

FINANCE COMMITTEE

Meeting Agenda

Wednesday, December 17, 2025

12:00 p.m.

Please see page 2 for meeting location options

	<i>The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"</i>	Time	Form A Page	Target
Call To Order				
I.	Establishment of Quorum	1		12:00
II.	Public Comments ¹	30		12:30
III.	Action Item(s) (ADD A)			
	A. Finance Committee Minutes, October 29, 2025 (Pp 6-8)	5		12:35
	B. October Guidehouse Update – <i>Informational Only</i>	15		12:50
	C. YTD FY2026 and October 2025 Financials (Pp 9-29)	25		1:15
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

- 822 Lanewood Place, Escondido, CA 92026

- 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 12:00 p.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, October 29, 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 Thursday, October 23, 2025. An amended agenda packet was posted on the Palomar Health website on Tuesday, October 28 and Wednesday, October 29, 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 3:43 p.m. by Chair Linda Greer.

I. Establishment of Quorum

- A. **Motion** by Director Greer; 2nd by Director Griffith to approve Director Corrales who is present to establish Director Corrales as a voting committee member for this Board Finance Committee to establish Quorum in the excused absence of the Alternate Board Voting Committee Member.
- B. Quorum determined by roll call vote comprised of: Director Linda Greer, Director Jeff Griffith (virtual), Mark Goldsworthy, MD (virtual)
- C. Andrew Nguyen, MD (virtual) joined the meeting as the alternate for Kanchan Koirala, MD. Then and Director Corrales was not needed as a voting committee member.
- D. Excused Absences: Director Pacheco; Diane Hansen

II. Public Comments

<ul style="list-style-type: none"> No public comments 	
III. Action Items	
A. Finance Committee Minutes, October 3, 2025	<p>MOTION by Director Griffith, 2nd by Goldsworthy, MD to approve the Finance Committee Minutes from October 3, 2025, as written.</p> <p>Roll call voting was utilized. Director Greer - aye Director Griffith – aye Director Pacheco – absent Hansen – absent Goldsworthy, MD – aye Koirala, MD – absent Nguyen, MD - aye</p> <p>Four in favor. None opposed. Three absent. None abstained. Motion approved.</p>
Discussion: <ul style="list-style-type: none"> No discussion 	
b. September Guidehouse Update	NO MOTION, INFORMATIONAL ONLY
Discussion: <ul style="list-style-type: none"> Jared Dougherty, Guidehouse, shared a presentation with the committee. 	

<p>c. YTD FY2026 and September 2025 Financials</p>	<p>MOTION by Director Griffith, 2nd by Goldsworthy, MD to approve YTD FY2026 and September 2025 Financials and move to the Board of Directors for ratification.</p> <p>Roll call voting was utilized. Director Greer - aye Director Griffith – aye Director Pacheco – absent Hansen – absent Goldsworthy, MD – aye Koirala, MD – absent Nguyen, MD - aye</p> <p>Four in favor. None opposed. Three absent. None abstained. Motion approved.</p>
<p>Discussion:</p> <ul style="list-style-type: none"> Andrew Tokar, Chief Financial Officer, presented the YTD FY2026 and September 2025 Financials to the Committee. Committee discussion ensued. 	
<p>Final Adjournment</p>	
<p>Meeting adjourned by Chair Greer at 02:13 p.m.</p>	
<p>Signatures:</p> <div> <div>Committee Chair</div> <div>_____</div> <div>Linda Greer, RN</div> </div>	
<div> <div>Committee Assistant</div> <div>_____</div> <div>Janet Kren</div> </div>	

Fiscal Year 2026 Financial Performance

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

October 2025 Unaudited

<u>Page</u>	<u>Report</u>
3	Executive Summary
4	Management Discussion and Analysis
5-7	Executive Dashboard
8	Income Statement for Fiscal Period, Excludes PHMG
9	Income Statement for Fiscal Year-to-Date, Excludes PHMG
10	Income Statement for the Current Year versus Prior Year, Excludes PHMG
11	Income Statement for the Current 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 October 31, 2025
17	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position for the Fiscal Year-to-Date Ended October 31, 2025
18	Condensed Combining Statement of Net Position for Fiscal Year-to-Date Ending October 31, 2025
19	Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position for the Fiscal Year-to-Date Ended October 31, 2025
20	Condensed Combining Statement of Cash Flows for Fiscal Year-to-Date Ending October 31, 2025
21	Bond Covenants

Highlights for October 2025

Revenue

- Gross Revenue was \$41.5M above budget, or 8.6%
- Net Patient Revenue was above budget by \$181k
- High in-network capitation claims offset positive volume trends during October

Volumes

- October continued to be a strong month for acute inpatient volumes
 - Acute discharges and patient days were 23.3% and 21.3% higher than budget, respectively
- For both surgery and emergency room, the trend has been reset for the current year
 - For the month, surgeries cases nearly met the budget target, with more inpatient cases and fewer outpatient cases (7% higher than budget and 11.8% lower, respectively)
 - IP ED visits continue to be very high, at 13.6% above the PYTD and 5.2% above the monthly budget
 - OP ED was slightly behind budget and prior year, at 4% and 4.7% behind respectively
- Radiation Oncology was higher than PY but missed budget by 3.7%
- Infusion Therapy had a strong month, meeting the budget target and exceeding prior year by 3.6%
- Length of Stay remained below budget for the month of October as well as the fiscal year to date

Expenses

- Total expenses were 3.1% over budget
- The largest budget overages were in salaries and wage and professional fees, driven by higher volumes and transaction costs
- Supplies are only 1.2% above budget on a YTD basis, despite high volume, as continued efforts to manage contract pricing offset volume variances

Other Highlights

- The FY25 audit, performed by Baker Tilly, was issued in November 2025 with no findings
- EBIDA* margin remains strong at 12.3% based on FYTD results
- Days Cash on Hand Consolidated for October increased to 24.1 days, building cash to prepare for a November IGT payment
- Accounts Payable Current Liability increased as cash was preserved during a period of IGT outflow
- Days in Accounts Receivable (A/R) decreased to 59.9, representing the 5th month in a row of decreases
- Debt Service Coverage is 0.87 as of October, which is below covenant but positive
- Work with UCSD is beginning to transition from due diligence to implementation phase

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 \$73.9 million. Days in Net A/R excluding supplemental government programs are 59.9, a decrease of 2.2 days from the prior month. Uncompensated Care decreased by \$4.9 million to \$8.3 million for the month.

