were 1.1% favorable to budget, productivity targets were off by 1.7% leading to this
- Salaries were -2.6% unfavorable to budget, we are accruing for the nurse bonus and it is budgeted
- Benefits were 9.1% favorable to budget

Other Highlights

- EBIDA* for July improved to 15.0%
- Days Cash on Hand Consolidated for July was 15.4 days and represents an decrease of 3.3 days
- Cash receipts (Accounts Receivable) for Palomar Health at \$63.8M for June and \$69.9M for July, for two solid months of receipts
- Accounts Payable Current Liability reduced by \$6.1M from the previous month
- Days in Accounts Receivable (A/R) decreased 5.6 days from 66.0 days in June to 60.4 days in July
- Debt Service Coverage improved to 1.15 and we hit this covenant for the first time in over a year
- Workday project work continues and will be adjusting the go-live to Apr-26
- Due Diligence and work related to UCSD is a priority
- Audit work with Baker Tilly (formerly Moss Adams) continues and is on track for a early November completion

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

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

The percentages of Gross Patient Service Revenue from the Medicare, Managed Care Medicare, Managed Care, Medi-Cal and Managed Care Medi-Cal financial classes for the month were consistent with budget. Cash postings were \$69.9 million. Days in Net A/R are 60.4, a decrease of 5.6 days from the prior month. Uncompensated Care decreased by \$4.1 million to \$7.7 million for the month.

Revenue Cycle – Key Performance Indicators (KPIs)

Key Performance Indicators (KPI)	February 2025	March 2025	April 2025	May 2025	June 2025	July 2025	Target
Total Net A/R (\$) ¹	156,624,969	161,106,820	150,972,595	\$ 151,642,060	\$ 143,433,565	\$ 138,245,508	
Net Days in A/R (Days) ²	68.3	69.9	68.3	68.8	66.0	60.4	55.0
% AR > 90 Days	37.9%	39.5%	40.7%	41.8%	40.5%	38.8%	22.5%
% of Avoidable Denial Write-Offs	8.4%	6.1%	4.4%	2.2%	1.4%	1.3%	2.1%
Net Revenue Yield	98.8%	96.9%	103.4%	102.6%	106.6%	104.3%	98.0%

¹ 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.

² 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.

Year to Date

	Actual Jul-25	Budget Jul-25	Budget Variance	Prior Year Jul-24	Prior Year Variance
Key Volumes					
Discharges - Total	2,324	2,251	3.2%	2,091	11.1%
Acute - General	2,292	2,210	3.7%	2,058	11.4%
Total Acute Discharges	2,292	2,210	3.7%	2,058	11.4%
The Villas at Poway	32	42	(23.5%)	33	(3.0%)
Patient Days - Total	12,083	11,950	1.1%	11,202	7.9%
Acute - General	9,388	8,995	4.4%	8,581	9.4%
Total Acute Patient Days	9,388	8,995	4.4%	8,581	9.4%
The Villas at Poway	2,695	2,955	(8.8%)	2,621	2.8%
Acute Adjusted Discharges	3,700	3,384	9.3%	3,336	10.9%
Total Adjusted Discharges*	3,734	3,578	4.4%	3,374	10.7%
Acute Adjusted Patient Days	15,156	14,392	5.3%	13,912	8.9%
Total Adjusted Patient Days*	17,851	17,347	2.9%	16,533	8.0%
Calendar Days	31	31	0.0%	31	0.0%
Acute Average Daily Census	303	290	4.4%	277	9.4%
Total Average Daily Census*	390	385	1.1%	361	7.9%
Surgeries - Total	950	909	4.5%	925	2.7%
Inpatient	531	518	2.5%	515	3.1%
Outpatient	419	391	7.0%	410	2.2%
Deliveries	250	314	(20.5%)	307	(18.6%)
ER Visits (Includes Trauma) - Total	10,407	11,277	(7.7%)	11,253	(7.5%)
Inpatient	1,904	1,781	6.9%	1,683	13.1%
Outpatient	8,503	9,495	(10.5%)	9,570	(11.2%)

