

# FINANCE COMMITTEE

## Meeting Agenda

Monday, February 2, 2026

9:00 a.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
<b>Call To Order</b>				
I.	Establishment of Quorum	1		10:00
II.	Public Comments <sup>1</sup>	30		10:30
III.	Action Item(s) <i>(ADD A)</i>			
	A. Finance Committee Minutes, December 17, 2025 <i>(Pp 6-8)</i>	5		10:35
	B. November 2025 Guidehouse Update – <i>Informational Only (Pp 9-12)</i>	20		11:00
	C. YTD FY2026 and November 2025 Financials <i>(Pp 13-32)</i>	25		11:25
	D. YTD FY2026 and December 2025 Financials <i>(Pp 33-52)</i>	25		11:50
	E. 2026 Board Finance Committee Meeting Schedule	5		11:55
<b>Final Adjournment</b>				

### Board Finance Committee Members

<b>Voting Members</b>	<b>Non-Voting Members</b>
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
Andrew Nguyen, MD, Chief of Staff Palomar Medical Center Escondido	
Mark Goldsworthy, MD, Chief of Staff Palomar Medical Center Poway	
<b>Alternate Voting Members</b>	
Laurie Edwards-Tate, MS – 1 <sup>st</sup> Board Alternate	
Paul Ritchie, MD, Chief of Staff-Elect, Poway	

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

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

# Board Finance Committee

## Meeting Location Options

### Linda Greer Board Room

2125 Citracado Parkway, Suite 300, Escondido, CA 92029

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

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

Meeting ID: 243 097 953 208 04

Pass Code: jh7ii7VK

or

Dial in using your phone at 929.352.2216; Access Code: 518 521 270#<sup>1</sup>

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

- 2198 Palomar Airport Road, Carlsbad, CA 92008

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

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

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

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### I. PURPOSE:

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

### II. DEFINITIONS:

A. None defined.

### III. TEXT / STANDARDS OF PRACTICE:

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

# Board Finance Committee Meeting

Meeting will begin at 9:00 a.m.

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## 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.

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### 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

<i>Board Finance Committee Meeting Minutes – Wednesday, December 17, 2025</i>	
<i>Agenda Item</i>	<i>Conclusion/Action</i>
<i>Discussion</i>	
<b>Notice Of Meeting</b>	
<p>Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with an agenda and information packet on the Palomar Health website on Friday, December 12, 2025. An amended agenda and information packet was posted on the Palomar Health website on Monday, December 15, 2025.</p>	
<b>Call To Order</b>	
<p>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 12:02 p.m. by Board Committee Chair Linda Greer.</p>	
<b>I. Establishment of Quorum</b>	
<p>A. Quorum determined by roll call vote comprised of: Director Linda Greer; Director Jeffrey Griffith (virtual); Director Michael Pacheco; Diane Hansen; Kanchan Koirala, M.D.; (virtual) Mark Goldsworthy, MD (virtual)</p>	
<b>II. Public Comments</b>	
<ul style="list-style-type: none"> <li>No public comments</li> </ul>	

<b>III. Action Items</b>	
A. Finance Committee Minutes, October 29, 2025	<p><b>MOTION</b> by Diane Hansen, 2<sup>nd</sup> by Director Jeffrey Griffith to approve the Finance Committee Minutes from October 29, 2025, as written.</p> <p>Roll call voting was utilized.  Director Greer - aye  Director Griffith – aye  Director Pacheco – abstain  Hansen – aye  Goldsworthy, MD – aye  Koirala, MD – aye</p> <p>Five in favor. None opposed. None absent. One abstention(s).   Motion approved.</p>
<p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>No discussion</li> </ul>	
b. October Guidehouse Update	<b>NO MOTION, INFORMATIONAL ONLY</b>
<p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>Jared Dougherty, Guidehouse, shared a presentation with the committee.</li> </ul>	

c. YTD FY2026 and October 2025 Financials

**MOTION** by Director Michael Pacheco, 2<sup>nd</sup> by Diane Hansen to approve YTD FY2026 and October 2025 Financials and move to the Board of Directors for ratification.

Roll call voting was utilized.

Director Greer - aye

Director Griffith – aye

Director Pacheco – aye

Hansen – aye

Goldsworthy, MD – aye

Koirala, MD – aye

Six in favor. None opposed. None absent. No abstention(s).

Motion approved.

**Discussion:**

- Andrew Tokar, Chief Financial Officer, presented the YTD FY2026 and October 2025 Financials to the Committee. Committee discussion ensued.

**Final Adjournment**

Meeting adjourned by Board Committee Chair Linda Greer at 12:35 p.m.

**Signatures:**

Committee Chair

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

Committee Assistant

\_\_\_\_\_  
Janet Kren

# Margin Improvement / Turnaround Project Financial Update

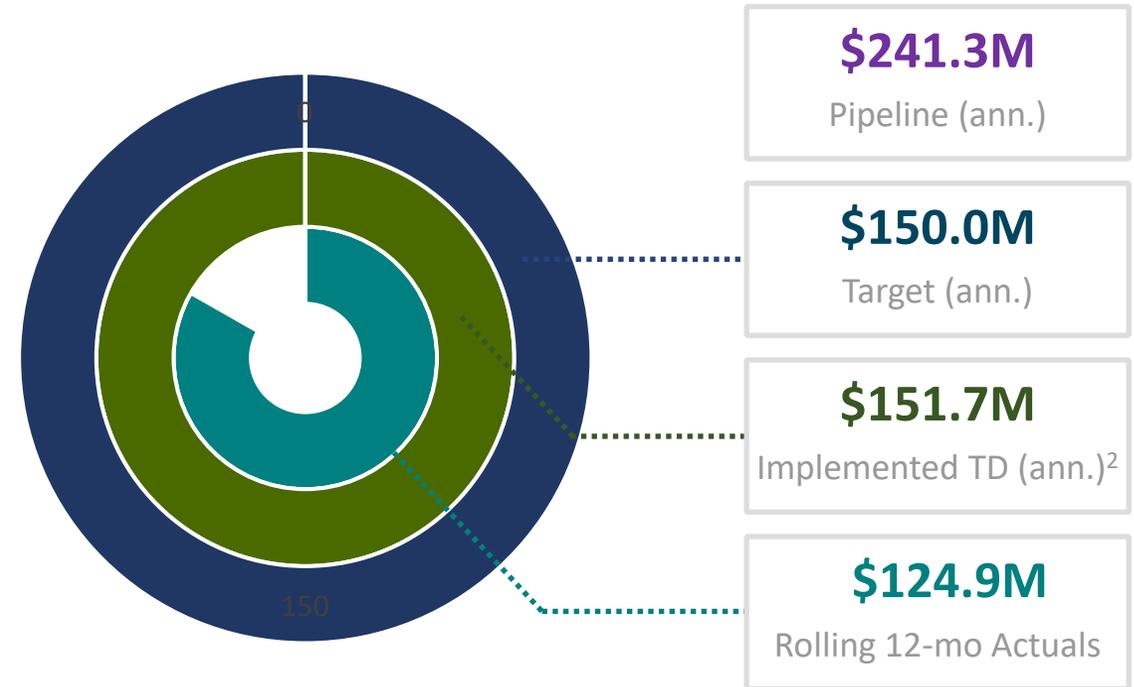
Reporting Month: Nov-25

February 2, 2026

# Palomar Health has implemented \$151.7M of initiatives, achieving annual improvement target; \$124.9M realized over past 12 months

## Key upcoming high value initiatives include:

- ❑ **\$26.5M<sup>1</sup>** **Denials Reduction** | Initial and fatal denials reduction, supported by UM improvement through operational management metric dashboard
- ❑ **\$4.3M** **Premium Pay & Bonus Programs** | Continued agency and premium pay reduction; aligning bonus, recruitment and incentive programs with best practices
- ❑ **\$3.2M** **Care Transitions** | Reinvigorate efforts to hardwire processes, improve throughput and optimize post-acute care (SNF) integration / referral strategy
- ❑ **\$0.4M** **PHMG** | Increased PB and HB revenue through improved patient access, capacity management, & collections; implement performance improvement framework
- ❑ **\$0.3M** **Real Estate** | Sublease of satellite building

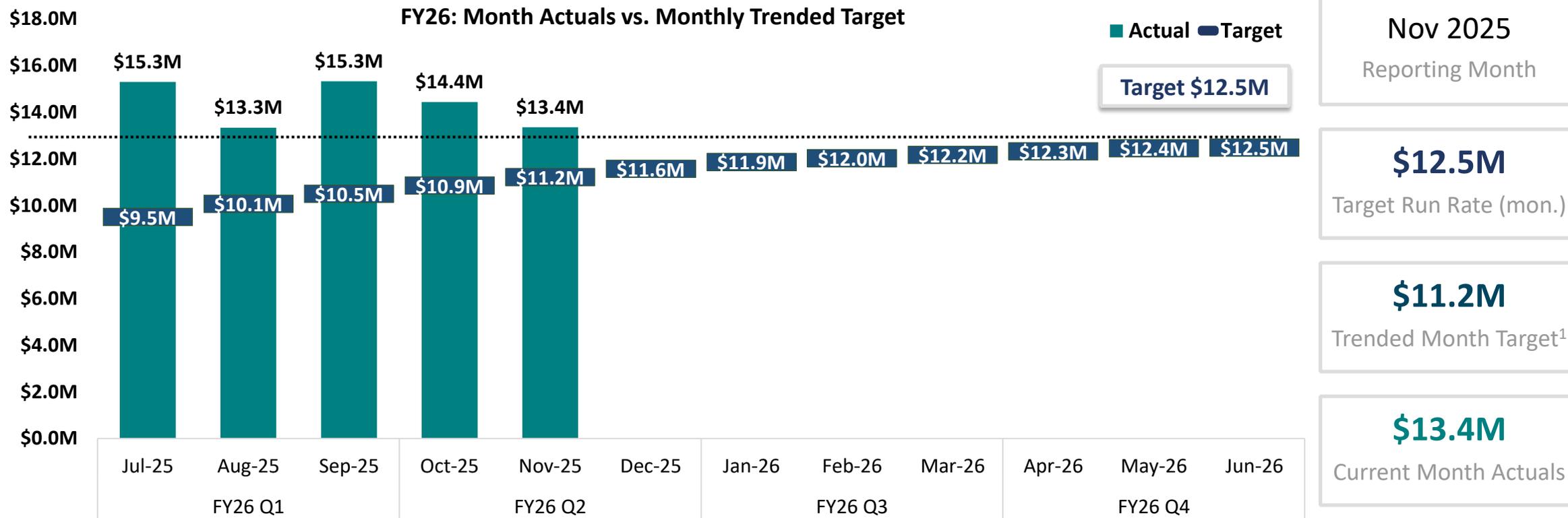


Pipeline value has increased **\$4.5M** from **\$236.8M** reported at 12/17 Finance Committee; increase driven by refreshed PHMG provider productivity opportunity in downstream and OP revenue. Implemented value has remained the same as previously reported.

<sup>1</sup>Value of high value initiatives reflect remaining projected benefit for FY26.

<sup>2</sup>Implemented to date (TD) reflects pipeline initiatives actively implemented, with a confidence factor applied to projected impact.

# Initiative performance in November 2025 resulted in \$13.4M in realization, exceeding monthly target of \$11.2M



**November results** were lower than recent months, while still surpassing target run rate. Performance in November was largely driven by sustained improvements in revenue cycle management and tight management of labor expenses. High-value initiatives outlined on prior slide are projected to achieve additional impact in Q3-Q4, improving run rate in line with forecast. *Note:* Jul-25 to Oct-25 actuals were lower than previously reported due to retrospective adjustments within provider productivity (PHMG).