Revenue Cycle – Key Performance Indicators (KPIs)

Key Performance Indicators (KPI)	June 2025	July 2025	August 2025	September 2025	October 2025	Target
Total Net A/R (\$) ¹	\$ 143,433,565	\$ 138,245,508	\$ 135,609,856	\$ 129,039,121	\$ 119,687,568	
Net Days in A/R (Days) ²	75.0	67.7	66.6	62.1	59.9	55.0
% AR > 90 Days	40.5%	38.8%	39.4%	38.5%	38.8%	22.5%
% of Avoidable Denial Write-Offs	1.4%	1.3%	1.6%	2.1%	2.1%	2.1%
Net Revenue Yield	106.6%	104.3%	106.1%	111.8%	112.9%	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.

	Month					Year to Date				
	Actual Oct-25	Budget Oct-25	Budget Variance	Prior Year Oct-24	Prior Year Variance	Actual Oct-25	Budget Oct-25	Budget Variance	Prior Year Oct-24	Prior Year Variance
Key Volumes										
Discharges - Total	2,387	1,950	22.4%	2,056	16.1%	9,501	8,276	14.8%	8,407	13.0%
Acute - General	2,345	1,902	23.3%	2,018	16.2%	9,346	8,097	15.4%	8,262	13.1%
Total Acute Discharges	2,345	1,902	23.3%	2,018	16.2%	9,346	8,097	15.4%	8,262	13.1%
The Villas at Poway	42	48	(12.2%)	38	10.5%	155	179	(13.5%)	145	6.9%
Patient Days - Total	12,160	11,089	9.7%	11,278	7.8%	47,592	46,313	2.8%	46,127	3.2%
Acute - General	9,564	7,884	21.3%	8,561	11.7%	37,256	34,039	9.5%	35,420	5.2%
Total Acute Patient Days	9,564	7,884	21.3%	8,561	11.7%	37,256	34,039	9.5%	35,420	5.2%
The Villas at Poway	2,596	3,205	(19.0%)	2,717	(4.5%)	10,336	12,274	(15.8%)	10,707	(3.5%)
Acute Adjusted Discharges	3,768	3,428	9.9%	3,379	11.5%	15,145	13,528	12.0%	13,335	13.6%
Total Adjusted Discharges*	3,818	3,091	23.5%	3,424	11.5%	15,325	13,137	16.7%	13,504	13.5%
Acute Adjusted Patient Days	15,366	12,614	21.8%	14,335	7.2%	60,365	54,461	10.8%	57,153	5.6%
Total Adjusted Patient Days*	17,962	15,819	13.6%	17,052	5.3%	70,701	66,735	5.9%	67,860	4.2%
Calendar Days	31	31	0.0%	31	0.0%	123	123	0.0%	123	0.0%
Acute Average Daily Census	309	254	21.3%	276	11.7%	303	277	9.5%	288	5.2%
Total Average Daily Census*	392	358	9.7%	364	7.8%	387	377	2.8%	375	3.2%
Surgeries - Total	955	974	(1.9%)	994	(3.9%)	3,703	3,729	(0.7%)	3,798	(2.5%)
Inpatient	547	511	7.0%	508	7.7%	2,059	2,074	(0.7%)	2,062	(0.2%)
Outpatient	408	463	(11.8%)	486	(16.1%)	1,644	1,655	(0.7%)	1,736	(5.3%)
Deliveries	293	313	(6.5%)	306	(4.3%)	1,120	1,245	(10.1%)	1,216	(7.9%)
ER Visits (Includes Trauma) - Total	10,251	10,504	(2.4%)	10,476	(2.2%)	40,956	41,996	(2.5%)	41,888	(2.2%)
Inpatient	1,858	1,766	5.2%	1,668	11.4%	7,473	6,960	7.4%	6,576	13.6%
Outpatient	8,393	8,738	(4.0%)	8,808	(4.7%)	33,483	35,035	(4.4%)	35,312	(5.2%)

	Month					Year to Date				
	Actual Oct-25	Budget Oct-25	Budget Variance	Prior Year Oct-24	Prior Year Variance	Actual Oct-25	Budget Oct-25	Budget Variance	Prior Year Oct-24	Prior Year Variance
Cardiac Cath RVUs	1,073	960	11.7%	989	8.5%	4,608	4,222	9.1%	4,325	6.5%
Escondido Interv. Radiology RVUs	935	985	(5.1%)	989	(5.5%)	3,433	3,889	(11.7%)	3,896	(11.9%)
Poway Interv. Radiology RVUs	328	360	(8.8%)	335	(2.1%)	1,214	1,137	6.8%	1,055	15.0%
Radiation Oncology RVUs	3,354	3,482	(3.7%)	3,207	4.6%	13,119	13,816	(5.1%)	12,565	4.4%
Infusion Therapy Hours	1,115	1,113	0.2%	1,076	3.6%	4,120	4,417	(6.7%)	3,917	5.2%
Imaging										
Escondido CAT Procedures	10,383	9,448	9.9%	9,104	14.1%	40,620	36,838	10.3%	35,484	14.5%
Poway CAT Procedures	2,848	2,523	12.9%	2,453	16.1%	11,484	10,257	12.0%	9,982	15.1%
Escondido MRI Procedures	565	506	11.6%	486	16.3%	2,121	1,923	10.3%	1,826	16.2%
Poway MRI Procedures	152	127	19.7%	129	17.8%	586	536	9.2%	544	7.7%
Escondido Diagnostic Rad. Procedures	6,984	6,700	4.2%	6,759	3.3%	27,991	27,759	0.8%	27,998	(0.0%)
Poway Diagnostic Rad. Procedures	2,200	2,163	1.7%	2,164	1.7%	8,789	8,635	1.8%	8,649	1.6%