Year to Date

	Actual Jul-25	Budget Jul-25	Budget Variance	Prior Year Jul-24	Prior Year Variance
Cardiac Cath RVUs	1,225	1,114	10.0%	1,134	8.0%
Escondido Interv. Radiology RVUs	839	1,036	(19.0%)	1,038	(19.2%)
Poway Interv. Radiology RVUs	319	236	34.8%	216	47.5%
Radiation Oncology RVUs	3,620	3,482	4.0%	3,287	10.1%
Infusion Therapy Hours	1,038	1,113	(6.8%)	1,038	0.0%
Imaging					
Escondido CAT Procedures	9,849	9,075	8.5%	8,741	12.7%
Poway CAT Procedures	2,901	2,631	10.3%	2,567	13.0%
Escondido MRI Procedures	533	460	15.8%	437	22.0%
Poway MRI Procedures	156	131	18.7%	131	19.1%
Escondido Diagnostic Rad. Procedures	7,123	6,984	2.0%	7,045	1.1%
Poway Diagnostic Rad. Procedures	2,173	2,090	4.0%	2,097	3.6%
*Includes The Villas at Poway					

Year to Date

Key Statistics

Actual Jul-25	Budget Jul-25	Budget Variance	Prior Year Jul-24	Prior Year Variance
Acute Average LOS - Days	4.10	4.07 (0.6%)	4.17	(1.8%)
Acute - General	4.10	4.07 (0.6%)	4.17	(1.8%)
Acute Behavioral Health	0.00	0.00 0.0%	0.00	0.0%
Average Observation Hours	24	31 22.9%	31	22.9%
Acute Case Mix - Excludes Deliveries	1.64	1.74 5.8%	1.74	5.8%
Acute Case Mix -Medicare Only	1.59	1.75 9.1%	1.75	9.1%
Labor Productivity by Hrs	101.7	100 (1.7%)	99.7	(2.0%)
Days Cash on Hand	15.6		19.2	

Financial Performance

Operating Income	2,079,532	(2,000,002)	4,079,534	(2,001,314)	(2)
Net Income	330,414	(4,476,158)	4,806,572	(3,923,996)	(1)
Oper. Expenses/Adj. Patient Days	3,248	3,913 (17.0%)	4,088		(20.6%)
EBIDA Margin-Excludes PHMG	15.0%	8.6% 75.4%	9.9%		52.3%
EBIDA-Excludes PHMG	11,088,751	6,042,183	5,046,568	6,955,305	1

Note: Financial Performance excludes GO Bonds

	<u>Actual</u> <u>Jul 25</u>	<u>Budget</u> <u>Jul 25</u>	<u>Variance</u> <u>Jul 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>
Adjusted Patient Days	17,851	17,347	504					
Adjusted Discharges	3,734	3,578	156					
Operating Revenue								
Gross revenue	514,243,464	498,491,902	15,751,562	14,491,863	1,259,699	28,807.54	28,736.98	70.57
Deductions from revenue	(441,255,169)	(429,062,758)	(12,192,411)	(12,473,459)	281,048	(24,718.79)	(24,734.54)	15.74
Net patient revenue	72,988,295	69,429,144	3,559,151	2,018,403	1,540,748	4,088.75	4,002.44	86.31
Other operating revenue	864,100	1,159,790	(295,690)	33,717	(329,407)	48.41	66.86	(18.45)
Total net revenue	73,852,395	70,588,934	3,263,461	2,052,120	1,211,341	4,137.16	4,069.30	67.86
Operating Expenses								
Salaries, wages & contract labor	31,865,141	31,051,085	(814,056)	(902,699)	88,643	1,785.06	1,790.03	4.97
Benefits	7,366,292	8,107,415	741,123	(235,694)	976,817	412.65	467.37	54.72
Supplies	11,103,543	10,759,699	(343,844)	(312,800)	(31,044)	622.01	620.27	(1.74)
Prof fees & purch svcs	13,799,752	14,441,938	642,186	(419,848)	1,062,034	773.05	832.55	59.49
Depreciation & amortization	4,843,923	4,703,549	(140,374)	(136,739)	(3,635)	271.35	271.15	(0.20)
Other	2,794,212	3,525,250	731,038	(102,484)	833,522	156.53	203.22	46.69
Total expenses	71,772,863	72,588,936	816,073	(2,110,263)	2,926,336	4,020.66	4,184.59	163.93
Income from operations	2,079,532	(2,000,002)	4,079,534	(58,143)	4,137,677	116.49	(115.30)	(96.07)
Non-operating revenue (expense)								
Property tax revenues ¹	2,141,666	2,141,667	(1)					
Investment Income	1,263,897	1,176,843	87,054					
Interest Expense	(4,435,614)	(4,335,990)	(99,624)					
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	-					
Other non-operating revenue(expense)	759,733	20,124	739,609					
Net income(loss) ²	330,414	(4,476,158)	4,806,572					