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

# In addition to sustaining improvements to date, acceleration of new initiatives will further drive workstream improvement

Workstream	Oct		Nov (Current Month)		Dec	Status
	Target	Actual	Target	Actual	Target	
Revenue Cycle	\$3.1M	\$7.7M	\$3.1M	\$7.4M	\$3.2M	On Track
PHMG	\$1.4M	\$0.4M	\$1.5M	\$0.2M	\$1.6M	At Risk
Workforce & Periop	\$1.7M	\$2.3M	\$1.8M	\$3.0M	\$2.0M	On Track
Corporate Services	\$1.4M	\$0.3M	\$1.5M	\$0.3M	\$1.6M	At Risk
Hospital Strategy	\$1.3M	\$0.6M	\$1.3M	\$0.2M	\$1.3M	At Risk
Care Transitions & PSA	\$1.0M	\$2.2M	\$1.0M	\$1.4M	\$1.0M	On Track
Supply Chain & PS	\$0.8M	\$0.9M	\$0.8M	\$0.9M	\$0.8M	On Track
Facilities & Real Estate	\$0.2M	\$0.0M	\$0.2M	\$0.0M	\$0.2M	At Risk
<b>Total:</b>	<b>\$10.9M</b>	<b>\$14.4M</b>	<b>\$11.2M</b>	<b>\$13.4M</b>	<b>\$11.6M</b>	

## Key Updates

- **Revenue Cycle:** Avoidable write-offs as a % of NPR have stayed below 3% for last 6 months; implementing UM KPI dashboard to target addition denial reduction and accelerate cash
- **PHMG:** Advancing productivity strategies to improve volume and revenue growth while controlling costs; developing performance improvement framework
- **Workforce:** Workforce initiatives continue to outperform baseline and show positive realization; recent activities include premium pay reduction and optimization of bonus programs
- **Corporate Services:** Short-term increased HR and Legal spend impacting corporate realization; overall corporate expense expected to decline in coming months
- **Hospital Strategy:** Infusion demonstrates some volume growth, with SNF and OP Cath Lab volumes lowered
- **Care Transitions & PSA:** IP LOS slightly higher this month; opportunities remain within post-acute strategy
- **Facilities & Real Estate:** Anticipating nominal savings starting in Jan-26 from satellite building sublease

Nov 2025  
Reporting Month

**\$11.2M**  
Trended Month Target

**\$13.4M**  
Current Month Actuals

Status		
On Track	Caution	At Risk

# Fiscal Year 2026 Financial Performance

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

November 2025 Unaudited

## Highlights for November 2025

### Revenue

- Gross Revenue was \$21.3M above budget, or 4.4%
- Net Patient Revenue was above budget by \$4.3M
- Low in-network capitation claims offset positive volume trends during November, reversing the previous two month trend

### Volumes

- November continued to be a strong month for acute inpatient volumes
  - Acute discharges and patient days were 6.7% and 13.6% higher than budget, respectively
- For both surgery and emergency room, the trends were off budget
  - For the month, surgeries cases 6.2% below budget
  - IP ED visits missed budget by 1.8%
  - OP ED was slightly behind budget and prior year, at 0.1% and 4.4% behind respectively
- Imaging continues with strong volume increases over budget and prior year
- Infusion Therapy slowed a bit to a miss of 3.8% to budget, but was 11.0% higher than prior year
- Length of Stay recently increased to 4.5 days, but continue to be below budget on the year at 4.1 days and is 5.2% lower than the prior year

### Expenses

- Total expenses were 3.9% over budget in the month
- The largest budget overages were in salaries and wage and professional fees, driven by higher volumes and transaction costs
- Supplies are 4.9% better than budget on the month despite higher volumes. YTD we are not at budget.

### Other Highlights

- EBIDA\* margin remains strong at 12.5% based on FYTD results
- Operating Margin\* was 1.3% on the month
- Days Cash on Hand Consolidated for November decreased to 13.9 days, as a large payment was made for IGTs
- Accounts Payable Current Liability held steady as cash was used for IGT outflows at \$106.8M
- Days in Accounts Receivable (A/R) increased to 60.3 days, reversing a downward trend. Daily cash receipts were strong however, we had fewer working days due to holidays in the month of November. We expect this trend to reverse in December.
- Debt Service Coverage is 0.91 as of November, which is below covenant but positive and did improve from the previous month
- Work with UCSD is beginning to transition from due diligence to implementation phase

\*Earnings Before Interest, Depreciation and Amortization (EBIDA) and Operating Margin corresponds to PH only

**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 \$60.7 million. Days in Net A/R excluding supplemental government programs are 60.3 days, an increase of 0.4 days from the prior month. Uncompensated Care increased by \$3.8 million to \$12.1 million for the month.

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

Key Performance Indicators (KPI)	July 2025	August 2025	September 2025	October 2025	November 2025	Target
Total Net A/R (\$) <sup>1</sup>	\$ 138,245,508	\$ 135,609,856	\$ 129,039,121	\$ 119,687,568	\$ 121,665,415	
Net Days in A/R (Days) <sup>2</sup>	67.7	66.6	62.1	59.9	60.3	55.0
% AR > 90 Days	38.8%	39.4%	38.5%	38.8%	43.5%	22.5%
% of Avoidable Denial Write-Offs	1.3%	1.6%	2.1%	2.1%	2.1%	2.1%
Net Revenue Yield	104.3%	106.1%	111.8%	112.9%	111.6%	98.0%

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

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

	Month					Year to Date				
	Actual Nov-25	Budget Nov-25	Budget Variance	Prior Year Nov-24	Prior Year Variance	Actual Nov-25	Budget Nov-25	Budget Variance	Prior Year Nov-24	Prior Year Variance
<b>Key Volumes</b>										
<b>Discharges - Total</b>	<b>2,127</b>	<b>2,003</b>	<b>6.2%</b>	<b>2,066</b>	<b>3.0%</b>	<b>11,628</b>	<b>10,279</b>	<b>13.1%</b>	<b>10,473</b>	<b>11.0%</b>
Acute - General	2,089	1,957	6.7%	2,027	3.1%	11,435	10,054	13.7%	10,289	11.1%
Total Acute Discharges	2,089	1,957	6.7%	2,027	3.1%	11,435	10,054	13.7%	10,289	11.1%
The Villas at Poway	38	46	(17.1%)	39	(2.6%)	193	225	(14.3%)	184	4.9%
<b>Patient Days - Total</b>	<b>11,856</b>	<b>11,400</b>	<b>4.0%</b>	<b>11,530</b>	<b>2.8%</b>	<b>59,448</b>	<b>57,713</b>	<b>3.0%</b>	<b>57,657</b>	<b>3.1%</b>
Acute - General	9,372	8,253	13.6%	8,698	7.8%	46,628	42,292	10.3%	44,118	5.7%
Total Acute Patient Days	9,372	8,253	13.6%	8,698	7.8%	46,628	42,292	10.3%	44,118	5.7%
The Villas at Poway	2,484	3,147	(21.1%)	2,832	(12.3%)	12,820	15,421	(16.9%)	13,539	(5.3%)
Acute Adjusted Discharges	3,327	3,238	2.7%	3,192	4.2%	18,472	16,766	10.2%	16,527	11.8%
Total Adjusted Discharges*	3,372	3,178	6.1%	3,237	4.2%	18,697	16,315	14.6%	16,741	11.7%
Acute Adjusted Patient Days	14,924	13,204	13.0%	13,698	9.0%	75,289	67,665	11.3%	70,851	6.3%
Total Adjusted Patient Days*	17,408	16,351	6.5%	16,530	5.3%	88,109	83,086	6.1%	84,390	4.4%
Calendar Days	30	30	0.0%	30	0.0%	153	153	0.0%	153	0.0%
Acute Average Daily Census	312	275	13.6%	290	7.8%	305	276	10.3%	288	5.7%
Total Average Daily Census*	395	380	4.0%	384	2.8%	389	377	3.0%	377	3.1%
<b>Surgeries - Total</b>	<b>832</b>	<b>887</b>	<b>(6.2%)</b>	<b>903</b>	<b>(7.9%)</b>	<b>4,535</b>	<b>4,616</b>	<b>(1.8%)</b>	<b>4,701</b>	<b>(3.5%)</b>
Inpatient	463	499	(7.2%)	496	(6.7%)	2,522	2,573	(2.0%)	2,558	(1.4%)
Outpatient	369	388	(4.9%)	407	(9.3%)	2,013	2,043	(1.5%)	2,143	(6.1%)
Deliveries	258	293	(11.9%)	286	(9.8%)	1,378	1,538	(10.4%)	1,502	(8.3%)
<b>ER Visits (Includes Trauma) - Total</b>	<b>8,907</b>	<b>8,942</b>	<b>(0.4%)</b>	<b>8,914</b>	<b>(0.1%)</b>	<b>49,863</b>	<b>50,937</b>	<b>(2.1%)</b>	<b>50,802</b>	<b>(1.9%)</b>
Inpatient	1,534	1,562	(1.8%)	1,476	3.9%	9,007	8,522	5.7%	8,052	11.9%
Outpatient	7,373	7,380	(0.1%)	7,438	(0.9%)	40,856	42,415	(3.7%)	42,750	(4.4%)

Month

Year to Date

	Month					Year to Date				
	Actual Nov-25	Budget Nov-25	Budget Variance	Prior Year Nov-24	Prior Year Variance	Actual Nov-25	Budget Nov-25	Budget Variance	Prior Year Nov-24	Prior Year Variance
Cardiac Cath RVUs	1,044	1,058	(1.3%)	1,080	(3.3%)	5,652	5,281	7.0%	5,405	4.6%
Escondido Interv. Radiology RVUs	814	935	(12.9%)	935	(12.9%)	4,247	4,824	(12.0%)	4,831	(12.1%)
Poway Interv. Radiology RVUs	237	264	(10.1%)	244	(2.9%)	1,451	1,400	3.6%	1,299	11.7%
Radiation Oncology RVUs	3,062	3,370	(9.1%)	3,246	(5.7%)	16,181	17,186	(5.9%)	15,811	2.3%
Infusion Therapy Hours	1,037	1,077	(3.8%)	934	11.0%	5,157	5,495	(6.1%)	4,851	6.3%
<b>Imaging</b>										
Escondido CAT Procedures	9,553	9,559	(0.1%)	9,203	3.8%	50,173	46,397	8.1%	44,687	12.3%
Poway CAT Procedures	2,738	2,675	2.4%	2,606	5.1%	14,222	12,932	10.0%	12,588	13.0%
Escondido MRI Procedures	579	500	15.8%	474	22.2%	2,700	2,423	11.4%	2,300	17.4%
Poway MRI Procedures	135	130	3.8%	134	0.8%	721	667	8.2%	678	6.3%
Escondido Diagnostic Rad. Procedures	6,880	6,586	4.5%	6,643	3.6%	34,871	34,346	1.5%	34,641	0.7%
Poway Diagnostic Rad. Procedures	2,140	2,132	0.4%	2,134	0.3%	10,929	10,767	1.5%	10,783	1.4%

\*Includes The Villas at Poway

Month

Year to Date

	Month					Year to Date				
	Actual Nov-25	Budget Nov-25	Budget Variance	Prior Year Nov-24	Prior Year Variance	Actual Nov-25	Budget Nov-25	Budget Variance	Prior Year Nov-24	Prior Year Variance
<b>Key Statistics</b>										
Acute Average LOS - Days	4.49	4.22	(6.0%)	4.29	(4.4%)	4.08	4.21	3.2%	4.29	5.2%
Acute - General	4.49	4.22	(6.0%)	4.29	(4.4%)	4.08	4.21	3.2%	4.29	5.2%
Acute Behavioral Health	0.00	0.00	0.0%	0.00	0.0%	0.00	0.00	0.0%	0.00	0.0%
Average Observation Hours	29	26	(9.4%)	26	(8.6%)	27	28	2.7%	28	2.8%
Acute Case Mix - Excludes Deliveries	1.69	1.75	3.4%	1.75	3.6%	1.66	1.74	4.6%	1.74	4.8%
Acute Case Mix -Medicare Only	1.72	1.69	(1.8%)	1.69	(1.7%)	1.64	1.72	4.7%	1.72	4.9%
Labor Productivity by Hrs					0.0%	99.4%	100%		92.1%	
Days Cash on Hand					0.0%	16.1			17.7	
<b>Financial Performance</b>										
Operating Income	973,566	(500,000)	1,473,566	(8,452,768)	9,426,334	2,000,101	(6,500,000)	8,500,101	(31,081,973)	33,082,074
Net Income	(976,273)	(2,925,848)	1,949,575	(10,559,275)	9,583,002	(8,548,212)	(18,715,643)	10,167,431	(42,040,637)	33,492,425
Oper. Expenses/Adj. Patient Days	4,196	4,302	(2.5%)	4,012	4.6%	3,842	4,019	(4.4%)	4,083	(5.9%)
EBIDA Margin-Excludes PHMG	13.4%	10.9%	22.9%	0.4%	3,250.0%	12.5%	9.7%	28.9%	3.8%	229.0%
EBIDA-Excludes PHMG	9,920,329	7,592,491	2,327,838	236,825	9,683,504	45,547,806	33,876,049	11,671,757	12,765,557	32,782,249

Note: Financial Performance excludes GO Bonds

**Income Statement for the Fiscal Period**  
Excludes PHMG

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>		<b>Dollars/Adjusted Patient Day</b>		
	<u>Nov 25</u>	<u>Nov 25</u>	<u>Nov 25</u>	<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Adjusted Patient Days</b>	17,408	16,351	1,057					
<b>Adjusted Discharges</b>	3,372	3,178	194					
<b>Operating Revenue</b>								
Gross revenue	492,983,821	471,657,741	21,326,080	30,490,015	(9,163,935)	28,319.38	28,845.80	(526.42)
Deductions from revenue	(420,035,285)	(402,982,389)	(17,052,896)	(26,050,540)	8,997,644	(24,128.87)	(24,645.73)	516.87
Net patient revenue	72,948,536	68,675,352	4,273,184	4,439,474	(166,290)	4,190.52	4,200.07	(9.55)
Other operating revenue	1,075,318	1,159,790	(84,472)	74,974	(159,446)	61.77	70.93	(9.16)
Total net revenue	74,023,854	69,835,142	4,188,712	4,514,448	(325,736)	4,252.29	4,271.00	(18.71)
<b>Operating Expenses</b>								
Salaries, wages & contract labor	31,212,533	29,307,717	(1,904,816)	(1,894,579)	(10,237)	1,793.00	1,792.41	(0.59)
Benefits	7,243,795	7,790,418	546,623	(503,607)	1,050,230	416.12	476.45	60.33
Supplies	10,095,256	10,590,999	495,743	(684,648)	1,180,391	579.92	647.73	67.81
Prof fees & purch svcs	15,556,548	14,402,690	(1,153,858)	(931,053)	(222,805)	893.64	880.84	(12.80)
Depreciation & amortization	4,834,844	4,703,549	(131,295)	(304,058)	172,763	277.74	287.66	9.92
Other	4,107,312	3,539,769	(567,543)	(228,826)	(338,717)	235.94	216.49	(19.46)
Total expenses	73,050,288	70,335,142	(2,715,146)	(4,546,771)	1,831,625	4,196.36	4,301.58	105.22
Income from operations	973,566	(500,000)	1,473,566	(32,322)	1,505,888	55.93	(30.58)	(123.93)
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	2,141,666	2,141,667	(1)					
Investment Income	2,032,287	1,176,843	855,444					
Interest Expense	(4,582,958)	(4,335,990)	(246,968)					
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	-					
Other non-operating revenue(expense)	(62,034)	70,432	(132,466)					
Net income(loss) <sup>2</sup>	(976,273)	(2,925,848)	1,949,575					