*Includes The Villas at Poway

	Month					Year to Date				
	Actual Oct-25	Budget Oct-25	Budget Variance	Prior Year Oct-24	Prior Year Variance	Actual Oct-25	Budget Oct-25	Budget Variance	Prior Year Oct-24	Prior Year Variance
Key Statistics										
Acute Average LOS - Days	4.08	4.15	1.7%	4.24	4.0%	3.99	4.20	5.5%	4.29	7.6%
Average Observation Hours	28	26	(10.0%)	26	(6.2%)	27	28	5.9%	29	8.0%
Acute Case Mix - Excludes Deliveries	1.69	1.69	0.0%	1.69	0.0%	1.65	1.74	5.2%	1.74	5.5%
Acute Case Mix -Medicare Only	1.66	1.74	4.6%	1.74	4.8%	1.63	1.73	5.8%	1.73	6.1%
Labor Productivity by Hrs						99.6%	100%		103%	3.4%
Days Cash on Hand						28.8			15.4	
Financial Performance										
Operating Income	(215,675)	(999,999)	784,324	(3,327,754)	3,112,079	4,037,418	(6,000,001)	10,037,419	(22,629,207)	26,666,625
Net Income	(215,675)	(3,470,492)	3,254,817	(6,474,885)	6,259,211	(2,127,573)	(15,789,795)	13,662,222	(31,481,364)	29,353,791
Oper. Expenses/Adj. Patient Days	3,827	4,224	(9.4%)	4,148	(7.7%)	3,823	4,021	(4.9%)	4,083	(6.4%)
EBIDA Margin-Excludes PHMG	7.5%	10.0%	(25.0%)	6.7%	11.9%	12.3%	9.3%	32.3%	4.6%	167.4%
EBIDA-Excludes PHMG	5,256,438	7,047,847	(1,791,409)	4,893,032	363,406	35,627,477	26,283,558	9,343,919	12,528,733	23,098,744

Note: Financial Performance excludes GO Bonds

	<u>Actual</u> <u>Oct 25</u>	<u>Budget</u> <u>Oct 25</u>	<u>Variance</u> <u>Oct 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	17,962	15,819	2,143					
Adjusted Discharges	3,818	3,091	727					
Operating Revenue								
Gross revenue	526,244,883	484,735,041	41,509,842	65,670,216	(24,160,374)	29,297.68	30,642.76	(1,345.08)
Deductions from revenue	(456,700,924)	(415,372,391)	(41,328,533)	(56,273,206)	14,944,673	(25,425.95)	(26,257.97)	832.02
Net patient revenue	69,543,959	69,362,650	181,309	9,397,010	(9,215,701)	3,871.73	4,384.79	(513.07)
Other operating revenue	945,491	1,159,790	(214,299)	157,124	(371,423)	52.64	73.32	(20.68)
Total net revenue	70,489,450	70,522,440	(32,990)	9,554,135	(9,587,125)	3,924.37	4,458.11	(533.74)
Operating Expenses								
Salaries, wages & contract labor	31,790,235	29,965,800	(1,824,435)	(4,059,662)	2,235,227	1,769.86	1,894.30	124.44
Benefits	7,427,821	7,894,608	466,787	(1,069,534)	1,536,321	413.53	499.06	85.53
Supplies	11,238,958	11,022,746	(216,212)	(1,493,323)	1,277,111	625.71	696.81	71.10
Prof fees & purch svcs	14,915,536	14,410,487	(505,049)	(1,952,283)	1,447,234	830.39	910.97	80.57
Depreciation & amortization	4,975,598	4,703,549	(272,049)	(637,220)	365,171	277.01	297.34	20.33
Other	3,367,857	3,525,249	157,392	(477,588)	634,980	187.50	222.85	35.35
Total expenses	73,716,005	71,522,439	(2,193,566)	(9,689,611)	7,496,045	4,104.00	4,521.33	417.33
Income from operations	(3,226,555)	(999,999)	(2,226,556)	(135,476)	(2,091,080)	(179.63)	(63.22)	(951.07)
Non-operating revenue (expense)								
Property tax revenues ¹	2,141,666	2,141,667	(1)					
Investment Income	1,159,725	1,176,843	(17,118)					
Interest Expense	(4,462,078)	(4,335,990)	(126,088)					
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	-					
Other non-operating revenue(expense)	206,005	25,788	180,217					
Net income(loss) ²	(5,660,037)	(3,470,491)	(2,189,546)					

EBIDA Margin 7.5% 10.0% (2.5%)