EBIDA Margin 15.0% 8.6% 6.5%

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

2= Excludes G.O. Bonds income / expense

	Actual Jul 25	Prior Year Jul 24	Variance Jul 25	Variance		Dollars/Adjusted Patient Day		
				Volume	Rate/Eff	Actual	Budget	Variance
Adjusted Patient Days	17,851	16,533	1,318					
Adjusted Discharges	3,734	3,374	360					
Operating Revenue								
Gross revenue	514,243,464	485,400,622	28,842,842	38,695,822	(9,852,980)	28,807.54	29,359.50	(551.96)
Deductions from revenue	(441,255,169)	(415,757,901)	(25,497,268)	(33,143,949)	7,646,681	(24,718.79)	(25,147.15)	428.36
Net patient revenue	72,988,295	69,642,721	3,345,574	5,551,872	(2,206,298)	4,088.75	4,212.35	(123.60)
Other operating revenue	864,100	920,938	(56,836)	73,417	(130,255)	48.41	55.70	(7.30)
Total net revenue	73,852,395	70,563,659	3,288,738	5,625,289	(2,336,553)	4,137.16	4,268.05	(130.89)
Operating Expenses								
Salaries, wages & contract labor	31,865,141	32,166,595	301,454	(2,564,300)	2,865,754	1,785.06	1,945.60	160.54
Benefits	7,366,292	7,845,288	478,996	(625,421)	1,104,417	412.65	474.52	61.87
Supplies	11,103,543	9,937,683	(1,165,860)	(792,226)	(373,634)	622.01	601.08	(20.93)
Prof fees & purch svcs	13,799,752	15,022,459	1,222,707	(1,197,581)	2,420,288	773.05	908.63	135.58
Depreciation & amortization	4,843,923	4,970,802	126,879	(396,269)	523,148	271.35	300.66	29.31
Other	2,794,212	2,622,147	(172,064)	(209,036)	36,971	156.53	158.60	2.07
Total expenses	71,772,863	72,564,974	792,112	(5,784,833)	6,576,944	4,020.66	4,389.10	368.44
Income from operations	2,079,532	(2,001,315)	4,080,847	(159,544)	4,240,391	116.49	(121.05)	(499.33)
Non-operating revenue (expense)								
Property tax revenues ¹	2,141,666	2,125,000	16,666					
Investment Income	1,263,897	1,264,998	(1,101)					
Interest Expense	(4,435,614)	(4,431,370)	(4,244)					
Non-operating depreciation & amortization	(1,478,800)	(1,477,130)	(1,670)					
Other non-operating revenue(expense)	759,733	595,818	163,915					
Net income(loss) ²	330,414	(3,923,999)	4,254,413					