EBIDA Margin 13.4% 10.9% 2.5%

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

2= Excludes G.O. Bonds income / expense

Income Statement for the Fiscal Year to Date  
Excludes PHMG

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Variance</b>		<b>Dollars/Adjusted Patient Day</b>		
	<u>Nov 25</u>	<u>Nov 25</u>	<u>Nov 25</u>	<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Adjusted Patient Days</b>	88,109	83,086	5,023					
<b>Adjusted Discharges</b>	18,697	16,315	2,382					
<b>Operating Revenue</b>								
Gross revenue	2,546,289,518	2,425,821,397	120,468,121	146,654,080	(26,185,959)	28,899.31	29,196.51	(297.20)
Deductions from revenue	(2,186,375,101)	(2,080,638,018)	(105,737,085)	(125,785,870)	20,048,787	(24,814.44)	(25,041.98)	227.55
Net patient revenue	359,914,417	345,183,379	14,731,036	20,868,210	(6,137,172)	4,084.88	4,154.53	(69.65)
Other operating revenue	4,880,751	5,798,950	(918,199)	350,578	(1,268,777)	55.39	69.79	(14.40)
Total net revenue	364,795,168	350,982,329	13,812,837	21,218,788	(7,405,949)	4,140.27	4,224.33	(84.05)
<b>Operating Expenses</b>								
Salaries, wages & contract labor	156,892,022	150,690,804	(6,201,220)	(9,110,078)	2,908,860	1,780.66	1,813.67	33.01
Benefits	35,858,390	39,694,124	3,835,734	(2,399,725)	6,235,459	406.98	477.75	70.77
Supplies	53,864,161	53,860,966	(3,195)	(3,256,188)	3,252,993	611.34	648.26	36.92
Prof fees & purch svcs	74,043,596	72,066,673	(1,976,922)	(4,356,822)	2,379,899	840.36	867.37	27.01
Depreciation & amortization	24,297,096	23,517,742	(779,354)	(1,421,775)	642,421	275.76	283.05	7.29
Other	17,839,802	17,652,020	(187,782)	(1,067,160)	879,378	202.47	212.45	9.98
Total expenses	362,795,067	357,482,329	(5,312,739)	(21,611,749)	16,299,011	4,117.57	4,302.56	184.99
Income from operations	2,000,101	(6,500,000)	8,500,101	(392,960)	8,893,061	22.70	(78.23)	(269.04)
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	10,708,330	10,708,333	(3)					
Investment Income	6,754,515	5,884,219	870,296					
Interest Expense	(22,404,920)	(21,679,950)	(724,970)					
Non-operating depreciation & amortization	(7,394,002)	(7,394,000)	(2)					
Other non-operating revenue(expense)	1,787,764	265,754	1,522,010					
Net income(loss) <sup>2</sup>	(8,548,212)	(18,715,644)	10,167,432					

EBIDA Margin 12.5% 9.7% 2.8%

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

	<b>Actual</b>	<b>Prior Year</b>	<b>Variance</b>	<b>Variance</b>		<b>Dollars/Adjusted Patient Day</b>		
	<u>Nov 25</u>	<u>Nov 24</u>	<u>Nov 25</u>	<u>Volume</u>	<u>Rate/Eff</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Adjusted Patient Days</b>	88,109	67,860	20,249					
<b>Adjusted Discharges</b>	18,697	13,504	5,193					
<b>Operating Revenue</b>								
Gross revenue	2,546,289,518	2,368,976,790	177,312,728	706,887,872	(529,575,144)	28,899.31	34,909.77	(6,010.45)
Deductions from revenue	(2,186,375,104)	(2,036,491,359)	(149,883,744)	(607,676,297)	457,792,552	(24,814.44)	(30,010.19)	5,195.75
Net patient revenue	359,914,414	332,485,431	27,428,984	99,211,575	(71,782,592)	4,084.88	4,899.58	(814.70)
Other operating revenue	4,880,753	5,077,639	(196,884)	1,515,136	(1,712,022)	55.39	74.83	(19.43)
<b>Total net revenue</b>	<b>364,795,167</b>	<b>337,563,070</b>	<b>27,232,100</b>	<b>100,726,711</b>	<b>(73,494,614)</b>	<b>4,140.27</b>	<b>4,974.40</b>	<b>(834.13)</b>
<b>Operating Expenses</b>								
Salaries, wages & contract labor	156,892,023	157,199,314	307,290	(46,907,293)	47,214,584	1,780.66	2,316.52	535.87
Benefits	35,858,389	41,193,810	5,335,421	(12,291,976)	17,627,397	406.98	607.04	200.06
Supplies	53,864,161	50,561,294	(3,302,867)	(15,087,174)	11,784,307	611.34	745.08	133.75
Prof fees & purch svcs	74,043,595	79,632,662	5,589,067	(23,761,889)	29,350,956	840.36	1,173.48	333.12
Depreciation & amortization	24,297,098	25,264,247	967,149	(7,538,693)	8,505,842	275.76	372.30	96.54
Other	17,839,800	14,793,716	(3,046,083)	(4,414,352)	1,368,268	202.47	218.00	15.53
<b>Total expenses</b>	<b>362,795,066</b>	<b>368,645,043</b>	<b>5,849,977</b>	<b>(110,001,377)</b>	<b>115,851,354</b>	<b>4,117.57</b>	<b>5,432.44</b>	<b>1,314.86</b>
<b>Income from operations</b>	<b>2,000,101</b>	<b>(31,081,973)</b>	<b>33,082,074</b>	<b>(9,274,667)</b>	<b>42,356,741</b>	<b>22.70</b>	<b>(458.03)</b>	<b>(2,149.00)</b>
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	10,708,330	10,625,000	83,330					
Investment Income	6,754,517	6,047,715	706,802					
Interest Expense	(22,404,918)	(22,150,522)	(254,396)					
Non-operating depreciation & amortization	(7,394,001)	(7,391,425)	(2,576)					
Other non-operating revenue(expense)	1,787,761	1,910,568	(122,807)					
<b>Net income(loss) <sup>2</sup></b>	<b>(8,548,210)</b>	<b>(42,040,637)</b>	<b>33,492,427</b>					

EBIDA Margin 12.5% 3.8% 8.7%

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

2= Excludes G.O. Bonds income / expense

**Income Statement for the Current Year Trend**  
Excludes PHMG

	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Fiscal Year 2026
<b>Adjusted Patient Days</b>	17,851	17,948	16,940	17,962	17,408	88,109
<b>Adjusted Discharges</b>	3,734	3,988	3,785	3,818	3,372	18,697
<b>Operating Revenue</b>						
Gross revenue	514,243,464	500,282,001	512,535,349	526,244,883	492,983,821	2,546,289,518
Deductions from revenue	(441,255,169)	(428,250,221)	(440,133,502)	(456,700,924)	(420,035,285)	(2,186,375,101)
Net patient revenue	72,988,295	72,031,780	72,401,847	69,543,959	72,948,536	359,914,417
Other operating revenue	864,100	946,365	1,049,479	945,491	1,075,318	4,880,751
Total net revenue	73,852,396	72,978,145	73,451,326	70,489,450	74,023,854	364,795,168
<b>Operating Expenses</b>						
Salaries, wages & contract labor	31,865,141	31,104,110	30,920,004	31,790,235	31,212,533	156,892,022
Benefits	7,366,292	6,306,806	7,513,675	7,427,821	7,243,795	35,858,390
Supplies	11,103,543	10,692,013	10,734,391	11,238,958	10,095,256	53,864,161
Prof fees & purch svcs	13,799,753	14,509,520	15,262,239	14,915,537	15,556,548	74,043,596
Depreciation & amortization	4,843,923	4,776,143	4,866,590	4,975,598	4,834,844	24,297,096
Other	2,794,212	4,173,848	3,396,570	3,367,857	4,107,312	17,839,802
Total expenses	71,772,864	71,562,440	72,693,470	73,716,005	73,050,288	362,795,067
Income from operations	2,079,532	1,415,705	757,856	(3,226,555)	973,566	2,000,101
<b>Non-operating revenue (expense)</b>						
Property tax revenues <sup>1</sup>	2,141,666	2,141,666	2,141,666	2,141,666	2,141,666	10,708,330
Investment Income	1,263,898	1,124,368	1,174,237	1,159,725	2,032,287	6,754,515
Interest Expense	(4,435,614)	(4,465,415)	(4,458,852)	(4,462,078)	(4,582,958)	(22,404,920)
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(7,394,002)
Other non-operating revenue(expense)	759,733	541,399	342,659	206,005	(62,034)	1,787,764
Net income(loss) <sup>2</sup>	330,414	(721,077)	(1,521,235)	(5,660,037)	(976,273)	(8,548,212)
EBIDA Margin	15.0%	13.7%	12.6%	7.5%	13.4%	12.5%

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
	Sep-25	Oct-25	Nov-25	Jun-25
<b>Current Assets</b>				
Cash and cash equivalents	8,555,786	32,610,582	13,829,562	15,000,751
Investments	16,999,733	30,685,605	21,740,862	28,463,741
Board Designated	-	-	-	-
Total cash, cash equivalents & investments	25,555,520	63,296,187	35,570,424	43,464,492
<b>Patient Accounts Receivable</b>	515,473,592	470,087,042	464,592,746	504,133,063
Allowance on accounts	(386,434,472)	(350,399,474)	(342,927,330)	(360,699,498)
Net accounts receivable	129,039,121	119,687,568	121,665,415	143,433,565
Inventories	12,191,916	12,120,439	12,061,648	12,194,024
Prepaid expenses	7,967,855	8,246,858	7,972,932	8,309,163
Est. third party settlements	121,734,538	119,056,466	154,794,861	95,529,680
Other	78,978,057	82,365,041	79,238,494	71,655,917
Total current assets	375,467,006	404,772,559	411,303,774	374,586,840
<b>Non-Current Assets</b>				
Restricted assets	86,969,493	86,968,788	90,301,663	87,348,717
Restricted other	357,905	357,973	358,039	357,688
Total restricted assets	87,327,398	87,326,761	90,659,702	87,706,405
Property, plant & equipment	1,594,521,102	1,594,320,807	1,594,372,659	1,593,114,786
Accumulated depreciation	(697,255,551)	(700,519,720)	(703,846,545)	(686,328,663)
Construction in process	40,374,705	40,395,599	40,501,598	39,167,673
Net property, plant & equipment	937,640,256	934,196,685	931,027,711	945,953,795
<b>Right of Use Assets</b>				
Building leases	272,814,196	271,474,675	270,135,154	276,832,758
Sub-leases	207,285	199,928	192,571	234,948
Equipment leases	17,034,113	17,662,097	17,020,796	18,084,940
SBITA	14,051,161	13,348,640	12,664,294	16,006,107
Net right of use assets	304,106,755	302,685,339	300,012,814	311,158,754
Investment related companies	5,958,932	5,900,035	7,284,261	5,718,913
Prepaid debt insurance costs	6,908,375	6,882,401	6,856,462	6,986,297
Other non-current assets	65,320,388	65,031,845	64,738,965	66,188,501
Total non-current assets	1,407,262,104	1,402,023,065	1,400,579,915	1,423,712,664
<b>Total assets</b>	<b>1,782,729,110</b>	<b>1,806,795,624</b>	<b>1,811,883,689</b>	<b>1,798,299,504</b>
Deferred outflow of resources-loss on refunding of debt	41,248,997	41,031,082	40,813,167	41,902,741
<b>Total assets and deferred outflow of resources</b>	<b>1,823,978,107</b>	<b>1,847,826,706</b>	<b>1,852,696,856</b>	<b>1,840,202,245</b>