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

2= Excludes G.O. Bonds income / expense

	<u>Actual</u> <u>Oct 25</u>	<u>Budget</u> <u>Oct 25</u>	<u>Variance</u> <u>Oct 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	70,701	66,735	3,966					
Adjusted Discharges	15,325	13,137	2,188					
Operating Revenue								
Gross revenue	2,053,305,697	1,954,163,656	99,142,041	116,136,515	(16,994,474)	29,042.10	29,282.47	(240.37)
Deductions from revenue	(1,766,339,818)	(1,677,655,629)	(88,684,188)	(99,703,563)	11,019,374	(24,983.24)	(25,139.10)	155.86
Net patient revenue	286,965,879	276,508,027	10,457,853	16,432,953	(5,975,101)	4,058.87	4,143.38	(84.51)
Other operating revenue	3,805,436	4,639,160	(833,724)	275,707	(1,109,431)	53.82	69.52	(15.69)
Total net revenue	290,771,315	281,147,187	9,624,129	16,708,659	(7,084,531)	4,112.69	4,212.89	(100.20)
Operating Expenses								
Salaries, wages & contract labor	125,679,489	121,383,086	(4,296,404)	(7,213,832)	2,917,429	1,777.62	1,818.88	41.26
Benefits	28,614,594	31,903,706	3,289,112	(1,896,047)	5,185,159	404.73	478.07	73.34
Supplies	43,768,905	43,269,967	(498,938)	(2,571,547)	2,072,609	619.07	648.39	29.32
Prof fees & purch svcs	58,487,048	57,663,983	(823,065)	(3,426,987)	2,603,922	827.24	864.08	36.83
Depreciation & amortization	19,462,254	18,814,194	(648,060)	(1,118,133)	470,073	275.28	281.92	6.65
Other	13,732,488	14,112,252	379,764	(838,695)	1,218,459	194.23	211.47	17.23
Total expenses	289,744,778	287,147,188	(2,597,591)	(17,065,241)	14,467,651	4,098.17	4,302.80	204.63
Income from operations	1,026,537	(6,000,001)	7,026,538	(356,582)	7,383,120	14.52	(89.91)	(304.84)
Non-operating revenue (expense)								
Property tax revenues ¹	8,566,664	8,566,667	(3)					
Investment Income	4,722,230	4,707,374	14,856					
Interest Expense	(17,821,960)	(17,343,960)	(478,000)					
Non-operating depreciation & amortization	(5,915,200)	(5,915,200)	-					
Other non-operating revenue(expense)	1,849,795	195,323	1,654,472					
Net income(loss) ²	(7,571,934)	(15,789,797)	8,217,863					

EBIDA Margin 12.3% 9.3% 2.9%

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

2= Excludes G.O. Bonds income / expense

	<u>Actual</u> <u>Oct 25</u>	<u>Prior Year</u> <u>Oct 24</u>	<u>Variance</u> <u>Oct 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	70,701	67,860	2,841					
Adjusted Discharges	15,325	13,504	1,821					
Operating Revenue								
Gross revenue	2,053,305,697	1,908,641,951	144,663,746	79,906,451	64,757,295	29,042.10	28,126.17	915.93
Deductions from revenue	(1,766,339,818)	(1,637,801,808)	(128,538,009)	(68,567,565)	(59,970,445)	(24,983.24)	(24,135.01)	(848.23)
Net patient revenue	286,965,879	270,840,143	16,125,737	11,338,887	4,786,849	4,058.87	3,991.16	67.71
Other operating revenue	3,805,436	3,950,462	(145,024)	165,388	(310,414)	53.82	58.21	(4.39)
Total net revenue	290,771,315	274,790,605	15,980,713	11,504,275	4,476,435	4,112.69	4,049.38	63.32
Operating Expenses								
Salaries, wages & contract labor	125,679,489	127,029,237	1,349,747	(5,318,156)	6,667,904	1,777.62	1,871.93	94.31
Benefits	28,614,594	33,358,592	4,743,998	(1,396,578)	6,140,576	404.73	491.58	86.85
Supplies	43,768,905	41,328,914	(2,439,991)	(1,730,260)	(709,731)	619.07	609.03	(10.04)
Prof fees & purch svcs	58,487,048	62,970,641	4,483,593	(2,636,304)	7,119,897	827.24	927.95	100.70
Depreciation & amortization	19,462,254	20,364,308	902,054	(852,564)	1,754,618	275.28	300.09	24.82
Other	13,732,488	12,368,120	(1,364,367)	(517,799)	(846,569)	194.23	182.26	(11.97)
Total expenses	289,744,778	297,419,812	7,675,034	(12,451,661)	20,126,695	4,098.17	4,382.84	284.67
Income from operations	1,026,537	(22,629,207)	23,655,744	(947,385)	24,603,129	14.52	(333.47)	(221.36)
Non-operating revenue (expense)								
Property tax revenues ¹	8,566,664	8,500,000	66,664					
Investment Income	4,722,230	5,056,977	(334,747)					
Interest Expense	(17,821,960)	(17,732,406)	(89,554)					
Non-operating depreciation & amortization	(5,915,200)	(5,913,379)	(1,821)					
Other non-operating revenue(expense)	1,849,795	1,236,651	613,144					
Net income(loss) ²	(7,571,934)	(31,481,364)	23,909,430					

