

# FINANCE COMMITTEE

## Meeting Agenda

Tuesday, March 3, 2026

3:00 p.m.

Please see page 2 for meeting location options

		<i>The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"</i>		
		Time	Form A Page	Target
<b>Call To Order</b>				
I.	<b>Establishment of Quorum</b>	1		3:00
II.	<b>Public Comments<sup>1</sup></b>	30		3:30
III.	<b>Action Item(s) (ADD A)</b>			
	A. Finance Committee Minutes, February 2, 2026 (Pp 6-8)	5		3:35
	B. January 2026 Guidehouse Update – <i>Informational Only</i> (Pp 9-12)	20		4:00
	C. YTD FY2025 and January 2025 Financials (Pp 13-32)	25		4:25
<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: 290 872 533 388 57**

**Pass Code: hb9Hx7fj**

or

**Dial in using your phone at 929.352.2216; Access Code: 963 386 205#<sup>1</sup>**

- Non-Board member attendees, and members of the public may also attend the meeting virtually utilizing the above link
- 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 3:00 p.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

*Board Finance Committee Meeting Minutes – Monday, February 2, 2026*

*Agenda Item*

*Conclusion/Action*

*Discussion*

**Notice Of Meeting**

Notice of Meeting was posted at the Palomar Health Administrative Office at 2125 Citracado Parkway, Escondido, CA. 92029; also posted with an Agenda Packet on the Palomar Health website on Thursday, January 29, 2026. Amended Agenda and Information Packets were posted on the Palomar Health website on Friday, January 30, 2026.

**Call To Order**

The meeting, which was held in the Linda Greer Board Room at 2125 Citracado Parkway, Suite 300, Escondido, CA. 92029, and virtually, was called to order at 9:02 a.m. by Board Committee Chair Linda Greer.

**I. Establishment of Quorum**

- Quorum determined by roll call vote comprised of: Director Linda Greer; Director Michael Pacheco; Diane Hansen; Andrew Nguyen, M.D.; (virtual) Mark Goldsworthy, MD (virtual)  
Absent: Director Jeffrey Griffith

**II. Public Comments**

- No public comments

<b>III. Action Items(s)</b>	
<p>A. Finance Committee Minutes, December 17, 2025</p>	<p><b>MOTION</b> by Director Michael Pacheco, 2<sup>nd</sup> by Diane Hansen to approve the Finance Committee Minutes from December 17, 2025, as written.</p> <p>Roll call voting was utilized.  Director Greer - aye  Director Griffith – absent  Director Pacheco – aye  Diane Hansen –aye  Mark Goldsworthy, MD – aye  Andrew Nguyen, MD – aye</p> <p>Five in favor. None opposed. One absent. No abstention(s).</p> <p>Motion approved.</p>
<p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>No discussion</li> </ul>	
<p>B. November 2025 Guidehouse Update</p>	<p><b>NO MOTION, INFORMATIONAL ONLY</b></p>
<p><b>Discussion:</b></p> <ul style="list-style-type: none"> <li>Jared Dougherty, Guidehouse, shared a presentation with the committee.</li> <li>The December 2025 Guidehouse information will be shared at a later date.</li> </ul>	
<p>C. YTD FY2025 and November 2025 and December 2025 Financials</p>	<p><b>MOTION</b> by Director Michael Pacheco, 2<sup>nd</sup> by Diane Hansen to approve YTD FY2025 and November 2025 and December 2025 Financials and move to the Board of Directors for ratification.</p> <p>Roll call voting was utilized.  Director Greer - aye  Director Griffith – absent  Director Pacheco – aye  Diane Hansen –aye  Mark Goldsworthy, MD – aye  Andrew Nguyen, MD – aye</p> <p>Five in favor. None opposed. One absent. No abstention(s).</p> <p>Motion approved.</p>

**Discussion:**

- Andrew Tokar, Chief Financial Officer, presented the YTD FY2025 and November and December 2025 Financials to the Committee. Committee discussion ensued.

D. 2026 Board Finance Committee Meeting Schedule

**Discussion:**

- Committee discussed a March 3, 2026 meeting date for the next meeting of the committee. No Motion or vote occurred.