EBIDA Margin 15.0% 9.9% 5.2%

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

2= Excludes G.O. Bonds income / expense

Assets	Current Fiscal Year Jul-25	Prior Fiscal Year Jun-25
Current Assets		
Cash and cash equivalents	7,715,174	15,000,751
Investments	26,645,793	28,463,741
Board Designated	-	-
Total cash, cash equivalents & investments	34,360,967	43,464,492
Patient Accounts Receivable	501,661,125	504,133,063
Allowance on accounts	(363,415,617)	(360,699,498)
Net accounts receivable	138,245,508	143,433,565
Inventories	12,192,020	12,194,024
Prepaid expenses	8,414,841	8,309,163
Est. third party settlements	102,799,692	95,529,680
Other	74,667,886	71,655,917
Total current assets	370,680,916	374,586,840
Non-Current Assets		
Restricted assets	87,649,251	87,348,717
Restricted other	357,763	357,688
Total restricted assets	88,007,014	87,706,405
Property, plant & equipment	1,593,095,057	1,593,114,786
Accumulated depreciation	(689,971,427)	(686,328,663)
Construction in process	39,225,291	39,167,673
Net property, plant & equipment	942,348,921	945,953,795
Right of Use Assets		
Building leases	275,493,237	276,832,758
Sub-leases	224,796	234,948
Equipment leases	17,510,542	18,084,940
SBITA	15,250,219	16,006,107
Net right of use assets	308,478,794	311,158,754
Investment related companies	5,861,473	5,718,913
Prepaid debt insurance costs	6,960,323	6,986,297
Other non-current assets	65,898,846	66,188,501
Total non-current assets	1,417,555,370	1,423,712,664
Total assets	1,788,236,286	1,798,299,504
Deferred outflow of resources-loss on refunding of debt	41,684,826	41,902,741
Total assets and deferred outflow of resources	1,829,921,112	1,840,202,245

Liabilities	Current Fiscal Year Jul-25	Prior Fiscal Year Jun-25
Current Liabilities		
Accounts payable	88,471,281	94,240,154
Accrued payroll	39,035,660	49,881,621
Accrued PTO	24,100,886	23,828,506
Accrued interest payable	10,889,126	7,842,158
Current portion of bonds	8,925,000	8,925,000
Current portion of lease liab	21,307,427	21,510,594
Est. third party settlements	8,593,099	8,593,099
Other current liabilities	156,580,782	147,853,726
Total current liabilities	357,903,261	362,674,858
Long Term Liabilities		
Other LT liabilities	27,422,742	27,444,646
Bonds & contracts payable	712,977,093	713,199,799
Lease liabilities	325,881,387	327,879,779
Total long term liabilities	1,066,281,221	1,068,524,225
Total liabilities	1,424,184,482	1,431,199,083
Deferred inflow of resources-unearned revenue	6,538,620	6,547,471
Total liabilities and deferred inflow of resources	1,430,723,102	1,437,746,554
Net Position		
Unrestricted	398,840,247	402,098,003
Restricted for other purpose	357,763	357,688
Total net position	399,198,010	402,455,691
Total liabilities, deferred inflow of resources and net position	1,829,921,112	1,840,202,245

Statement of Net Position including G.O. Bonds Excludes PHMG

Assets	Current Fiscal Year Jul-25	Prior Fiscal Year Jun-25
Current Assets		
Cash and cash equivalents	7,715,174	15,000,751
Investments	26,645,793	28,463,741
Board Designated	-	-
Total cash, cash equivalents & investments	34,360,967	43,464,492
Patient Accounts Receivable	501,661,125	504,133,063
Allowance on accounts	(363,415,617)	(360,699,498)
Net accounts receivable	138,245,508	143,433,565
Inventories	12,192,020	12,194,024
Prepaid expenses	8,414,841	8,309,163
Est. third party settlements	102,799,692	95,529,680
Other	78,800,647	71,973,475
Total current assets	374,813,677	374,904,398
Non-Current Assets		
Restricted assets	164,462,664	163,601,420
Restricted other	357,763	357,688
Total restricted assets	164,820,427	163,959,108
Property, plant & equipment	1,593,095,057	1,593,114,786
Accumulated depreciation	(689,971,427)	(686,328,663)
Construction in process	39,225,291	39,167,673
Net property, plant & equipment	942,348,921	945,953,795
Right of Use Assets		
Building leases	275,493,237	276,832,758
Sub-leases	224,796	234,948
Equipment leases	17,510,542	18,084,940
SBITA	15,250,219	16,006,107
Net right of use assets	308,478,794	311,158,754
Investment related companies	5,861,473	5,718,913
Prepaid debt insurance and other costs	8,098,093	8,136,372
Other non-current assets	65,898,846	66,188,501
Total non-current assets	1,495,506,553	1,501,115,443
Total assets	1,870,320,231	1,876,019,841
Deferred outflow of resources-loss on refunding of debt	44,042,405	44,278,181
Total assets and deferred outflow of resources	1,914,362,636	1,920,298,022