EBIDA Margin 12.3% 4.6% 7.7%

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

2= Excludes G.O. Bonds income / expense

	Jul 25	Aug 25	Sep 25	Oct 25	Fiscal Year 2026
Adjusted Patient Days	17,851	17,948	16,940	17,962	70,701
Adjusted Discharges	3,734	3,988	3,785	3,818	15,325
Operating Revenue					
Gross revenue	514,243,464	500,282,001	512,535,349	526,244,883	2,053,305,697
Deductions from revenue	(441,255,169)	(428,250,221)	(440,133,502)	(456,700,924)	(1,766,339,816)
Net patient revenue	72,988,295	72,031,780	72,401,847	69,543,959	286,965,880
Other operating revenue	864,100	946,365	1,049,479	945,491	3,805,436
Total net revenue	73,852,396	72,978,145	73,451,326	70,489,450	290,771,315
Operating Expenses					
Salaries, wages & contract labor	31,865,141	31,104,110	30,920,004	31,790,235	125,679,489
Benefits	7,366,292	6,306,806	7,513,675	7,427,821	28,614,594
Supplies	11,103,543	10,692,013	10,734,391	11,238,958	43,768,906
Prof fees & purch svcs	13,799,753	14,509,520	15,262,239	14,915,537	58,487,048
Depreciation & amortization	4,843,923	4,776,143	4,866,590	4,975,598	19,462,254
Other	2,794,212	4,173,848	3,396,570	3,367,857	13,732,488
Total expenses	71,772,864	71,562,440	72,693,470	73,716,005	289,744,778
Income from operations	2,079,532	1,415,705	757,856	(3,226,555)	1,026,537
Non-operating revenue (expense)					
Property tax revenues ¹	2,141,666	2,141,666	2,141,666	2,141,666	8,566,664
Investment Income	1,263,898	1,124,368	1,174,237	1,159,725	4,722,230
Interest Expense	(4,435,614)	(4,465,415)	(4,458,852)	(4,462,078)	(17,821,960)
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(5,915,200)
Other non-operating revenue(expense)	759,733	541,399	342,659	206,005	1,849,795
Net income(loss) ²	330,414	(721,077)	(1,521,235)	(5,660,037)	(7,571,934)
EBIDA Margin	15.0%	13.7%	12.6%	7.5%	12.3%

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
	Aug-25	Sep-25	Oct-25	Jun-25
Current Assets				
Cash and cash equivalents	5,915,164	8,555,786	32,610,582	15,000,751
Investments	11,942,190	16,999,733	30,685,605	28,463,741
Board Designated	-	-	-	-
Total cash, cash equivalents & investments	17,857,354	25,555,520	63,296,187	43,464,492
Patient Accounts Receivable	495,184,265	515,473,592	470,087,042	504,133,063
Allowance on accounts	(359,574,409)	(386,434,472)	(350,399,474)	(360,699,498)
Net accounts receivable	135,609,856	129,039,121	119,687,568	143,433,565
Inventories	12,193,745	12,191,916	12,120,439	12,194,024
Prepaid expenses	9,163,504	7,967,855	8,246,858	8,309,163
Est. third party settlements	118,658,419	121,734,538	119,056,456	95,529,680
Other	76,480,905	78,978,057	82,365,041	71,655,917
Total current assets	369,963,782	375,467,006	404,772,549	374,586,840
Non-Current Assets				
Restricted assets	86,679,118	86,969,493	86,968,788	87,348,717
Restricted other	357,836	357,905	357,973	357,688
Total restricted assets	87,036,954	87,327,398	87,326,761	87,706,405
Property, plant & equipment	1,593,370,018	1,594,521,102	1,594,320,807	1,593,114,786
Accumulated depreciation	(693,613,872)	(697,255,551)	(700,519,720)	(686,328,663)
Construction in process	39,757,446	40,374,705	40,395,599	39,167,673
Net property, plant & equipment	939,513,592	937,640,256	934,196,685	945,953,795
Right of Use Assets				
Building leases	274,153,716	272,814,196	271,474,675	276,832,758
Sub-leases	214,643	207,285	199,928	234,948
Equipment leases	16,936,144	17,034,113	17,662,097	18,084,940
SBITA	14,561,793	14,051,161	13,348,640	16,006,107
Net right of use assets	305,866,296	304,106,755	302,685,339	311,158,754
Investment related companies	6,341,720	5,958,932	5,900,035	5,718,913
Prepaid debt insurance costs	6,934,349	6,908,375	6,882,401	6,986,297
Other non-current assets	65,607,632	65,320,388	65,031,845	66,188,501
Total non-current assets	1,411,300,543	1,407,262,104	1,402,023,065	1,423,712,664
Total assets	1,781,264,326	1,782,729,110	1,806,795,615	1,798,299,504
Deferred outflow of resources-loss on refunding of debt	41,466,911	41,248,997	41,031,082	41,902,741
Total assets and deferred outflow of resources	1,822,731,237	1,823,978,107	1,847,826,697	1,840,202,245

Liabilities	Current Fiscal Year			Prior Fiscal Year
	Aug-25	Sep-25	Oct-25	Jun-25
Current Liabilities				
Accounts payable	86,828,127	99,672,474	106,418,419	94,240,154
Accrued payroll	38,101,618	35,839,681	35,614,386	49,881,621
Accrued PTO	24,439,919	24,366,560	24,768,858	23,828,506
Accrued interest payable	14,056,227	16,591,544	19,746,423	7,842,158
Current portion of bonds	8,925,000	8,925,000	8,925,000	8,925,000
Current portion of lease liab	21,233,917	21,278,235	21,835,269	21,510,594
Est. third party settlements	8,593,099	8,593,089	8,593,089	8,593,099
Other current liabilities	154,318,697	151,063,420	153,663,550	147,853,726
Total current liabilities	356,496,604	366,330,003	379,564,995	362,674,858
Long Term Liabilities				
Other LT liabilities	27,400,837	24,878,932	45,779,250	27,444,646
Bonds & contracts payable	712,754,386	712,531,680	712,308,973	713,199,799
Lease liabilities	324,357,809	323,356,786	322,382,524	327,879,779
Total long term liabilities	1,064,513,032	1,060,767,398	1,080,470,747	1,068,524,225
Total liabilities	1,421,009,636	1,427,097,401	1,460,035,742	1,431,199,083
Deferred inflow of resources-unearned revenue	6,738,102	7,058,812	7,029,127	6,547,471
Total liabilities and deferred inflow of resources	1,427,747,738	1,434,156,213	1,467,064,869	1,437,746,554
Net Position				
Unrestricted	394,625,662	389,463,989	380,403,854	402,098,003
Restricted for other purpose	357,836	357,905	357,973	357,688
Total net position	394,983,498	389,821,894	380,761,827	402,455,691
Total liabilities, deferred inflow of resources and net position	1,822,731,237	1,823,978,107	1,847,826,697	1,840,202,245