**Final Adjournment**

Meeting adjourned by Board Committee Chair Linda Greer at 9:51 a.m.

**Signatures:**

Committee Chair

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

Committee Assistant

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

# Margin Improvement / Turnaround Project Financial Update

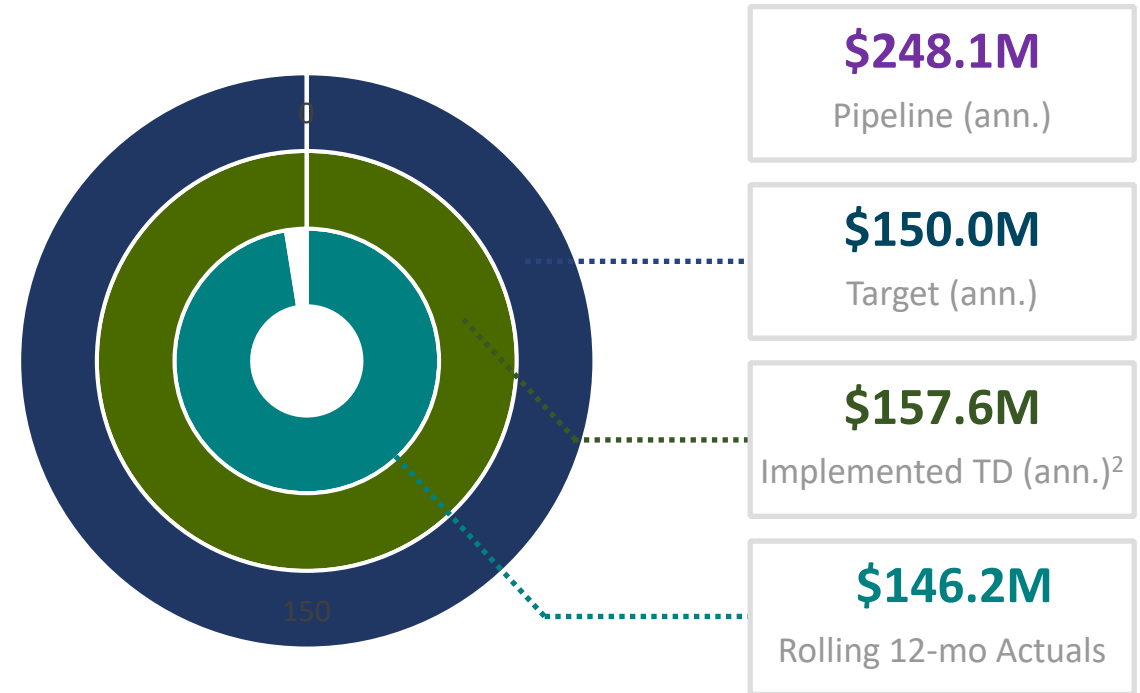
Reporting Month: Jan-26

March 3, 2026

# Palomar Health implemented \$157.6M (~17% of NOR), achieving its improvement target with \$146.2M realized over the past 12-months

## High Value Initiatives (*in progress*):<sup>1</sup>

- ❑ **\$21.3M** **Denials Reduction** | Initial and fatal denials reduction, supported by UM improvement through operational management tools and payer interaction tactics
- ❑ **\$1.9M** **Care Transitions** | Reinvigorate efforts to hardwire processes, improve throughput and optimize post-acute care (SNF) integration / referral strategy
- ❑ **\$0.5M** **Human Resources & Bonus Programs** | Department spend and restructuring; aligning bonus, recruitment and incentive programs with best practices
- ❑ **\$0.3M** **PHMG** | Increased PB and HB revenue through improved patient access, capacity management, & collections; hardwire performance improvement framework
- ❑ **\$0.3M** **Real Estate** | Sublease of satellite building