Liabilities	Current Fiscal Year Jul-25	Prior Fiscal Year Jun-25
Current Liabilities		
Accounts payable	88,471,281	94,240,154
Accrued payroll	39,035,660	49,881,621
Accrued PTO	24,100,886	23,828,506
Accrued interest payable	36,010,651	29,897,032
Current portion of bonds	19,081,756	19,081,756
Current portion of lease liab	21,307,427	21,510,594
Est. third party settlements	8,593,099	8,593,099
Other current liabilities	91,031,369	81,698,710
Total current liabilities	327,632,129	328,731,473
Long Term Liabilities		
Other LT liabilities	27,422,742	27,444,646
Bonds & contracts payable	1,339,761,558	1,340,117,039
Lease liabilities	325,881,387	327,879,779
Total long term liabilities	1,693,065,686	1,695,441,465
Total liabilities	2,020,697,815	2,024,172,938
Deferred inflow of resources- unearned revenue	72,088,033	72,702,486
Total liabilities and deferred inflow of resources	2,092,785,848	2,096,875,424
Net Position		
Unrestricted	(178,780,975)	(176,935,090)
Restricted for other purpose	357,763	357,688
Total net position	(178,423,212)	(176,577,402)
Total liabilities, deferred inflow of resources and net position	1,914,362,636	1,920,298,022

	Jul-25	YTD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	2,079,532	2,079,532
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation Expense	4,843,923	4,843,923
Provision for bad debts	6,844,972	6,844,972
Changes in operating assets and liabilities:		
Patient accounts receivable	(1,656,915)	(1,656,915)
Property Tax and other receivables	(997,023)	(997,023)
Inventories	2,004	2,004
Prepaid expenses and other current assets	290,683	290,683
Accounts payable	(5,768,873)	(5,768,873)
Accrued compensation	(10,573,581)	(10,573,581)
Estimated settlement amounts due third-party payors	(7,270,012)	(7,270,012)
Other liabilities	9,450,027	9,450,027
Net cash provided from (used by) operating activities	(2,755,263)	(2,755,263)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	956,629	956,629
Income (Loss) on investments	1,506,478	1,506,478
Investment in affiliates	(4,018,909)	(4,018,909)
Net cash provided from (used by) investing activities	(1,555,802)	(1,555,802)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	318,130	318,130
Receipt of District Taxes	237,522	237,522
Net cash provided from non-capital financing activities	555,653	555,653
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds on asset sale	403	403
Acquisition of property plant and equipment	(37,889)	(37,889)
ROU Interest paid	(1,291,119)	(1,291,119)
Payments of Long Term Lease Liabilities	(2,201,559)	(2,201,559)
Net cash provided from (used by) capital and related financing activities	(3,530,164)	(3,530,164)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,285,577)	(7,285,577)
CASH AND CASH EQUIVALENTS - Beginning of period	15,000,751	15,000,751
CASH AND CASH EQUIVALENTS - End of period	7,715,174	7,715,174

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 July 31, 2025

	Palomar Health	PHMG	PAC	NCRE	Eliminations	Total
ASSETS						
Current assets	451,682,719	43,847,737	3,968,087	237,534	(59,558,947)	440,177,130
Capital assets - net	942,348,921	7,236,186	-	868,948	-	950,454,055
Right of use assets - net	308,478,793	27,947,418	-	-	(18,882,367)	317,543,844
Non-current assets	167,809,798	2,333,998	-	-	-	170,143,795
Total assets	1,870,320,231	81,365,339	3,968,087	1,106,482	(78,441,314)	1,878,318,824
Deferred outflow of resources	44,042,405	-	-	-	-	44,042,405
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	1,914,362,636	81,365,339	3,968,087	1,106,482	(78,441,314)	1,922,361,229
LIABILITIES AND NET POSITION						
Current liabilities	288,904,708	103,673,092	73,137	1,489,987	(63,379,388.41)	330,761,531
Long-term liabilities	1,384,404,739	-	-	-	-	1,384,404,739
Right of use lease liabilities	325,881,387	22,853,684	-	-	(16,133,498)	332,601,572
Total liabilities	1,999,190,834	126,526,776	73,137	1,489,987	(79,512,887)	2,047,767,843
Deferred inflow of resources - deferred revenue	93,595,014	-	-	-	-	93,595,014
Total liabilities and deferred inflow of resources	2,092,785,848	126,526,776	73,137	1,489,987	(79,512,887)	2,141,362,857
Invested in capital assets - net of related debt	(323,660,019)	5,920,102	-	1,660,879	1,071,573	(315,007,465)
Restricted	42,468,630	-	-	-	-	42,468,630
Unrestricted	102,768,177	(51,081,539)	3,894,950	(2,044,384)	-	53,537,207
Total net position	(178,423,212)	(45,161,437)	3,894,950	(383,505)	1,071,573	(219,001,627)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	1,914,362,636	81,365,339	3,968,087	1,106,482	(78,441,314)	1,922,361,229