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

Assets	Aug-25	Current Fiscal Year Sep-25	Oct-25	Prior Fiscal Year Jun-25
Current Assets				
Cash and cash equivalents	5,915,164	8,555,786	32,610,582	15,000,751
Investments	11,942,190	16,999,733	30,685,605	28,463,741
Board Designated	-	-	-	-
Total cash, cash equivalents & investments	17,857,354	25,555,520	63,296,187	43,464,492
Patient Accounts Receivable	495,184,265	515,473,592	470,087,042	504,133,063
Allowance on accounts	(359,574,409)	(386,434,472)	(350,399,474)	(360,699,498)
Net accounts receivable	135,609,856	129,039,121	119,687,568	143,433,565
Inventories	12,193,745	12,191,916	12,120,439	12,194,024
Prepaid expenses	9,163,504	7,967,855	8,246,858	8,309,163
Est. third party settlements	118,658,419	121,734,538	119,056,456	95,529,680
Other	84,244,513	90,348,947	97,451,957	71,973,475
Total current assets	377,727,391	386,837,896	419,859,466	374,904,398
Non-Current Assets				
Restricted assets	128,969,562	129,924,368	130,474,536	163,601,420
Restricted other	357,836	357,905	357,973	357,688
Total restricted assets	129,327,398	130,282,273	130,832,509	163,959,108
Property, plant & equipment	1,593,370,018	1,594,521,102	1,594,320,807	1,593,114,786
Accumulated depreciation	(693,613,872)	(697,255,551)	(700,519,720)	(686,328,663)
Construction in process	39,757,446	40,374,705	40,395,599	39,167,673
Net property, plant & equipment	939,513,592	937,640,256	934,196,685	945,953,795
Right of Use Assets				
Building leases	274,153,716	272,814,196	271,474,675	276,832,758
Sub-leases	214,643	207,285	199,928	234,948
Equipment leases	16,936,144	17,034,113	17,662,097	18,084,940
SBITA	14,561,793	14,051,161	13,348,640	16,006,107
Net right of use assets	305,866,296	304,106,755	302,685,339	311,158,754
Investment related companies	6,341,720	5,958,932	5,900,035	5,718,913
Prepaid debt insurance and other costs	8,060,467	8,022,840	7,985,214	8,136,372
Other non-current assets	65,607,632	65,320,388	65,031,845	66,188,501
Total non-current assets	1,454,717,105	1,451,331,444	1,446,631,626	1,501,115,443
Total assets	1,832,444,495	1,838,169,340	1,866,491,092	1,876,019,841
Deferred outflow of resources-loss on refunding of debt	43,806,630	43,570,855	43,335,080	44,278,181
Total assets and deferred outflow of resources	1,876,251,126	1,881,740,196	1,909,826,172	1,920,298,022

Liabilities	Aug-25	Current Fiscal Year Sep-25	Oct-25	Prior Fiscal Year Jun-25
Current Liabilities				
Accounts payable	86,828,127	99,672,474	106,419,419	94,240,154
Accrued payroll	38,101,618	35,839,681	35,614,386	49,881,621
Accrued PTO	24,439,919	24,366,560	24,768,858	23,828,506
Accrued interest payable	17,327,756	23,134,602	29,561,010	29,897,032
Current portion of bonds	19,731,216	19,731,216	19,731,216	19,081,756
Current portion of lease liab	21,233,917	21,278,235	21,835,269	21,510,594
Est. third party settlements	8,593,099	8,593,089	8,593,089	8,593,099
Other current liabilities	89,374,885	86,736,837	89,942,569	81,698,710
Total current liabilities	305,630,537	319,352,694	336,465,816	328,731,473
Long Term Liabilities				
Other LT liabilities	27,400,837	24,878,932	45,779,250	27,444,646
Bonds & contracts payable	1,328,386,445	1,327,817,548	1,327,248,651	1,340,117,039
Lease liabilities	324,357,809	323,356,786	322,382,524	327,879,779
Total long term liabilities	1,680,145,091	1,676,053,266	1,695,410,425	1,695,441,465
Total liabilities	1,985,775,629	1,995,405,960	2,031,876,241	2,024,172,938
Deferred inflow of resources- unearned revenue	71,681,913	71,385,395	70,750,108	72,702,486
Total liabilities and deferred inflow of resources	2,057,457,542	2,066,791,355	2,102,626,349	2,096,875,424
Net Position				
Unrestricted	(181,564,253)	(185,409,064)	(193,158,151)	(176,935,090)
Restricted for other purpose	357,836	357,905	357,973	357,688
Total net position	(181,206,416)	(185,051,159)	(192,800,178)	(176,577,402)
Total liabilities, deferred inflow of resources and net position	1,876,251,126	1,881,740,196	1,909,826,172	1,920,298,022