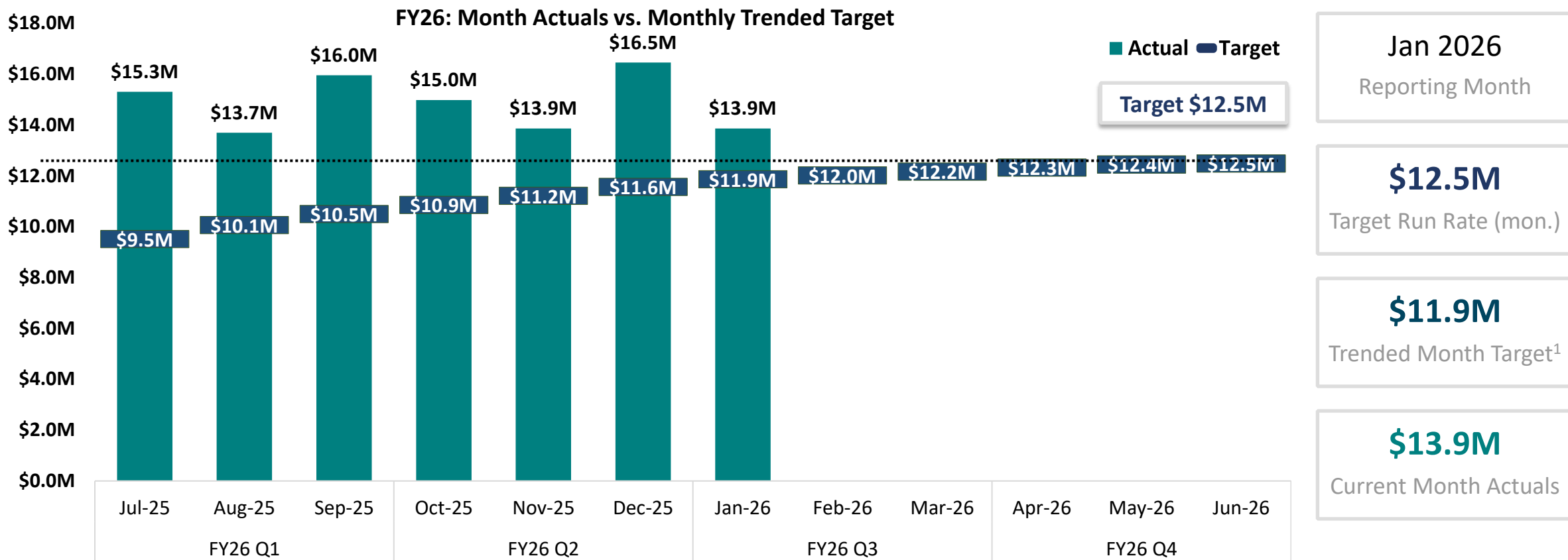


Pipeline value has increased **\$0.2M** from **\$247.9M** reported for Dec-25; increase driven by refined projections for Human Resources initiatives. Implemented value remains the same as reported in Dec-25. Though Jan-26 month actuals were lower than prior month, rolling 12-month annual run-rate continues to increase.

<sup>1</sup>Value of high value initiatives reflect remaining projected benefit for FY26 (Feb – June 2026).

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

# Initiative performance in January 2026 resulted in \$13.9M in realization, exceeding monthly target of \$11.9M



January results were down from prior month despite strong revenue and volumes for the system overall. Workstreams impacting diminished results include Revenue Cycle with an increase in Avoidable Write-Offs, Workforce with a marginal increase to labor expenses due to patient volumes, and Care Transitions with observed Length of Stay (LOS) higher than expected. However, recently implemented and remaining initiatives will help sustain a run-rate over monthly target of \$12.5M for the remainder of FY26.

<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

# Overall turnaround progress exceeds target; however, additional opportunities remain to drive further workstream improvement

Workstream	Dec		Jan (Current Month)		Feb	Status
	Target	Actual	Target	Actual	Target	
Revenue Cycle	\$3.2M	\$8.2M	\$3.2M	\$7.9M	\$3.2M	On Track
PHMG	\$1.6M	\$0.3M	\$1.7M	\$0.3M	\$1.8M	At Risk
Workforce & Periop	\$2.0M	\$1.9M	\$2.1M	\$1.5M	\$2.1M	At Risk
Corporate Services	\$1.6M	\$0.8M	\$1.6M	\$0.03M	\$1.6M	At Risk
Hospital Strategy	\$1.3M	\$2.2M	\$1.3M	\$1.4M	\$1.3M	On Track
Care Transitions & PSA	\$1.0M	\$1.9M	\$1.0M	\$1.8M	\$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	\$0.3M	\$0.04M	\$0.3M	At Risk
<b>Total:</b>	<b>\$11.6M</b>	<b>\$16.1M</b>	<b>\$11.9M</b>	<b>\$13.9M</b>	<b>\$12.0M</b>	