Liabilities	Current Fiscal Year			Prior Fiscal Year
	Sep-25	Oct-25	Nov-25	Jun-25
<b>Current Liabilities</b>				
Accounts payable	99,672,474	106,418,419	106,777,768	94,240,154
Accrued payroll	35,839,681	35,614,386	39,150,537	49,881,621
Accrued PTO	24,366,560	24,768,858	24,672,380	23,828,506
Accrued interest payable	16,591,544	19,746,423	5,451,191	7,842,158
Current portion of bonds	8,925,000	8,925,000	9,365,000	8,925,000
Current portion of lease liab	21,278,235	21,835,269	21,756,699	21,510,594
Est. third party settlements	8,593,089	8,593,099	8,235,649	8,593,099
Other current liabilities	151,063,420	153,663,550	158,032,317	147,853,726
Total current liabilities	366,330,003	379,565,005	373,441,540	362,674,858
<b>Long Term Liabilities</b>				
Other LT liabilities	24,878,932	45,779,250	74,835,123	27,444,646
Bonds & contracts payable	712,531,680	712,308,973	702,721,398	713,199,799
Lease liabilities	323,356,786	322,382,524	320,731,288	327,879,779
Total long term liabilities	1,060,767,398	1,080,470,747	1,098,287,808	1,068,524,225
<b>Total liabilities</b>	<b>1,427,097,401</b>	<b>1,460,035,752</b>	<b>1,471,729,348</b>	<b>1,431,199,083</b>
Deferred inflow of resources- unearned revenue	7,058,812	7,029,127	6,895,276	6,547,471
<b>Total liabilities and deferred inflow of resources</b>	<b>1,434,156,213</b>	<b>1,467,064,879</b>	<b>1,478,624,625</b>	<b>1,437,746,554</b>
<b>Net Position</b>				
Unrestricted	389,463,989	380,403,854	373,714,193	402,098,003
Restricted for other purpose	357,905	357,973	358,039	357,688
Total net position	389,821,894	380,761,827	374,072,232	402,455,691
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,823,978,107</b>	<b>1,847,826,706</b>	<b>1,852,696,856</b>	<b>1,840,202,245</b>

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

Assets	Current Fiscal Year			Prior Fiscal Year
	Sep-25	Oct-25	Nov-25	Jun-25
<b>Current Assets</b>				
Cash and cash equivalents	8,555,786	32,610,582	13,829,562	15,000,751
Investments	16,999,733	30,685,605	21,740,862	28,463,741
Board Designated	-	-	-	-
Total cash, cash equivalents & investments	25,555,520	63,296,187	35,570,424	43,464,492
<b>Patient Accounts Receivable</b>	515,473,592	470,087,042	464,592,746	504,133,063
Allowance on accounts	(386,434,472)	(350,399,474)	(342,927,330)	(360,699,498)
Net accounts receivable	129,039,121	119,687,568	121,665,415	143,433,565
Inventories	12,191,916	12,120,439	12,061,648	12,194,024
Prepaid expenses	7,967,855	8,246,858	7,972,932	8,309,163
Est. third party settlements	121,734,538	119,056,466	154,794,861	95,529,680
Other	90,348,947	97,451,957	94,778,253	71,973,475
Total current assets	386,837,896	419,859,475	426,843,533	374,904,398
<b>Non-Current Assets</b>				
Restricted assets	129,924,368	130,474,536	137,624,565	163,601,420
Restricted other	357,905	357,973	358,039	357,688
Total restricted assets	130,282,273	130,832,509	137,982,604	163,959,108
Property, plant & equipment	1,594,521,102	1,594,320,807	1,594,372,659	1,593,114,786
Accumulated depreciation	(697,255,551)	(700,519,720)	(703,846,545)	(686,328,663)
Construction in process	40,374,705	40,395,599	40,501,598	39,167,673
Net property, plant & equipment	937,640,256	934,196,685	931,027,711	945,953,795
<b>Right of Use Assets</b>				
Building leases	272,814,196	271,474,675	270,135,154	276,832,758
Sub-leases	207,285	199,928	192,571	234,948
Equipment leases	17,034,113	17,662,097	17,020,796	18,084,940
SBITA	14,051,161	13,348,640	12,664,294	16,006,107
Net right of use assets	304,106,755	302,685,339	300,012,814	311,158,754
Investment related companies	5,958,932	5,900,035	7,284,261	5,718,913
Prepaid debt insurance and other costs	8,022,840	7,985,214	7,947,622	8,136,372
Other non-current assets	65,320,388	65,031,845	64,738,965	66,188,501
Total non-current assets	1,451,331,444	1,446,631,626	1,448,993,977	1,501,115,443
<b>Total assets</b>	<b>1,838,169,340</b>	<b>1,866,491,101</b>	<b>1,875,837,510</b>	<b>1,876,019,841</b>
Deferred outflow of resources-loss on refunding of debt	43,570,855	43,335,080	43,099,305	44,278,181
<b>Total assets and deferred outflow of resources</b>	<b>1,881,740,196</b>	<b>1,909,826,181</b>	<b>1,918,936,815</b>	<b>1,920,298,022</b>

Liabilities	Current Fiscal Year			Prior Fiscal Year
	Sep-25	Oct-25	Nov-25	Jun-25
<b>Current Liabilities</b>				
Accounts payable	99,672,474	106,419,419	106,778,293	94,240,154
Accrued payroll	35,839,681	35,614,386	39,150,537	49,881,621
Accrued PTO	24,366,560	24,768,858	24,672,380	23,828,506
Accrued interest payable	23,134,602	29,561,010	18,537,307	29,897,032
Current portion of bonds	19,731,216	19,731,216	20,171,216	19,081,756
Current portion of lease liab	21,278,235	21,835,269	21,756,699	21,510,594
Est. third party settlements	8,593,089	8,593,099	8,235,649	8,593,099
Other current liabilities	86,736,837	89,942,569	94,916,938	81,698,710
Total current liabilities	319,352,694	336,465,826	334,219,017	328,731,473
<b>Long Term Liabilities</b>				
Other LT liabilities	24,878,932	45,779,250	74,835,123	27,444,646
Bonds & contracts payable	1,327,817,548	1,327,248,651	1,317,314,884	1,340,117,039
Lease liabilities	323,356,786	322,382,524	320,731,288	327,879,779
Total long term liabilities	1,676,053,266	1,695,410,425	1,712,881,295	1,695,441,465
<b>Total liabilities</b>	<b>1,995,405,960</b>	<b>2,031,876,251</b>	<b>2,047,100,312</b>	<b>2,024,172,938</b>
Deferred inflow of resources- unearned revenue	71,385,395	70,750,108	70,010,656	72,702,486
<b>Total liabilities and deferred inflow of resources</b>	<b>2,066,791,355</b>	<b>2,102,626,359</b>	<b>2,117,110,968</b>	<b>2,096,875,424</b>
<b>Net Position</b>				
Unrestricted	(185,409,064)	(193,158,151)	(198,532,191)	(176,935,090)
Restricted for other purpose	357,905	357,973	358,039	357,688
Total net position	(185,051,159)	(192,800,178)	(198,174,152)	(176,577,402)
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,881,740,196</b>	<b>1,909,826,181</b>	<b>1,918,936,815</b>	<b>1,920,298,022</b>

	<u>Nov-25</u>	<u>YTD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income (Loss) from operations	973,566	2,005,595
<b>Adjustments to reconcile change in net assets to net cash provided from operating activities:</b>		
Depreciation Expense	4,834,844	24,297,098
Provision for bad debts	8,982,433	31,636,243
<b>Changes in operating assets and liabilities:</b>		
Patient accounts receivable	(10,960,281)	(9,868,094)
Property Tax and other receivables	2,895,824	(2,481)
Inventories	58,791	132,376
Prepaid expenses and other current assets	(2,050,793)	(1,059,206)
Accounts payable	358,874	12,538,139
Accrued compensation	3,439,671	(9,887,212)
Estimated settlement amounts due third-party payors	(36,095,845)	(59,622,631)
Other liabilities	4,960,186	14,335,890
Net cash provided from (used by) operating activities	<u>(22,602,730)</u>	<u>4,505,717</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (purchases) sales of investments	1,794,648	32,699,383
Income (Loss) on investments	2,168,951	7,658,532
Investment in affiliates	<u>(6,135,858)</u>	<u>(22,007,080)</u>
Net cash provided from (used by) investing activities	<u>(2,172,259)</u>	<u>18,350,835</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipt of G.O. Bond Taxes	3,680,490	5,444,465
Receipt of District Taxes	<u>2,483,191</u>	<u>3,682,245</u>
Net cash provided from non-capital financing activities	<u>6,163,681</u>	<u>9,126,710</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds on asset sale	186	902
Acquisition of property plant and equipment	(264,391)	(3,108,743)
G.O. Bond Interest paid	0	(25,121,525)
Revenue Bond Interest paid	(17,581,585)	(17,581,585)
ROU Interest paid	(1,275,328)	(6,431,789)
Proceeds (Payments) of Long Term Debt	20,152,777	28,418,244
Payments of Long Term Lease Liabilities	(1,201,372)	(9,329,955)
Net cash provided from (used by) capital and related financing activities	<u>(169,713)</u>	<u>(33,154,451)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(18,781,021)</b>	<b>(1,171,189)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<u>32,610,582</u>	<u>15,000,751</u>
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<u>13,829,562</u>	<u>13,829,562</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 November 30, 2025

	<u>Palomar Health</u>	<u>PHMG</u>	<u>PAC</u>	<u>NCRE</u>	<u>SANDEMA</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>							
Current assets	476,650,931	39,632,536	-	218,198	2,262,744	(63,494,869)	455,269,540
Capital assets - net	931,027,711	6,222,325	-	868,948	-	-	938,118,984
Right of use assets - net	300,012,814	25,503,375	-	-	-	(17,455,264)	308,060,925
Non-current assets	168,146,054	2,204,653	-	-	-	-	170,350,706
<b>Total assets</b>	<b>1,875,837,510</b>	<b>73,562,889</b>	<b>-</b>	<b>1,087,146</b>	<b>2,262,744</b>	<b>(80,950,133)</b>	<b>1,871,800,155</b>
Deferred outflow of resources	43,099,305	-	-	-	-	-	43,099,305
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,918,936,815</b>	<b>73,562,889</b>	<b>-</b>	<b>1,087,146</b>	<b>2,262,744</b>	<b>(80,950,133)</b>	<b>1,914,899,460</b>
<b>LIABILITIES AND NET POSITION</b>							
Current liabilities	295,934,527	100,395,333	-	1,519,842	347,235	(66,411,087.42)	331,785,845
Long-term liabilities	1,409,370,723	(0)	-	-	-	-	1,409,370,723
Right of use lease liabilities	320,731,288	21,906,899	-	-	-	(15,633,961)	327,004,226
<b>Total liabilities</b>	<b>2,026,036,538</b>	<b>122,302,232</b>	<b>-</b>	<b>1,519,842</b>	<b>347,235</b>	<b>(82,045,048)</b>	<b>2,068,160,794</b>
Deferred inflow of resources - deferred revenue	91,074,428	-	-	-	-	-	91,074,428
<b>Total liabilities and deferred inflow of resources</b>	<b>2,117,110,966</b>	<b>122,302,232</b>	<b>-</b>	<b>1,519,842</b>	<b>347,235</b>	<b>(82,045,048)</b>	<b>2,159,235,222</b>
Invested in capital assets - net of related debt	(318,933,041)	4,565,097	-	1,660,879	-	1,094,915	(311,612,149)
Restricted	33,554,453	-	-	-	-	-	33,554,453
Unrestricted	87,204,436	(53,304,438)	(0)	(2,093,575)	1,915,509	-	33,721,934
<b>Total net position</b>	<b>(198,174,152)</b>	<b>(48,739,341)</b>	<b>(0)</b>	<b>(432,696)</b>	<b>1,915,509</b>	<b>1,094,915</b>	<b>(244,335,761)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>1,918,936,815</b>	<b>73,562,891</b>	<b>(0)</b>	<b>1,087,146</b>	<b>2,262,743</b>	<b>(80,950,133)</b>	<b>1,914,899,460</b>

Note: Financial Performance includes GO Bonds  
Financial Performance excludes PHMG

Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position  
For the Fiscal Year-to-Date Ended November 30, 2025