	<u>Oct-25</u>	<u>YTD</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income (Loss) from operations	(3,221,065)	1,032,029
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation Expense	4,975,598	19,462,254
Provision for bad debts	1,270,679	22,653,810
Changes in operating assets and liabilities:		
Patient accounts receivable	8,080,873	1,092,187
Property Tax and other receivables	(1,389,414)	(2,898,306)
Inventories	71,477	73,585
Prepaid expenses and other current assets	(200,746)	991,587
Accounts payable	6,746,945	12,179,265
Accrued compensation	177,004	(13,326,883)
Estimated settlement amounts due third-party payors	2,678,082	(23,526,786)
Other liabilities	3,465,771	9,375,704
Net cash provided from (used by) operating activities	<u>22,655,203</u>	<u>27,108,447</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net (purchases) sales of investments	(14,236,108)	30,904,735
Income (Loss) on investments	1,293,292	5,489,581
Investment in affiliates	<u>(3,997,962)</u>	<u>(15,871,222)</u>
Net cash provided from (used by) investing activities	<u>(16,940,778)</u>	<u>20,523,094</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipt of G.O. Bond Taxes	417,307	1,763,975
Receipt of District Taxes	<u>254,899</u>	<u>1,199,054</u>
Net cash provided from non-capital financing activities	<u>672,206</u>	<u>2,963,029</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of property plant and equipment	(231,004)	(2,844,352)
G.O. Bond Interest paid	0	(25,121,525)
ROU Interest paid	(1,291,882)	(5,156,460)
Proceeds (Payments) of Long Term Debt	20,922,223	8,265,467
Payments of Long Term Lease Liabilities	<u>(1,731,340)</u>	<u>(8,128,583)</u>
Net cash provided from (used by) capital and related financing activities	<u>17,668,165</u>	<u>(32,984,738)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>24,054,797</u>	<u>17,609,831</u>
CASH AND CASH EQUIVALENTS - Beginning of period	<u>8,555,786</u>	<u>15,000,751</u>
CASH AND CASH EQUIVALENTS - End of period	<u><u>32,610,582</u></u>	<u><u>32,610,582</u></u>

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 October 31, 2025

	Palomar Health	PHMG	PAC	NCRE	SANDEMA	Eliminations	Total
ASSETS							
Current assets	463,421,395	41,615,339	-	218,198	2,155,819	(66,818,374)	440,592,377
Capital assets - net	934,196,685	6,391,134	-	868,948	-	-	941,456,767
Right of use assets - net	302,685,339	26,103,116	-	-	-	(17,813,946)	310,974,509
Non-current assets	166,187,673	2,204,315	-	-	-	-	168,391,987
Total assets	1,866,491,092	76,313,904	-	1,087,146	2,155,819	(84,632,320)	1,861,415,640
Deferred outflow of resources	43,335,080	-	-	-	-	-	43,335,080
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	1,909,826,172	76,313,904	-	1,087,146	2,155,819	(84,632,320)	1,904,750,720
LIABILITIES AND NET POSITION							
Current liabilities	297,949,462	100,862,471	-	1,519,842	370,385	(69,963,233.21)	330,738,923
Long-term liabilities	1,390,369,681	(0)	-	-	-	-	1,390,369,681
Right of use lease liabilities	322,382,524	22,144,921	-	-	-	(15,759,863)	328,767,582
Total liabilities	2,010,701,667	123,007,392	-	1,519,842	370,385	(85,723,096)	2,049,876,186
Deferred inflow of resources - deferred revenue	91,924,683	-	-	-	-	-	91,924,683
Total liabilities and deferred inflow of resources	2,102,626,350	123,007,392	-	1,519,842	370,385	(85,723,096)	2,141,800,869
Invested in capital assets - net of related debt	(324,285,631)	4,854,976	-	1,660,879	-	1,090,776	(316,678,999)
Restricted	15,624,536	-	-	-	-	-	15,624,536
Unrestricted	115,860,917	(51,548,464)	(0)	(2,093,575)	1,785,435	-	64,004,315
Total net position	(192,800,178)	(46,693,488)	(0)	(432,696)	1,785,435	1,090,776	(237,050,147)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	1,909,826,172	76,313,904	(0)	1,087,146	2,155,819	(84,632,320)	1,904,750,720

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

	Palomar Health	PHMG	PAC	NCRE	SANDEMA	Elimination	YTD Consolidated
OPERATING REVENUE:							
Net patient service revenue	257,804,367	25,465,223	-	-	-	-	283,269,590
Shared risk revenue	29,161,512	6,024,541	-	-	-	-	35,186,053
Other revenue	3,805,436	1,036,161	-	2,462,421	8,241,185	(182,954)	15,362,249
PH Program revenue	-	9,730,139	-	-	-	(9,730,139)	-
Total operating revenue	290,771,315	42,256,064	-	2,462,421	8,241,185	(9,913,093)	333,817,892
OPERATING EXPENSES	270,282,526	62,617,040	3,935,535	2,866,392	7,050,752	(9,913,093)	336,839,152
DEPRECIATION AND AMORTIZATION	19,462,254	1,615,825	-	-	-	-	21,078,079
Total operating expenses	289,744,780	64,232,865	3,935,535	2,866,392	7,050,752	(9,913,093)	357,917,231
INCOME (LOSS) FROM OPERATIONS	1,026,535	(21,976,801)	(3,935,535)	(403,971)	1,190,433	-	(24,099,339)
NON-OPERATING INCOME (EXPENSE):							
Investment income	5,489,579	3,671,306	-	-	-	-	9,160,885
Interest expense	(29,650,556)	(28,671)	-	-	-	-	(29,679,227)
Property tax revenue	25,099,997	-	-	-	-	-	25,099,997
Other - net	(3,885,703)	(26,680)	-	-	-	1,392,305	(2,520,078)
Total non-operating expense - net	(2,946,683)	3,615,955	-	-	-	1,392,305	2,061,577
CHANGE IN NET POSITION	(1,920,148)	(18,360,846)	(3,935,535)	(403,971)	1,190,433	1,392,305	(22,037,762)
Interfund - PHMG	(14,162,261)	14,140,052	-	-	-	-	(22,209)
Net Position - Beginning of year	(176,717,770)	(42,472,695)	3,935,535	(324,790)	1,334,334	(301,529)	(214,546,915)
Prior Period Adj-Assets				296,065	(739,332)		
Effect of adopting GASB 87		-	-			-	-
NET POSITION - Beginning of year	(176,717,770)	(42,472,695)	3,935,535	(28,725)	595,002	(301,529)	(214,990,182)
NET POSITION - Year to date	(192,800,178)	(46,693,493)	(0)	(432,696)	1,785,435	1,090,776	(237,050,149)
EBIDA							34,634,745
EBIDA Margin							10.4%