## Key Updates

- **Revenue Cycle:** Avoidable Write-Offs as a % of NPR increased to 4.5% in Jan-26; Additional UM tactics are underway to help decrease Medical Necessity & Authorization denials; additional impact expected once payer rate increases are validated
- **PHMG:** Continuing to advance productivity strategies; developed provider-specific & operational performance improvement action plans to eliminate barriers that hinder patient access and volume growth
- **Workforce:** Labor spend increased proportionally to higher patient volumes; Salaries and Contract Labor was only 41% of NPR; implementing WOW program to help reduce premium pay during weekends
- **Corporate Services:** Short-term increased HR and Legal spend impacting corporate realization; overall corporate expense expected to decline in coming months
- **Hospital Strategy:** Cath Lab and SNF show some volume growth; SNF ADC in Jan-26 was 56, trending higher than recent month average
- **Care Transitions & PSA:** Escondido IP Observed to Expected LOS (O/E) was 1.2, demonstrating additional opportunity to hardwire rounding and care management processes

Jan 2026  
Reporting Month

**\$11.9M**  
Trended Month Target

**\$13.9M**  
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

**January 2026 Unaudited**

## Highlights for January 2026

### Revenue

- Gross Revenue was \$24.0M above budget, or 4.6%
- Net Patient Revenue was above budget by \$4.4M or nearly 5.8%
- Capitation returned to budget performance and additional DHDP revenues and volumes rounded out the increases

### Volumes

- January continued to be a strong month for acute inpatient volumes
  - Acute discharges were 11.3% higher than budget
- For both surgery and emergency room, the trend has been reset for the current year
  - For the month, surgeries cases were flat with budget
  - IP ED visits continue to be strong, at 10.7% above PYTD and 14.7% above the monthly budget
  - OP ED was behind budget and prior year, at -12.3% and -4.8% behind respectively
- Radiation Oncology missed budget by -18.9% but was due to some charging issues that are being corrected and will show next month
- Similarly, Infusion Therapy exceeded the prior YTD by 12.1%, though in the month was behind budget by -4.3%
- Length of Stay remained below budget for the month of January as well as the fiscal year to date

### Expenses

- Total expenses were 1.3% over budget
- The largest budget overages were in contract labor and supplies and was related to higher IP volumes

### Other Highlights

- Ongoing efforts ensure JPA reporting will be available for the Apr-26 close
- EBIDA\* margin remains strong and improved to 13.6% based on FYTD results, improving from prior month
- Days Cash on Hand Consolidated for January increased to 27.3 days, as the AP liability increased
- Accounts Payable Current Liability increased by \$2.5M as we held some vendor payments to prepare
- Days in Accounts Receivable (A/R) decreased to 55.3 and A/R greater than 90 days also came down as we cleaned up older accounts
- Debt Service Coverage is 0.90 as of January, which is below covenant but we are not concerned knowing the future revenue trajectory