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

	Palomar Health	PHMG	PAC	NCRE	Elimination	YTD Consolidated
OPERATING REVENUE:						
Net patient service revenue	63,711,892	4,584,231	-	-	-	68,296,123
Shared risk revenue	9,276,402	1,593,542	-	-	-	10,869,944
Other revenue	864,100	45,395	-	1,585,511	(60,023)	2,434,983
PH Program revenue	-	2,563,754	-	-	(2,563,754)	-
Total operating revenue	73,852,394	8,786,922	-	1,585,511	(2,623,777)	81,601,050
OPERATING EXPENSES	66,928,939	15,782,734	40,584	1,940,291	(2,623,777)	82,068,771
DEPRECIATION AND AMORTIZATION	4,843,923	314,884	-	-	-	5,158,807
Total operating expenses	71,772,862	16,097,618	40,584	1,940,291	(2,623,777)	87,227,578
INCOME (LOSS) FROM OPERATIONS	2,079,532	(7,310,696)	(40,584)	(354,780)	-	(5,626,528)
NON-OPERATING INCOME (EXPENSE):						
Investment income	1,506,477	(29,357)	-	-	-	1,477,120
Interest expense	(7,399,656)	(8,233)	-	-	-	(7,407,889)
Property tax revenue	6,274,999	-	-	-	-	6,274,999
Other - net	(715,002)	(3,386)	-	-	1,373,102	654,714
Total non-operating expense - net	(333,182)	(40,976)	-	-	1,373,102	998,944
CHANGE IN NET POSITION	1,746,350	(7,351,671)	(40,584)	(354,780)	1,373,102	(4,627,584)
Interfund - PHMG	(3,592,161)	3,500,000	-	-	-	(92,161)
NET POSITION - Beginning of year	(176,577,402)	(41,309,762)	3,935,535	(28,725)	(301,529)	(214,281,882)
NET POSITION - Year to date	(178,423,212)	(45,161,437)	3,894,950	(383,505)	1,071,573	(219,001,627)
EBIDA						9,417,913
EBIDA Margin						11.5%

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

Assets

Current Assets

Cash and cash equivalents	\$ 14,447,707
Investments	26,645,797
Patient accounts receivable - net of allowances for uncollectible accounts of \$138,291	154,139,683
Other receivables	41,291,287
Supplies and inventories	12,868,226
Prepaid expenses and other	11,115,698
Estimated third-party payor settlements receivable	102,799,692
Assets whose use is limited - current portion	55,627
Restricted cash and investments, current	76,813,413

Total current assets 440,177,130

Restricted Noncurrent Cash and Investments

Held by trustee under indenture agreements	86,921,635
Held by trustee under general obligation bonds indenture	76,813,413
Held in escrow for street improvements	727,615
Restricted by donor and other	357,763

Total restricted cash and investments 164,820,426

Less amounts required to meet current obligations 76,869,040

Total restricted noncurrent cash and investments 87,951,386

Capital Assets - net 950,454,055

Right of Use Assets - Net 317,543,844

Other Assets

Prepaid debt insurance costs	8,098,093
Investment in and amounts due from affiliated entities	6,483,297
Other	67,611,016

Total other assets 82,192,409

Total assets 1,878,318,824

Deferred outflow of resources - loss on refunding of debt 44,042,405

Total Assets and Deferred Outflow of Resources \$ 1,922,361,229

Liabilities

Current Liabilities

Accounts payable	93,598,444
Accrued compensation and related liabilities	57,636,522
Current portion of general obligation bonds	10,156,756
Current portion of long-term debt	9,097,816
Current portion of lease liabilities	23,896,804
Other accrued liabilities	100,340,663
Accrued interest payable	34,656,761
Accrued interest payable-ROU's	1,377,765