Note: Financial Performance includes GO Bonds
Financial Performance excludes PHMG

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

Assets

Current Assets

Cash and cash equivalents	\$ 35,178,007
Investments	30,685,605
Patient accounts receivable - net of allowances for uncollectible accounts of \$114,584	135,211,184
Other receivables	53,443,846
Supplies and inventories	12,796,645
Prepaid expenses and other	10,658,705
Estimated third-party payor settlements receivable	119,056,466
Assets whose use is limited - current portion	56,181
Restricted cash and investments, current	43,505,748

Total current assets 440,592,387

Restricted Noncurrent Cash and Investments

Held by trustee under indenture agreements	86,233,239
Held by trustee under general obligation bonds indenture	43,505,748
Held in escrow for street improvements	735,548
Restricted by donor and other	357,973

Total restricted cash and investments 130,832,508

Less amounts required to meet current obligations 43,561,929

Total restricted noncurrent cash and investments 87,270,579

Capital Assets - net 941,456,767

Right of Use Assets - Net 310,974,509

Other Assets

Prepaid debt insurance costs	7,985,214
Investment in and amounts due from affiliated entities	6,497,263
Other	66,638,921

Total other assets 81,121,398

Total assets 1,861,415,640

Deferred outflow of resources - loss on refunding of debt 43,335,080

Total Assets and Deferred Outflow of Resources \$ 1,904,750,720

Liabilities

Current Liabilities

Accounts payable	108,589,453
Accrued compensation and related liabilities	54,527,784
Current portion of general obligation bonds	10,806,216
Current portion of long-term debt	8,993,114
Current portion of lease liabilities	24,184,762
Other accrued liabilities	94,041,455
Accrued interest payable	28,192,697
Accrued interest payable-ROU's	1,403,442

Total current liabilities 330,738,923

Workers' compensation - net of current portion 8,748,682

Other long-term liabilities -

Long-term debt - general obligation bonds - net of current portion 614,939,677

Long-term debt - net of current portion 766,681,322

Long-term debt - Lease liability - net of current portion 328,767,582

Total liabilities 2,049,876,186

Deferred inflow of resources - unearned revenue 91,924,683

Total liabilities and deferred inflow of resources 2,141,800,869

Net Position

Net investment in capital assets	(316,678,999)
Restricted, expendable for:	
Repayment of debt	14,531,015
Capital acquisitions	735,548
Other purposes	357,973
Unrestricted	64,004,315

Total net position (237,050,148)

Total Liabilities, Deferred Inflow of Resources, and Net Position \$ 1,904,750,720

Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$21,599	\$ 283,269,594
Premium revenue	
Shared risk revenue	35,186,053
Other revenue	<u>15,362,249</u>
Total operating revenue	<u>333,817,896</u>
Operating Expenses	
Salaries, wages, and benefits	203,972,317
Professional fees	24,055,190
Supplies	46,435,628
Purchased services	36,784,183
Depreciation and amortization	21,078,079
Rent expense	7,074,126
Utilities	3,050,826
Other	<u>15,466,883</u>
Total operating expenses	<u>357,917,233</u>
Income (Loss) From Operations	<u>(24,099,337)</u>
Non-Operating Income (Expenses)	
Investment income	9,160,885
Interest expense	(29,679,225)
Property tax revenue - unrestricted	8,566,664
Property tax revenue - restricted	16,533,333
Amortization expense	(5,915,200)
Other - net	<u>2,929,648</u>
Total non-operating expenses - net	<u>1,596,104</u>
Change in net position	(22,503,233)
Net Position - Beginning of year	<u>(214,546,915)</u>
Net Position - October 31, 2025	<u>\$ (237,050,148)</u>

CASH FROM OPERATING ACTIVITIES

Receipts from:

Patients, insurers, and other third-party payers	337,499,686
Other sources	(26,850,818)

Payments to:

Employees	(217,612,804)
Suppliers	(100,665,192)

Net cash provided by operating activities (7,629,127)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipt of district taxes 8,566,664

Net cash provided by noncapital financing activities 8,566,664

CASH FLOWS FROM CAPITAL AND RELATED

FINANCING ACTIVITIES

Acquisition and construction of capital assets	(9,629,276)
Interest payments on long-term debt	(26,228,669)
Interest payments on lease liabilities	(4,763,173)
Principal repayment on long-term debt	(12,795,713)
Principal repayment on lease obligations	(7,526,056)
Proceeds on sale of capital assets	914
Receipt of property taxes restricted for debt service on general obligation bonds	16,533,333
Other	(4,983,882)

Net cash used in capital and related financing activities (28,470,299)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of investments	(20,263,975)
Proceeds from sale of investments	53,604,018
Interest received on investments and notes receivable	6,725,577
Net cash provided by (used in) investing activities	<u>40,065,620</u>

NET INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS

12,532,857

CASH AND CASH EQUIVALENTS - beginning of year

22,645,150

CASH AND CASH EQUIVALENTS - end of year

\$ 35,178,007

Days Cash on Hand Ratio Covenant	October 31, 2025 Consolidated
Cash and Cash Equivalents	65,863,612
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	357,917,233
Less: Depreciation	21,078,079
Adjusted Expenses	336,839,154
Number of days in period	123
Average Adjusted Expenses per Day	2,738,530
Days Cash on Hand	24.1
REQUIREMENT	65

Debt Service Coverage Ratio Covenant	October 31, 2025 Consolidated
Excess of revenues over expenses	(28,476,005)
REVERSE:	
Depreciation and Amortization	21,078,079
Depreciation and Amortization-NonOp	5,915,200
Interest Expense	17,850,629
Income Available for Debt Service	16,367,903
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	18,763,452
Debt Service Coverage Ratio	0.87
REQUIREMENT	1.15
NOT ACHIEVED	

NOTE: Pre-audit results shown