	<u>Palomar Health</u>	<u>PHMG</u>	<u>PAC</u>	<u>NCRE</u>	<u>SANDEMA</u>	<u>Elimination</u>	<u>YTD Consolidated</u>
<b>OPERATING REVENUE:</b>							
Net patient service revenue	324,538,313	32,584,270	-	-	-	-	357,122,583
Shared risk revenue	35,376,103	7,244,178	-	-	-	-	42,620,281
Other revenue	4,880,753	222,329	-	2,462,421	9,065,789	(218,773)	16,412,519
PH Program revenue	-	12,223,570	-	-	-	(12,223,570)	-
Total operating revenue	<u>364,795,169</u>	<u>52,274,347</u>	<u>-</u>	<u>2,462,421</u>	<u>9,065,789</u>	<u>(12,442,343)</u>	<u>416,155,383</u>
<b>OPERATING EXPENSES</b>							
DEPRECIATION AND AMORTIZATION	338,497,967	78,023,823	3,935,535	2,866,392	7,745,282	(12,442,343)	418,626,656
	24,297,098	1,953,528	-	-	-	-	26,250,626
Total operating expenses	<u>362,795,065</u>	<u>79,977,351</u>	<u>3,935,535</u>	<u>2,866,392</u>	<u>7,745,282</u>	<u>(12,442,343)</u>	<u>444,877,282</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b><u>2,000,104</u></b>	<b><u>(27,703,004)</u></b>	<b><u>(3,935,535)</u></b>	<b><u>(403,971)</u></b>	<b><u>1,320,507</u></b>	<b><u>-</u></b>	<b><u>(28,721,899)</u></b>
<b>NON-OPERATING INCOME (EXPENSE):</b>							
Investment income	7,658,530	3,689,989	-	-	-	-	11,348,519
Interest expense	(37,188,365)	(35,084)	-	-	-	-	(37,223,449)
Property tax revenue	31,374,997	-	-	-	-	-	31,374,997
Other - net	(5,427,048)	(34,504)	-	296,065	(739,332)	1,396,444	(4,508,375)
Total non-operating expense - net	<u>(3,581,886)</u>	<u>3,620,401</u>	<u>-</u>	<u>296,065</u>	<u>(739,332)</u>	<u>1,396,444</u>	<u>991,692</u>
<b>CHANGE IN NET POSITION</b>	<b><u>(1,581,782)</u></b>	<b><u>(24,082,604)</u></b>	<b><u>(3,935,535)</u></b>	<b><u>(107,906)</u></b>	<b><u>581,175</u></b>	<b><u>1,396,444</u></b>	<b><u>(27,730,207)</u></b>
Interfund - PHMG	(19,874,598)	17,815,958	-	-	-	-	(2,058,640)
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				-	-		
Effect of adopting GASB 87		-	-				
NET POSITION - Beginning of year	<u>(176,717,770)</u>	<u>(42,472,695)</u>	<u>3,935,535</u>	<u>(324,790)</u>	<u>1,334,334</u>	<u>(301,529)</u>	<u>(214,546,915)</u>
<b>NET POSITION - Year to date</b>	<b><u>(198,174,149)</u></b>	<b><u>(48,739,344)</u></b>	<b><u>(0)</u></b>	<b><u>(432,696)</u></b>	<b><u>1,915,509</u></b>	<b><u>1,094,915</u></b>	<b><u>(244,335,759)</u></b>
EBIDA							43,137,869
EBIDA Margin							10.4%

**Condensed Combining Statement of Net Position**  
For the Fiscal Year-to-Date Ended November 30, 2025

**Assets**

Current Assets

Cash and cash equivalents	\$ 16,158,852
Investments	21,740,862
Patient accounts receivable - net of allowances for uncollectible accounts of \$115,960	138,342,071
Other receivables	51,543,971
Supplies and inventories	12,737,854
Prepaid expenses and other	10,143,671
Estimated third-party payor settlements receivable	154,794,861
Assets whose use is limited - current portion	2,484,496
Restricted cash and investments, current	47,322,902

Total current assets 455,269,540

Restricted Noncurrent Cash and Investments

Held by trustee under indenture agreements	89,566,111
Held by trustee under general obligation bonds indenture	47,322,902
Held in escrow for street improvements	735,552
Restricted by donor and other	358,039

Total restricted cash and investments 137,982,604

Less amounts required to meet current obligations 49,807,398

Total restricted noncurrent cash and investments 88,175,206

Capital Assets - net

938,118,984

Right of Use Assets - Net

308,060,925

Other Assets

Prepaid debt insurance costs	7,947,622
Investment in and amounts due from affiliated entities	7,900,172
Other	66,327,706

Total other assets 82,175,500

Total assets 1,871,800,155

Deferred outflow of resources - loss on refunding of debt 43,099,305

Total Assets and Deferred Outflow of Resources \$ 1,914,899,460

**Liabilities**

Current Liabilities

Accounts payable	112,508,385
Accrued compensation and related liabilities	57,879,166
Current portion of general obligation bonds	10,806,216
Current portion of long-term debt	9,397,291
Current portion of lease liabilities	24,094,184
Estimated third-party payor settlements	-
Other accrued liabilities	98,524,316
Accrued interest payable	17,170,277
Accrued interest payable-ROU's	1,406,010

Total current liabilities 331,785,845

Workers' compensation - net of current portion 8,985,067

Long-term debt - general obligation bonds - net of current portion 614,593,487

Long-term debt - net of current portion 785,792,169

Long-term debt - Lease liability - net of current portion 327,004,226

Total liabilities 2,068,160,794

Deferred inflow of resources - unearned revenue 91,074,428

Total liabilities and deferred inflow of resources 2,159,235,222

**Net Position**

Net investment in capital assets	(311,612,149)
Restricted, expendable for:	
Repayment of debt	32,460,862
Capital acquisitions	735,552
Other purposes	358,039
Unrestricted	33,721,935

Total net position (244,335,762)

Total Liabilities, Deferred Inflow of Resources, and Net Position \$ 1,914,899,460

Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position  
For the Fiscal Year-to-Date Ended November 30, 2025

Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$30,751	\$ 357,122,587
Premium revenue	
Shared risk revenue	42,620,281
Other revenue	16,412,519
	<hr/>
Total operating revenue	416,155,387
Operating Expenses	
Salaries, wages, and benefits	254,219,538
Professional fees	29,844,827
Supplies	56,863,803
Purchased services	46,108,771
Depreciation and amortization	26,250,626
Rent expense	8,911,321
Utilities	3,820,155
Other	18,858,240
	<hr/>
Total operating expenses	444,877,282
Income (Loss) From Operations	<hr/> (28,721,895)
Non-Operating Income (Expenses)	
Investment income	11,348,519
Interest expense	(37,223,448)
Property tax revenue - unrestricted	10,708,330
Property tax revenue - restricted	20,666,667
Amortization expense	(7,394,001)
Other - net	826,980
	<hr/>
Total non-operating expenses - net	(1,066,953)
Change in net position	(29,788,848)
Net Position - Beginning of year	<hr/> (214,546,915)
Net Position - November 30, 2025	<hr/> <u>\$ (244,335,762)</u>

Condensed Combining Statement of Cash Flows  
For the Fiscal Year-to-Date Ended November 30, 2025

Cash Balance at 6/30/26(+/DEBIT -/CREDIT)	16,158,852
Cash Balance at 6/30/25(+/DEBIT -/CREDIT)	22,645,150
<b>OPERATING ACTIVITIES:</b>	
Income (Loss) from Operations	(28,721,899)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	-
(Gain)/Loss on write off of PAM-SD	-
<b>Depreciation and amortization</b>	19,440,739
Amortization of lease right-of-use asset	9,922,068
Amortization of SBITA	4,281,819
Provision for bad debts	30,751,163
<b>Equity in Earnings of Affiliates</b>	(1,530,078)
(Gain)/Loss on disposal of fixed assets	(1,100)
Changes in Assets and Liabilities	
Patient accounts receivable	(6,673,474)
Other receivables	(21,500,269)
Inventories	132,376
Prepaid expenses and other current assets	785,267
Estimated settlement amounts due third-party payors	(59,622,631)
Accounts payable	20,567,959
Accrued Compensation and Other Liabilities	(10,052,720)
Other accrued liabilities	12,675,320
Deferred Revenue	(3,444,132)
Other net	639,137
<b>Net cash provided by (used in) operating activities</b>	<b>(32,350,455)</b>
<b>INVESTING ACTIVITIES:</b>	
Purchases of investments	(75,509,304)
Proceeds on Sale of Investments	111,068,603
Income received on investments	8,488,604
Receipt of Payment on Loans Receivable	-
Other	-
<b>Net cash provided by (used in) investing activities</b>	<b>44,047,903</b>
<b>FINANCING ACTIVITIES</b>	
Acquisition of Fixed Assets	(10,101,421)
Proceeds on the sale of fixed assets	1,100
Other Misc. Receipts	(8,885,303)
Receipt of district taxes - G.O. Bonds	20,666,667
Payments on long-term debt	(21,756,536)
Payment on lease liabilities	(9,255,861)
Deferred Financing Costs	-
<b>Interest Paid</b>	(43,352,777)
<b>Interest Paid Lease Obligations</b>	(6,502,390)
Proceeds on LOC	50,000,000
Financing Activities - Other	294,442
<b>Net cash provided by (used in) financing activities</b>	<b>(28,892,080)</b>
<b>C.F.'s from Non-Capital Financing:</b>	
Receipt of District Taxes	10,708,330
Other Financing	-

Days Cash on Hand Ratio Covenant	November 30, 2025 Consolidated
Cash and Cash Equivalents	37,899,714
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	444,877,282
Less: Depreciation	26,250,626
Adjusted Expenses	418,626,656
Number of days in period	153
Average Adjusted Expenses per Day	2,736,122
<b>Days Cash on Hand</b>	<b>13.9</b>
<b>REQUIREMENT</b>	<b>65</b>

Debt Service Coverage Ratio Covenant	November 30, 2025 Consolidated
Excess of revenues over expenses	(34,696,626)
REVERSE:	
Depreciation and Amortization	26,250,626
Depreciation and Amortization-NonOp	7,394,001
Interest Expense	22,440,001
Income Available for Debt Service	21,388,001
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	23,454,315
<b>Debt Service Coverage Ratio</b>	<b>0.91</b>
<b>REQUIREMENT</b>	<b>1.15</b>
	NOT ACHIEVED

**NOTE: Pre-audit results shown**

# Fiscal Year 2026 Financial Performance

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

December 2025 Unaudited

**Highlights for December 2025**Revenue

- Gross Revenue was \$27.0M above budget, or 5.1%
- Net Patient Revenue was above budget by \$5.2M or nearly 7%
- Low in-network capitation performance partially offsets positive volume and Revenue Cycle trends during December

Volumes

- December continued to be a strong month for acute inpatient volumes
  - Acute discharges and patient days were 10.4% and 8.9% 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, falling five cases below the goal
  - IP ED visits continue to be strong, at 11.6% above the PYTD and 4.2% above the monthly budget
  - OP ED was slightly behind budget and prior year, at 1% and 1.8% behind respectively
- Radiation Oncology continues to be significantly stronger than PY but missed budget by 3.6%
- Similarly, Infusion Therapy exceeded the prior December by 28%, though it is 7.2% behind the budget target
- Length of Stay remained below budget for the month of December as well as the fiscal year to date

Expenses

- Total expenses were 2.5% over budget
- The largest budget overages were in salaries and wage and and supplies, driven by higher volumes and utilities
- Water rates and utilization have recently increased, and efforts are underway to understand possible mitigation strategies
- Efforts to manage contract pricing has helped offset volume variances in supplies that would have otherwise been larger

Other Highlights

- Efforts to retrofit financial systems to meet JPA reporting requirements are well underway
- EBIDA\* margin remains strong at 12.8% based on FYTD results, improving from prior month
- Days Cash on Hand Consolidated for December decreased to 20.4 days, as cash was used to lower the AP liability
- Accounts Payable Current Liability decreased by over \$8M as vendor payments are made before the end of the calendar year
- Days in Accounts Receivable (A/R) decreased to 56.7, representing a significant decrease to this metric over the past year
- Debt Service Coverage is 0.94 as of December, which is below covenant but continuing to improve

\*Earnings Before Interest, Depreciation and Amortization (EBIDA) corresponds to PH only

**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 \$76.5 million. Days in Net A/R excluding supplemental government programs are 56.7, a decrease of 3.6 days from the prior month. Uncompensated Care increased by \$2.7 million to \$9.4 million for the month.

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

Key Performance Indicators (KPI)	July 2025	August 2025	September 2025	October 2025	November 2025	December 2025	Target
Total Net A/R (\$) <sup>1</sup>	\$ 138,245,508	\$ 135,609,856	\$ 129,039,121	\$ 119,687,568	\$ 121,665,415	\$ 115,367,571	
Net Days in A/R (Days) <sup>2</sup>	67.7	66.6	62.1	59.9	60.3	56.7	55.0
% AR > 90 Days	38.8%	39.4%	38.5%	38.8%	43.5%	44.4%	22.5%
% of Avoidable Denial Write-Offs	1.3%	1.6%	2.1%	2.1%	2.1%	2.1%	2.1%
Net Revenue Yield	104.3%	106.1%	111.8%	112.9%	111.6%	108.0%	98.0%