Total current liabilities 330,761,531

Long-term debt - general obligation bonds - net of current portion 626,784,465

Long-term debt - net of current portion 757,620,274

Long-term debt - Lease liability - net of current portion 332,601,572

Total liabilities 2,047,767,842

Deferred inflow of resources - unearned revenue 93,595,014

Total liabilities and deferred inflow of resources 2,141,362,856

Net Position

Net investment in capital assets	(315,007,465)
Restricted, expendable for:	
Repayment of debt	41,383,252
Capital acquisitions	727,615
Other purposes	357,763
Unrestricted	53,537,208

Total net position (219,001,627)

Total Liabilities, Deferred Inflow of Resources, and Net Position \$ 1,922,361,229

Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$6,550	\$ 68,296,123
Premium revenue	
Shared risk revenue	10,869,944
Other revenue	2,434,983
	<hr/>
Total operating revenue	81,601,050
	<hr/>
Operating Expenses	
Salaries, wages, and benefits	52,499,436
Professional fees	3,331,854
Supplies	11,949,212
Purchased services	9,206,406
Depreciation and amortization	5,158,807
Rent expense	1,801,781
Utilities	807,383
Other	2,472,185
	<hr/>
Total operating expenses	87,227,065
	<hr/>
Income (Loss) From Operations	(5,626,015)
	<hr/>
Non-Operating Income (Expenses)	
Investment income	1,477,120
Interest expense	(7,407,888)
Property tax revenue - unrestricted	2,141,666
Property tax revenue - restricted	4,133,333
Amortization expense	(1,478,800)
Other - net	2,041,356
	<hr/>
Total non-operating expenses - net	906,787
	<hr/>
Change in net position	(4,719,228)
	<hr/>
Net Position - Beginning of year	(214,636,662)
	<hr/>
Net Position - Adjustment to begin Bal	354,263.00
	<hr/>
Net Position - Beginning of year (as restated)	(214,282,399)
	<hr/>
Net Position - July 31, 2025	\$ (219,001,627)
	<hr/>

CASH FROM OPERATING ACTIVITIES

Receipts from:

Patients, insurers, and other third-party payers	81,288,815
Other sources	(7,228,579)

Payments to:

Employees	(63,321,335)
Suppliers	(23,750,464)

Net cash provided by operating activities (13,011,563)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipt of district taxes 2,141,666

Net cash provided by noncapital financing activities 2,141,666

CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES

Acquisition and construction of capital assets	983,035
Interest payments on long-term debt	(98,648)
Interest payments on lease liabilities	(1,278,576)
Principal repayment on long-term debt	(34,255)
Principal repayment on lease obligations	(2,201,560)
Proceeds on sale of capital assets	403
Receipt of property taxes restricted for debt service on general obligation bonds	4,133,333
Other	(905,765)

Net cash used in capital and related financing activities 597,968

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(318,130)
Proceeds from sale of investments	2,000,000
Interest received on investments and notes receivable	751,879
Net cash provided by (used in) investing activities	<u>2,433,749</u>

NET INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS

(7,838,180)

CASH AND CASH EQUIVALENTS - beginning of year

22,285,886

CASH AND CASH EQUIVALENTS - end of year

\$ 14,447,707

Days Cash on Hand Ratio Covenant	July 31, 2025 Consolidated
Cash and Cash Equivalents	40,895,782
Total	40,895,782
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	87,227,063
Less: Depreciation	5,158,807
Adjusted Expenses	82,068,256
Number of days in period	31
Average Adjusted Expenses per Day	2,647,363
Days Cash on Hand	15.4
REQUIREMENT	65

Debt Service Coverage Ratio Covenant	July 31, 2025 Consolidated
Excess of revenues over expenses	(5,688,217)
REVERSE:	
Depreciation and Amortization	5,158,807
Depreciation and Amortization-NonOp	1,478,800
Interest Expense	4,443,846
Income Available for Debt Service	5,393,237
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	4,690,863
Debt Service Coverage Ratio	1.15
REQUIREMENT	1.15