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

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

Month

Year to Date

	Actual Dec-25	Budget Dec-25	Budget Variance	Prior Year Dec-24	Prior Year Variance	Actual Dec-25	Budget Dec-25	Budget Variance	Prior Year Dec-24	Prior Year Variance
<b>Key Volumes</b>										
<b>Discharges - Total</b>	<b>2,381</b>	<b>2,172</b>	<b>9.6%</b>	<b>2,284</b>	<b>4.3%</b>	<b>14,009</b>	<b>12,451</b>	<b>12.5%</b>	<b>12,757</b>	<b>9.8%</b>
Acute - General	2,343	2,123	10.4%	2,246	4.3%	13,778	12,177	13.2%	12,535	9.9%
The Villas at Poway	38	49	(22.2%)	38	0.0%	231	274	(15.7%)	222	4.1%
<b>Patient Days - Total</b>	<b>12,694</b>	<b>12,439</b>	<b>2.1%</b>	<b>12,306</b>	<b>3.2%</b>	<b>72,142</b>	<b>70,152</b>	<b>2.8%</b>	<b>69,963</b>	<b>3.1%</b>
Acute - General	9,915	9,105	8.9%	9,600	3.3%	56,543	51,397	10.0%	53,718	5.3%
The Villas at Poway	2,779	3,333	(16.6%)	2,706	2.7%	15,599	18,754	(16.8%)	16,245	(4.0%)
Acute Adjusted Discharges	3,750	3,583	4.7%	3,532	6.2%	22,222	20,349	9.2%	20,059	10.8%
Total Adjusted Discharges*	3,794	3,446	10.1%	3,575	6.1%	22,491	19,761	13.8%	20,316	10.7%
Acute Adjusted Patient Days	15,869	14,568	8.9%	15,095	5.1%	91,158	82,233	10.9%	85,946	6.1%
Total Adjusted Patient Days*	18,648	17,901	4.2%	17,801	4.8%	106,757	100,987	5.7%	102,191	4.5%
Calendar Days	31	31	0.0%	31	0.0%	184	184	0.0%	184	0.0%
Acute Average Daily Census	320	294	8.9%	310	3.3%	307	279	10.0%	292	5.3%
Total Average Daily Census*	409	401	2.1%	397	3.2%	392	381	2.8%	380	3.1%
<b>Surgeries - Total</b>	<b>902</b>	<b>907</b>	<b>(0.6%)</b>	<b>924</b>	<b>(2.4%)</b>	<b>5,437</b>	<b>5,523</b>	<b>(1.6%)</b>	<b>5,625</b>	<b>(3.3%)</b>
Inpatient	519	522	(0.6%)	519	0.0%	3,041	3,095	(1.7%)	3,077	(1.2%)
Outpatient	383	385	(0.6%)	405	(5.4%)	2,396	2,428	(1.3%)	2,548	(6.0%)
Deliveries	258	308	(16.3%)	301	(14.3%)	1,636	1,847	(11.4%)	1,803	(9.3%)
<b>ER Visits (Includes Trauma) - Total</b>	<b>11,013</b>	<b>11,026</b>	<b>(0.1%)</b>	<b>10,993</b>	<b>0.2%</b>	<b>60,876</b>	<b>61,963</b>	<b>(1.8%)</b>	<b>61,795</b>	<b>(1.5%)</b>
Inpatient	1,970	1,891	4.2%	1,786	10.3%	10,977	10,413	5.4%	9,838	11.6%
Outpatient	9,043	9,135	(1.0%)	9,207	(1.8%)	49,899	51,550	(3.2%)	51,957	(4.0%)

Month

Year to Date

	Month					Year to Date				
	Actual Dec-25	Budget Dec-25	Budget Variance	Prior Year Dec-24	Prior Year Variance	Actual Dec-25	Budget Dec-25	Budget Variance	Prior Year Dec-24	Prior Year Variance
Cardiac Cath RVUs	1,082	894	21.0%	909	19.0%	6,734	6,175	9.1%	6,314	6.7%
Escondido Interv. Radiology RVUs	1,005	1,012	(0.7%)	1,013	(0.8%)	5,252	5,836	(10.0%)	5,844	(10.1%)
Poway Interv. Radiology RVUs	336	283	18.6%	267	26.1%	1,787	1,684	6.1%	1,566	14.1%
Radiation Oncology RVUs	3,358	3,482	(3.6%)	2,539	32.3%	19,539	20,668	(5.5%)	18,350	6.5%
Infusion Therapy Hours	1,033	1,113	(7.2%)	807	28.0%	6,190	6,608	(6.3%)	5,658	9.4%
<b>Imaging</b>										
Escondido CAT Procedures	9,976	9,635	3.5%	9,280	7.5%	60,149	56,032	7.4%	53,967	11.5%
Poway CAT Procedures	2,885	2,987	(3.4%)	2,906	(0.7%)	17,107	15,920	7.5%	15,494	10.4%
Escondido MRI Procedures	577	492	17.4%	464	24.4%	3,277	2,915	12.4%	2,764	18.6%
Poway MRI Procedures	136	137	(1.1%)	138	(1.5%)	857	804	6.6%	816	5.0%
Escondido Diagnostic Rad. Procedures	7,066	7,212	(2.0%)	7,275	(2.9%)	41,937	41,558	0.9%	41,916	0.1%
Poway Diagnostic Rad. Procedures	2,292	2,504	(8.5%)	2,508	(8.6%)	13,221	13,272	(0.4%)	13,291	(0.5%)

\*Includes The Villas at Poway

Month

Year to Date

	Actual Dec-25	Budget Dec-25	Budget Variance	Prior Year Dec-24	Prior Year Variance	Actual Dec-25	Budget Dec-25	Budget Variance	Prior Year Dec-24	Prior Year Variance
<b>Key Statistics</b>										
Acute Average LOS - Days	4.23	4.29	1.4%	4.27	1.0%	4.10	4.22	2.9%	4.29	4.4%
Acute - General	4.23	4.29	1.4%	4.27	1.0%	4.10	4.22	2.9%	4.29	4.4%
Acute Behavioral Health	0.00	0.00	0.0%	0.00	0.0%	0.00	0.00	0.0%	0.00	0.0%
Average Observation Hours	27	26	(2.6%)	26	(2.5%)	27	28	2.0%	28	2.0%
Acute Case Mix - Excludes Deliveries	1.68	1.66	(1.5%)	1.66	(1.5%)	1.66	1.72	3.5%	1.72	3.6%
Acute Case Mix -Medicare Only	1.74	1.61	(8.0%)	1.61	(7.4%)	1.66	1.70	2.3%	1.70	2.4%
Labor Productivity by Hrs						99.7%			97.7%	(2.0%)
Days Cash on Hand						20.4			27.1	32.8%
<b>Financial Performance</b>										
Operating Income	3,302,938	200,000	3,102,938	(5,640,429)	(2)	5,303,039	(6,300,000)	8,300,103	(36,722,402)	(1)
Net Income	362,306	(2,233,310)	2,595,616	(8,229,853)	(1)	(8,185,904)	(20,948,953)	12,400,743	(50,270,489)	(1)
Oper. Expenses/Adj. Patient Days	3,754	3,814	(1.6%)	4,014	(6.5%)	3,171	3,983	(20.4%)	4,059	(21.9%)
EBIDA Margin-Excludes PHMG	14.5%	11.3%	3.2%	5.3%	9.2%	12.8%	9.9%	2.9%	4.0%	8.8%
EBIDA-Excludes PHMG	11,309,197	8,285,029	3,024,168	3,772,694	2	56,857,004	42,161,078	14,695,926	16,538,251	2

Income Statement for the Fiscal Period  
Excludes PHMG

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Dec 25	Dec 25	Dec 25	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	18,648	17,901	747					
<b>Adjusted Discharges</b>	3,794	3,446	348					
<b>Operating Revenue</b>								
Gross revenue	533,503,706	506,470,205	27,033,501	21,124,610	5,908,891	28,609.16	28,292.30	316.86
Deductions from revenue	(456,296,739)	(434,456,097)	(21,840,642)	(18,120,939)	(3,719,703)	(24,468.94)	(24,269.47)	(199.47)
Net patient revenue	77,206,967	72,014,108	5,192,859	3,003,671	2,189,188	4,140.23	4,022.83	117.40
Other operating revenue	911,580	1,159,790	(248,210)	48,374	(296,584)	48.88	64.79	(15.90)
Total net revenue	78,118,547	73,173,898	4,944,649	3,052,045	1,892,604	4,189.11	4,087.62	101.49
<b>Operating Expenses</b>								
Salaries, wages & contract labor	32,145,253	31,339,970	(805,283)	(1,307,174)	501,891	1,723.79	1,750.70	26.91
Benefits	7,443,724	8,020,188	576,464	(334,518)	910,982	399.17	448.02	48.85
Supplies	11,595,507	10,910,938	(684,569)	(455,090)	(229,479)	621.81	609.50	(12.31)
Prof fees & purch svcs	14,491,529	14,459,485	(32,044)	(603,098)	571,054	777.11	807.73	30.62
Depreciation & amortization	4,820,157	4,703,549	(116,608)	(196,183)	79,575	258.48	262.75	4.27
Other	4,319,439	3,539,768	(779,671)	(147,642)	(632,029)	231.63	197.74	(33.89)
Total expenses	74,815,609	72,973,898	(1,841,711)	(3,043,703)	1,201,992	4,011.99	4,076.45	64.46
Income from operations	3,302,938	200,000	3,102,938	8,342	3,094,596	177.12	11.17	37.03
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	2,141,666	2,141,667	(1)					
Investment Income	1,427,360	1,176,843	250,517					
Interest Expense	(4,647,935)	(4,335,990)	(311,945)					
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	-					
Other non-operating revenue(expense)	(382,923)	62,970	(445,893)					
Net income(loss) <sup>2</sup>	362,306	(2,233,310)	2,595,616					

EBIDA Margin 14.5% 11.3% 3.2%

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

	Actual	Prior Year	Variance	Variance		Dollars/Adjusted Patient Day		
	Dec 25	Dec 24	Dec 25	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	106,757	102,191	4,566					
<b>Adjusted Discharges</b>	22,491	20,316	2,175					
<b>Operating Revenue</b>								
Gross revenue	3,079,793,224	2,858,475,170	221,318,054	127,719,639	93,598,415	28,848.63	27,971.89	876.74
Deductions from revenue	(2,642,671,843)	(2,454,884,564)	(187,787,278)	(109,686,792)	(78,100,487)	(24,754.08)	(24,022.51)	(731.57)
Net patient revenue	437,121,381	403,590,606	33,530,776	18,032,847	15,497,928	4,094.55	3,949.38	145.17
Other operating revenue	5,792,333	5,794,858	(2,523)	258,920	(261,445)	54.26	56.71	(2.45)
Total net revenue	442,913,714	409,385,464	33,528,253	18,291,768	15,236,482	4,148.80	4,006.08	142.72
<b>Operating Expenses</b>								
Salaries, wages & contract labor	189,037,276	189,785,706	748,429	(8,479,822)	9,228,252	1,770.72	1,857.17	86.44
Benefits	43,302,113	50,362,359	7,060,246	(2,250,242)	9,310,488	405.61	492.83	87.21
Supplies	65,459,668	62,012,191	(3,447,477)	(2,770,769)	(676,708)	613.17	606.83	(6.34)
Prof fees & purch svcs	88,535,124	95,378,432	6,843,308	(4,261,607)	11,104,915	829.31	933.33	104.02
Depreciation & amortization	29,117,255	31,271,696	2,154,441	(1,397,252)	3,551,693	272.74	306.01	33.27
Other	22,159,239	17,297,479	(4,861,759)	(772,869)	(4,088,891)	207.57	169.27	(38.30)
Total expenses	437,610,675	446,107,863	8,497,188	(19,932,563)	28,429,751	4,099.13	4,365.43	266.30
Income from operations	5,303,039	(36,722,399)	42,025,438	(1,640,795)	43,666,233	49.67	(359.35)	(123.58)
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	12,849,996	12,750,000	99,996					
Investment Income	8,181,876	7,380,669	801,207					
Interest Expense	(27,052,852)	(26,666,165)	(386,687)					
Non-operating depreciation & amortization	(8,872,801)	(8,870,879)	(1,922)					
Other non-operating revenue(expense)	1,404,838	1,858,288	(453,450)					
Net income(loss) <sup>2</sup>	(8,185,904)	(50,270,486)	42,084,582					

EBIDA Margin 12.8% 4.0% 8.8%

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

2= Excludes G.O. Bonds income / expense

**Income Statement for the Current Year Trend**  
Excludes PHMG

	<u>Jul 25</u>	<u>Aug 25</u>	<u>Sep 25</u>	<u>Oct 25</u>	<u>Nov 25</u>	<u>Dec 25</u>	Fiscal Year <u>2026</u>
<b>Adjusted Patient Days</b>	17,851	17,948	16,940	17,962	17,408	18,648	106,757
<b>Adjusted Discharges</b>	3,734	3,988	3,785	3,818	3,372	3,794	22,491
<b>Operating Revenue</b>							
Gross revenue	514,243,464	500,282,001	512,535,349	526,244,883	492,983,821	533,503,706	3,079,793,224
Deductions from revenue	(441,255,169)	(428,250,221)	(440,133,502)	(456,700,924)	(420,035,285)	(456,296,740)	(2,642,671,841)
Net patient revenue	72,988,295	72,031,780	72,401,847	69,543,959	72,948,536	77,206,966	437,121,383
Other operating revenue	864,100	946,365	1,049,479	945,491	1,075,318	911,580	5,792,331
Total net revenue	73,852,396	72,978,145	73,451,326	70,489,450	74,023,854	78,118,546	442,913,714
<b>Operating Expenses</b>							
Salaries, wages & contract labor	31,865,141	31,104,110	30,920,004	31,790,235	31,212,533	32,145,253	189,037,275
Benefits	7,366,292	6,306,806	7,513,675	7,427,821	7,243,795	7,443,724	43,302,114
Supplies	11,103,543	10,692,013	10,734,391	11,238,958	10,095,256	11,595,507	65,459,668
Prof fees & purch svcs	13,799,753	14,509,520	15,262,239	14,915,537	15,556,548	14,491,529	88,535,124
Depreciation & amortization	4,843,923	4,776,143	4,866,590	4,975,598	4,834,844	4,820,157	29,117,253
Other	2,794,212	4,173,848	3,396,570	3,367,857	4,107,312	4,319,439	22,159,241
Total expenses	71,772,864	71,562,440	72,693,470	73,716,005	73,050,288	74,815,609	437,610,677
Income from operations	2,079,532	1,415,705	757,856	(3,226,555)	973,566	3,302,937	5,303,037
<b>Non-operating revenue (expense)</b>							
Property tax revenues <sup>1</sup>	2,141,666	2,141,666	2,141,666	2,141,666	2,141,666	2,141,666	12,849,996
Investment Income	1,263,898	1,124,368	1,174,237	1,159,725	2,032,287	1,427,360	8,181,875
Interest Expense	(4,435,614)	(4,465,415)	(4,458,852)	(4,462,078)	(4,582,958)	(4,647,935)	(27,052,855)
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(8,872,802)
Other non-operating revenue(expense)	759,733	541,399	342,659	206,005	(62,034)	(382,923)	1,404,841
Net income(loss) <sup>2</sup>	330,414	(721,077)	(1,521,235)	(5,660,037)	(976,273)	362,306	(8,185,908)
EBIDA Margin	15.0%	13.7%	12.6%	7.5%	13.4%	14.5%	12.8%

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
	Oct-25	Nov-25	Dec-25	Jun-25
<b>Current Assets</b>				
Cash and cash equivalents	32,610,582	13,829,562	26,600,919	15,000,751
Investments	30,685,605	21,740,862	18,740,842	28,463,741
Board Designated	-	-	-	-
Total cash,cash equivalents & investments	63,296,187	35,570,424	45,341,761	43,464,492
<b>Patient Accounts Receivable</b>	470,087,042	464,592,746	446,841,630	504,133,063
Allowance on accounts	(350,399,474)	(342,927,330)	(331,474,059)	(360,699,498)
Net accounts receivable	119,687,568	121,665,415	115,367,571	143,433,565
Inventories	12,120,439	12,061,648	12,051,424	12,194,024
Prepaid expenses	8,246,858	7,972,932	8,253,751	8,309,163
Est. third party settlements	119,056,466	154,794,861	156,804,676	95,529,680
Other	82,365,041	79,238,494	72,899,000	71,655,917
Total current assets	404,772,559	411,303,774	410,718,183	374,586,840
<b>Non-Current Assets</b>				
Restricted assets	86,968,788	90,301,663	91,062,562	87,348,717
Restricted other	357,973	358,039	358,104	357,688
Total restricted assets	87,326,761	90,659,702	91,420,666	87,706,405
Property, plant & equipment	1,594,320,807	1,594,372,659	1,563,653,584	1,593,114,786
Accumulated depreciation	(700,519,720)	(703,846,545)	(680,919,706)	(686,328,663)
Construction in process	40,395,599	40,501,598	45,174,684	39,167,673
Net property, plant & equipment	934,196,685	931,027,711	927,908,562	945,953,795
<b>Right of Use Assets</b>				
Building leases	271,474,675	270,135,154	268,795,633	276,832,758
Sub-leases	199,928	192,571	187,633	234,948
Equipment leases	17,662,097	17,020,796	16,379,495	18,084,940
SBITA	13,348,640	12,664,294	11,991,446	16,006,107
Net right of use assets	302,685,339	300,012,814	297,354,208	311,158,754
Investment related companies	5,900,035	7,284,261	6,547,003	5,718,913
Prepaid debt insurance costs	6,882,401	6,856,462	6,830,524	6,986,297
Other non-current assets	65,031,845	64,738,965	64,947,659	66,188,501
Total non-current assets	1,402,023,065	1,400,579,915	1,395,008,621	1,423,712,664
<b>Total assets</b>	<b>1,806,795,624</b>	<b>1,811,883,689</b>	<b>1,805,726,804</b>	<b>1,798,299,504</b>
Deferred outflow of resources-loss on refunding of debt	41,031,082	40,813,167	40,595,253	41,902,741
<b>Total assets and deferred outflow of resources</b>	<b>1,847,826,706</b>	<b>1,852,696,856</b>	<b>1,846,322,057</b>	<b>1,840,202,245</b>

Liabilities	Current Fiscal Year			Prior Fiscal Year
	Oct-25	Nov-25	Dec-25	Jun-25
<b>Current Liabilities</b>				
Accounts payable	106,418,419	106,777,768	98,390,028	94,240,154
Accrued payroll	35,614,386	39,150,537	39,238,025	49,881,621
Accrued PTO	24,768,858	24,672,380	24,439,893	23,828,506
Accrued interest payable	19,746,423	5,451,191	8,812,649	7,842,158
Current portion of bonds	8,925,000	9,365,000	9,365,000	8,925,000
Current portion of lease liab	21,835,269	21,756,699	21,706,739	21,510,594
Est. third party settlements	8,593,099	8,235,649	8,235,649	8,593,099
Other current liabilities	153,663,550	158,032,317	208,643,530	147,853,726
Total current liabilities	379,565,005	373,441,540	418,831,514	362,674,858
<b>Long Term Liabilities</b>				
Other LT liabilities	45,779,250	74,835,123	24,813,218	27,444,646
Bonds & contracts payable	712,308,973	702,721,398	702,498,822	713,199,799
Lease liabilities	322,382,524	320,731,288	319,126,038	327,879,779
Total long term liabilities	1,080,470,747	1,098,287,808	1,046,438,078	1,068,524,225
<b>Total liabilities</b>	<b>1,460,035,752</b>	<b>1,471,729,348</b>	<b>1,465,269,592</b>	<b>1,431,199,083</b>
Deferred inflow of resources- unearned revenue	7,029,127	6,895,276	6,844,759	6,547,471
<b>Total liabilities and deferred inflow of resources</b>	<b>1,467,064,879</b>	<b>1,478,624,625</b>	<b>1,472,114,350</b>	<b>1,437,746,554</b>
<b>Net Position</b>				
Unrestricted	380,403,854	373,714,193	373,849,603	402,098,003
Restricted for other purpose	357,973	358,039	358,104	357,688
Total net position	380,761,827	374,072,232	374,207,707	402,455,691
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,847,826,706</b>	<b>1,852,696,856</b>	<b>1,846,322,057</b>	<b>1,840,202,245</b>

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

Assets	Current Fiscal Year			Prior Fiscal Year
	Oct-25	Nov-25	Dec-25	Jun-25
<b>Current Assets</b>				
Cash and cash equivalents	32,610,582	13,829,562	26,600,919	15,000,751
Investments	30,685,605	21,740,862	18,740,842	28,463,741
Board Designated	-	-	-	-
Total cash, cash equivalents & investments	63,296,187	35,570,424	45,341,761	43,464,492
<b>Patient Accounts Receivable</b>	470,087,042	464,592,746	446,841,630	504,133,063
Allowance on accounts	(350,399,474)	(342,927,330)	(331,474,059)	(360,699,498)
Net accounts receivable	119,687,568	121,665,415	115,367,571	143,433,565
Inventories	12,120,439	12,061,648	12,051,424	12,194,024
Prepaid expenses	8,246,858	7,972,932	8,253,751	8,309,163
Est. third party settlements	119,056,466	154,794,861	156,804,676	95,529,680
Other	97,451,957	94,778,253	77,357,049	71,777,188
Total current assets	419,859,475	426,843,533	415,176,232	374,708,111
<b>Non-Current Assets</b>				
Restricted assets	130,474,536	137,624,565	153,732,056	163,601,420
Restricted other	357,973	358,039	358,104	357,688
Total restricted assets	130,832,509	137,982,604	154,090,160	163,959,108
Property, plant & equipment	1,594,320,807	1,594,372,659	1,563,653,584	1,593,114,786
Accumulated depreciation	(700,519,720)	(703,846,545)	(680,919,706)	(686,328,663)
Construction in process	40,395,599	40,501,598	45,174,684	39,167,673
Net property, plant & equipment	934,196,685	931,027,711	927,908,562	945,953,795
<b>Right of Use Assets</b>				
Building leases	271,474,675	270,135,154	268,795,633	276,832,758
Sub-leases	199,928	192,571	187,633	234,948
Equipment leases	17,662,097	17,020,796	16,379,495	18,809,028
SBITA	13,348,640	12,664,294	11,991,446	16,226,190
Net right of use assets	302,685,339	300,012,814	297,354,208	312,102,924
Investment related companies	5,900,035	7,284,261	6,547,003	5,718,913
Prepaid debt insurance and other costs	7,985,214	7,947,622	7,910,031	8,136,372
Other non-current assets	65,031,845	64,738,965	64,947,659	66,188,501
Total non-current assets	1,446,631,626	1,448,993,977	1,458,757,622	1,502,059,614
<b>Total assets</b>	<b>1,866,491,101</b>	<b>1,875,837,510</b>	<b>1,873,933,854</b>	<b>1,876,767,725</b>
Deferred outflow of resources-loss on refunding of debt	43,335,080	43,099,305	42,863,530	44,278,181
<b>Total assets and deferred outflow of resources</b>	<b>1,909,826,181</b>	<b>1,918,936,815</b>	<b>1,916,797,385</b>	<b>1,921,045,905</b>

Liabilities	Current Fiscal Year			Prior Fiscal Year
	Oct-25	Nov-25	Dec-25	Jun-25
<b>Current Liabilities</b>				
Accounts payable	106,419,419	106,778,293	98,391,053	94,240,154
Accrued payroll	35,614,386	39,150,537	39,238,025	49,712,808
Accrued PTO	24,768,858	24,672,380	24,439,893	23,828,506
Accrued interest payable	29,561,010	18,537,307	25,170,294	29,905,711
Current portion of bonds	19,731,216	20,171,216	20,171,216	19,081,756
Current portion of lease liab	21,835,269	21,756,699	21,706,739	21,878,270
Est. third party settlements	8,593,099	8,235,649	8,235,649	8,593,099
Other current liabilities	89,942,569	94,916,938	145,048,185	81,698,710
Total current liabilities	336,465,826	334,219,017	382,401,054	328,939,015
<b>Long Term Liabilities</b>				
Other LT liabilities	45,779,250	74,835,123	24,813,218	27,444,646
Bonds & contracts payable	1,327,248,651	1,317,314,884	1,316,746,118	1,340,117,039
Lease liabilities	322,382,524	320,731,288	319,126,038	328,471,724
Total long term liabilities	1,695,410,425	1,712,881,295	1,660,685,374	1,696,033,409
<b>Total liabilities</b>	<b>2,031,876,251</b>	<b>2,047,100,312</b>	<b>2,043,086,428</b>	<b>2,024,972,424</b>
Deferred inflow of resources- unearned revenue	70,750,108	70,010,656	70,440,104	72,791,253
<b>Total liabilities and deferred inflow of resources</b>	<b>2,102,626,359</b>	<b>2,117,110,968</b>	<b>2,113,526,531</b>	<b>2,097,763,677</b>
<b>Net Position</b>				
Unrestricted	(193,158,151)	(198,532,191)	(197,087,252)	(177,075,460)
Restricted for other purpose	357,973	358,039	358,104	357,688
Total net position	(192,800,178)	(198,174,152)	(196,729,148)	(176,717,772)
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,909,826,181</b>	<b>1,918,936,815</b>	<b>1,916,797,385</b>	<b>1,921,045,905</b>

	<u>Dec-25</u>	<u>YTD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income (Loss) from operations	3,302,938	5,308,533
<b>Adjustments to reconcile change in net assets to net cash provided from operating activities:</b>		
Depreciation Expense	4,820,157	29,117,255
Provision for bad debts	5,988,412	37,624,655
<b>Changes in operating assets and liabilities:</b>		
Patient accounts receivable	309,433	(9,558,661)
Property Tax and other receivables	1,260,760	1,258,278
Inventories	10,224	142,600
Prepaid expenses and other current assets	(823,464)	(1,882,670)
Accounts payable	(8,387,240)	4,150,899
Accrued compensation	(144,999)	(10,032,211)
Estimated settlement amounts due third-party payors	(2,009,815)	(61,632,446)
Other liabilities	50,200,383	64,536,273
Net cash provided from (used by) operating activities	<u>54,526,789</u>	<u>59,032,506</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (purchases) sales of investments	(13,107,536)	19,591,847
Income (Loss) on investments	1,558,908	9,217,440
Investment in affiliates	(66,363)	(22,073,443)
Net cash provided from (used by) investing activities	<u>(11,614,991)</u>	<u>6,735,844</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipt of G.O. Bond Taxes	15,215,044	20,659,509
Receipt of District Taxes	7,331,201	11,013,446
Net cash provided from non-capital financing activities	<u>22,546,245</u>	<u>31,672,956</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds on asset sale	(23,825)	(22,923)
Acquisition of property plant and equipment	(545,199)	(3,653,943)
G.O. Bond Interest paid	0	(25,121,525)
Revenue Bond Interest paid	0	(17,581,585)
ROU Interest paid	(3,253,443)	(9,685,232)
Proceeds (Payments) of Long Term Debt	(50,000,000)	(21,581,756)
Payments of Long Term Lease Liabilities	1,135,782	(8,194,173)
Net cash provided from (used by) capital and related financing activities	<u>(52,686,686)</u>	<u>(85,841,137)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	12,771,358	11,600,168
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<u>13,829,562</u>	<u>15,000,751</u>
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<u>26,600,919</u>	<u>26,600,919</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 December 31, 2025

	Palomar Health	PHMG	PAC	NCRE	SANDEMA	Eliminations	Total
<b>ASSETS</b>							
Current assets	482,818,335	39,051,320	-	183,968	2,387,484	(62,062,874)	462,378,233
Capital assets - net	927,908,562	6,039,878	-	868,948	-	-	934,817,388
Right of use assets - net	297,354,208	24,906,716	-	-	-	(17,095,301)	305,165,622
Non-current assets	165,852,750	2,036,693	-	-	-	-	167,889,443
<b>Total assets</b>	<b>1,873,933,855</b>	<b>72,034,607</b>	<b>-</b>	<b>1,052,916</b>	<b>2,387,484</b>	<b>(79,158,174)</b>	<b>1,870,250,687</b>
Deferred outflow of resources	42,863,530	-	-	-	-	-	42,863,530
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,916,797,385</b>	<b>72,034,607</b>	<b>-</b>	<b>1,052,916</b>	<b>2,387,484</b>	<b>(79,158,174)</b>	<b>1,913,114,217</b>
<b>LIABILITIES AND NET POSITION</b>							
Current liabilities	344,246,324	102,065,821	-	1,747,475	371,034	(64,749,625.10)	383,681,025
Long-term liabilities	1,358,761,095	0	-	-	-	-	1,358,761,095
Right of use lease liabilities	319,126,038	21,668,013	-	-	-	(15,507,604)	325,286,447
<b>Total liabilities</b>	<b>2,022,133,457</b>	<b>123,733,834</b>	<b>-</b>	<b>1,747,475</b>	<b>371,034</b>	<b>(80,257,229)</b>	<b>2,067,728,567</b>
Deferred inflow of resources - deferred revenue	91,393,074	-	-	-	-	-	91,393,074
<b>Total liabilities and deferred inflow of resources</b>	<b>2,113,526,531</b>	<b>123,733,834</b>	<b>-</b>	<b>1,747,475</b>	<b>371,034</b>	<b>(80,257,229)</b>	<b>2,159,121,641</b>
Invested in capital assets - net of related debt	(325,678,243)	4,261,466	-	1,660,879	-	1,099,054	(318,656,844)
Restricted	45,947,077	-	-	-	-	-	45,947,077
Unrestricted	83,002,018	(55,960,693)	(0)	(2,355,438)	2,016,451	-	26,702,341
<b>Total net position</b>	<b>(196,729,148)</b>	<b>(51,699,227)</b>	<b>(0)</b>	<b>(694,559)</b>	<b>2,016,451</b>	<b>1,099,054</b>	<b>(246,007,425)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>1,916,797,385</b>	<b>72,034,607</b>	<b>(0)</b>	<b>1,052,916</b>	<b>2,387,484</b>	<b>(79,158,174)</b>	<b>1,913,114,217</b>

Note: Financial Performance includes GO Bonds  
Financial Performance excludes PHMG

Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position  
For the Fiscal Year-to-Date Ended December 31, 2025

	<u>Palomar Health</u>	<u>PHMG</u>	<u>PAC</u>	<u>NCRE</u>	<u>SANDEMA</u>	<u>Elimination</u>	<u>YTD Consolidated</u>
<b>OPERATING REVENUE:</b>							
Net patient service revenue	397,514,230	39,792,539	-	-	-	-	437,306,769
Shared risk revenue	39,607,152	7,572,905	-	-	-	-	47,180,057
Other revenue	5,792,333	231,940	-	2,990,496	9,890,393	(274,294)	18,630,868
PH Program revenue	-	14,892,133	-	-	-	(14,892,133)	-
Total operating revenue	<u>442,913,715</u>	<u>62,489,517</u>	<u>-</u>	<u>2,990,496</u>	<u>9,890,393</u>	<u>(15,166,427)</u>	<u>503,117,694</u>
<b>OPERATING EXPENSES</b>							
DEPRECIATION AND AMORTIZATION	408,493,419	94,241,593	3,935,535	3,656,330	8,468,944	(15,166,427)	503,629,393
	29,117,255	2,283,501	-	-	-	-	31,400,756
Total operating expenses	<u>437,610,674</u>	<u>96,525,094</u>	<u>3,935,535</u>	<u>3,656,330</u>	<u>8,468,944</u>	<u>(15,166,427)</u>	<u>535,030,149</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b><u>5,303,041</u></b>	<b><u>(34,035,577)</u></b>	<b><u>(3,935,535)</u></b>	<b><u>(665,834)</u></b>	<b><u>1,421,449</u></b>	<b><u>-</u></b>	<b><u>(31,912,456)</u></b>
<b>NON-OPERATING INCOME (EXPENSE):</b>							
Investment income	9,217,437	3,540,375	-	-	-	-	12,757,812
Interest expense	(44,791,151)	(39,856)	-	-	-	-	(44,831,007)
Property tax revenue	37,649,996	-	-	-	-	-	37,649,996
Other - net	(7,289,270)	(42,016)	-	296,065	(739,332)	1,400,583	(6,373,970)
Total non-operating expense - net	<u>(5,212,988)</u>	<u>3,458,503</u>	<u>-</u>	<u>296,065</u>	<u>(739,332)</u>	<u>1,400,583</u>	<u>(797,169)</u>
<b>CHANGE IN NET POSITION</b>	<b><u>90,053</u></b>	<b><u>(30,577,074)</u></b>	<b><u>(3,935,535)</u></b>	<b><u>(369,769)</u></b>	<b><u>682,117</u></b>	<b><u>1,400,583</u></b>	<b><u>(32,709,624)</u></b>
Interfund - PHMG	(20,101,428)	21,350,542	-	-	-	-	1,249,114
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				-	-		
Effect of adopting GASB 87		-	-				
NET POSITION - Beginning of year	<u>(176,717,770)</u>	<u>(42,472,695)</u>	<u>3,935,535</u>	<u>(324,790)</u>	<u>1,334,334</u>	<u>(301,529)</u>	<u>(214,546,915)</u>
<b>NET POSITION - Year to date</b>	<b><u>(196,729,148)</u></b>	<b><u>(51,699,227)</u></b>	<b><u>(0)</u></b>	<b><u>(694,559)</u></b>	<b><u>2,016,451</u></b>	<b><u>1,099,054</u></b>	<b><u>(246,007,425)</u></b>
EBIDA							52,394,939
EBIDA Margin							10.4%

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

**Assets**

Current Assets	
Cash and cash equivalents	\$ 34,217,238
Investments	18,740,842
Patient accounts receivable - net of allowances for uncollectible accounts of \$24,924	130,324,750
Other receivables	30,855,370
Supplies and inventories	12,642,336
Prepaid expenses and other	11,150,918
Estimated third-party payor settlements receivable	156,804,676
Assets whose use is limited - current portion	4,972,609
Restricted cash and investments, current	<u>62,669,494</u>
Total current assets	<u>462,378,233</u>
Restricted Noncurrent Cash and Investments	
Held by trustee under indenture agreements	90,327,006
Held by trustee under general obligation bonds indenture	62,669,494
Held in escrow for street improvements	735,556
Restricted by donor and other	<u>358,104</u>
Total restricted cash and investments	154,090,160
Less amounts required to meet current obligations	<u>67,642,103</u>
Total restricted noncurrent cash and investments	<u>86,448,057</u>
Capital Assets - net	<u>934,817,388</u>
Right of Use Assets - Net	<u>305,165,622</u>
Other Assets	
Prepaid debt insurance costs	7,910,031
Investment in and amounts due from affiliated entities	7,013,300
Other	<u>66,518,055</u>
Total other assets	<u>81,441,386</u>
Total assets	1,870,250,687
Deferred outflow of resources - loss on refunding of debt	<u>42,863,530</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 1,913,114,217</u>

**Liabilities**

Current Liabilities	
Accounts payable	109,095,507
Accrued compensation and related liabilities	58,027,752
Current portion of general obligation bonds	10,806,216
Current portion of long-term debt	59,397,291
Current portion of lease liabilities	24,037,102
Estimated third-party payor settlements	-
Other accrued liabilities	97,104,014
Accrued interest payable	23,800,779
Accrued interest payable-ROU's	<u>1,412,364</u>
Total current liabilities	383,681,025
Workers' compensation - net of current portion	8,966,110
Long-term debt - general obligation bonds - net of current portion	614,247,296
Long-term debt - net of current portion	735,547,689
Long-term debt - Lease liability - net of current portion	325,286,447
Total liabilities	<u>2,067,728,567</u>
Deferred inflow of resources - unearned revenue	<u>91,393,074</u>
Total liabilities and deferred inflow of resources	<u>2,159,121,641</u>
<b>Net Position</b>	
Net investment in capital assets	(318,656,843)
Restricted, expendable for:	
Repayment of debt	44,853,417
Capital acquisitions	735,556
Other purposes	358,104
Unrestricted	26,702,341
Total net position	<u>(246,007,425)</u>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 1,913,114,217</u>

Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position  
For the Fiscal Year-to-Date Ended December 31, 2025

Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$36,961	\$ 437,306,773
Premium revenue	
Shared risk revenue	47,180,057
Other revenue	<u>18,630,868</u>
Total operating revenue	<u>503,117,698</u>
Operating Expenses	
Salaries, wages, and benefits	306,631,020
Professional fees	34,488,031
Supplies	69,251,399
Purchased services	55,372,169
Depreciation and amortization	31,400,757
Rent expense	10,707,398
Utilities	5,103,861
Other	<u>22,075,515</u>
Total operating expenses	<u>535,030,150</u>
Income (Loss) From Operations	<u>(31,912,452)</u>
Non-Operating Income (Expenses)	
Investment income	12,757,812
Interest expense	(44,831,005)
Property tax revenue - unrestricted	12,849,996
Property tax revenue - restricted	24,800,000
Amortization expense	(8,872,801)
Other - net	<u>3,747,939</u>
Total non-operating expenses - net	<u>451,942</u>
Change in net position	(31,460,511)
Net Position - Beginning of year	<u>(214,546,915)</u>
Net Position - December 31, 2025	<u>\$ (246,007,425)</u>

Condensed Combining Statement of Cash Flows  
For the Fiscal Year-to-Date Ended December 31, 2025

Cash Balance at 12/31/25(+/DEBIT -/CREDIT)	34,217,238
Cash Balance at 6/30/25(+/DEBIT -/CREDIT)	22,645,150
<b><u>OPERATING ACTIVITIES:</u></b>	
Income (Loss) from Operations	(31,912,456)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	-
(Gain)/Loss on write off of PAM-SD	-
<b>Depreciation and amortization</b>	23,280,695
Amortization of lease right-of-use asset	11,907,827
Amortization of SBITA	5,083,847
Provision for bad debts	36,960,552
<b>Equity in Earnings of Affiliates</b>	(643,206)
(Gain)/Loss on disposal of fixed assets	22,725
Changes in Assets and Liabilities	
Patient accounts receivable	(4,865,542)
Other receivables	620,327
Inventories	227,894
Prepaid expenses and other current assets	(221,980)
Estimated settlement amounts due third-party payors	(61,632,446)
Accounts payable	14,608,516
Accrued Compensation and Other Liabilities	(9,923,091)
Other accrued liabilities	12,373,456
Deferred Revenue	(3,147,391)
Other net	447,631
<b>Net cash provided by (used in) operating activities</b>	<b>(6,812,643)</b>
<b><u>INVESTING ACTIVITIES:</u></b>	
Purchases of investments	(94,397,843)
Proceeds on Sale of Investments	117,235,921
Income received on investments	9,511,580
Receipt of Payment on Loans Receivable	-
Other	-
<b>Net cash provided by (used in) investing activities</b>	<b>32,349,658</b>
<b><u>FINANCING ACTIVITIES:</u></b>	
Acquisition of Fixed Assets	(10,646,621)
Proceeds on the sale of fixed assets	(22,725)
Other Misc. Receipts	(7,264,834)
Receipt of district taxes - G.O. Bonds	24,800,000
Payments on long-term debt	(21,756,536)
Payment on lease liabilities	(10,911,071)
Deferred Financing Costs	-
<b>Interest Paid</b>	(43,357,550)
<b>Interest Paid Lease Obligations</b>	(7,767,588)
Proceeds on LOC	50,000,000
Financing Activities - Other	111,996
<b>Net cash provided by (used in) financing activities</b>	<b>(26,814,928)</b>
<b>C.F.'s from Non-Capital Financing:</b>	
Receipt of District Taxes	12,849,996
Other Financing	-

<b>Days Cash on Hand Ratio Covenant</b>		<b>December 31, 2025 Consolidated</b>
Cash and Cash Equivalents		52,075,651
Divide Total by Average Adjusted Expenses per Day		
Total Expenses		535,030,150
Less: Depreciation		31,400,757
Adjusted Expenses		503,629,393
Number of days in period		184
Average Adjusted Expenses per Day		2,737,116
<b>Days Cash on Hand</b>		<b>19.0</b>
<b>REQUIREMENT</b>		<b>65</b>
<b>Debt Service Coverage Ratio Covenant</b>		<b>December 31, 2025 Consolidated</b>
Excess of revenues over expenses		(40,985,574)
REVERSE:		
Depreciation and Amortization		31,400,757
Depreciation and Amortization-NonOp		8,872,801
Interest Expense		27,092,707
Income Available for Debt Service		26,380,690
Divided by:		
Maximum Annual Debt Service (excludes GO Bonds)		28,145,178
<b>Debt Service Coverage Ratio</b>		<b>0.94</b>
<b>REQUIREMENT</b>		<b>1.15</b>
		NOT ACHIEVED

**NOTE: Pre-audit results shown**