### 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 \$63.7 million. Days in Net A/R excluding supplemental government programs are 55.3, a decrease of 1.4 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)	August 2025	September 2025	October 2025	November 2025	December 2025	January 2026	Target
Total Net A/R (\$) <sup>1</sup>	\$ 135,609,856	\$ 129,039,121	\$ 119,687,568	\$ 121,665,415	\$ 115,367,571	\$ 118,486,363	
Net Days in A/R (Days) <sup>2</sup>	66.6	62.1	59.9	60.3	56.7	55.3	55.0
% AR > 90 Days	39.4%	38.5%	38.8%	43.5%	44.4%	37.9%	22.5%
% of Avoidable Denial Write-Offs	1.6%	2.1%	2.1%	2.1%	2.1%	3.0%	2.1%
Net Revenue Yield	106.1%	111.8%	112.9%	111.6%	108.0%	101.2%	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	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jan-26	Jan-26	Variance	Jan-25	Variance	Jan-26	Jan-26	Variance	Jan-25	Variance
<b>Key Volumes</b>										
<b>Discharges - Total</b>	<b>2,475</b>	<b>2,229</b>	<b>11.0%</b>	<b>2,295</b>	<b>7.8%</b>	<b>16,484</b>	<b>14,680</b>	<b>12.3%</b>	<b>15,052</b>	<b>9.5%</b>
Acute - General	2,427	2,182	11.3%	2,255	7.6%	16,205	14,359	12.9%	14,790	9.6%
Total Acute Discharges	2,427	2,182	11.3%	2,255	7.6%	16,205	14,359	12.9%	14,790	9.6%
The Villas at Poway	48	48	0.4%	40	20.0%	279	322	(13.3%)	262	6.5%
<b>Patient Days - Total</b>	<b>13,271</b>	<b>13,329</b>	<b>(0.4%)</b>	<b>13,542</b>	<b>(2.0%)</b>	<b>85,413</b>	<b>83,481</b>	<b>2.3%</b>	<b>83,505</b>	<b>2.3%</b>
Acute - General	10,551	10,071	4.8%	10,700	(1.4%)	67,094	61,468	9.2%	64,418	4.2%
Total Acute Patient Days	10,551	10,071	4.8%	10,700	(1.4%)	67,094	61,468	9.2%	64,418	4.2%
The Villas at Poway	2,720	3,258	(16.5%)	2,842	(4.3%)	18,319	22,012	(16.8%)	19,087	(4.0%)
Acute Adjusted Discharges	3,783	3,058	23.7%	3,460	9.3%	26,005	23,407	11.1%	23,519	10.6%
Total Adjusted Discharges*	3,842	3,539	8.6%	3,507	9.6%	26,333	23,300	13.0%	23,823	10.5%
Acute Adjusted Patient Days	16,448	16,113	2.1%	16,419	0.2%	107,606	98,346	9.4%	102,365	5.1%
Total Adjusted Patient Days*	19,168	19,371	(1.1%)	19,261	(0.5%)	125,925	120,358	4.6%	121,452	3.7%
Calendar Days	31	31	0.0%	31	0.0%	215	215	0.0%	215	0.0%
Acute Average Daily Census	340	325	4.8%	345	(1.4%)	312	286	9.2%	300	4.2%
Total Average Daily Census*	428	430	(0.4%)	437	(2.0%)	397	388	2.3%	388	2.3%
<b>Surgeries - Total</b>	<b>946</b>	<b>948</b>	<b>(0.2%)</b>	<b>880</b>	<b>7.5%</b>	<b>6,383</b>	<b>6,471</b>	<b>(1.4%)</b>	<b>6,505</b>	<b>(1.9%)</b>
Inpatient	541	486	11.2%	484	11.8%	3,582	3,581	0.0%	3,561	0.6%
Outpatient	405	462	(12.3%)	396	2.3%	2,801	2,890	(3.1%)	2,944	(4.9%)
Deliveries	263	303	(13.3%)	269	(2.2%)	1,899	2,150	(11.7%)	2,072	(8.4%)
<b>ER Visits (Includes Trauma) - Total</b>	<b>9,961</b>	<b>10,841</b>	<b>(8.1%)</b>	<b>10,694</b>	<b>(6.9%)</b>	<b>70,837</b>	<b>72,804</b>	<b>(2.7%)</b>	<b>72,489</b>	<b>(2.3%)</b>
Inpatient	1,935	1,687	14.7%	1,824	6.1%	12,912	12,100	6.7%	11,662	10.7%
Outpatient	8,026	9,154	(12.3%)	8,870	(9.5%)	57,925	60,704	(4.6%)	60,827	(4.8%)

	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jan-26	Jan-26	Variance	Jan-25	Variance	Jan-26	Jan-26	Variance	Jan-25	Variance
Cardiac Cath RVUs	1,195	1,285	(7.0%)	1,013	18.0%	7,929	7,460	6.3%	7,327	8.2%
Escondido Interv. Radiology RVUs	933	1,043	(10.6%)	975	(4.3%)	6,185	6,880	(10.1%)	6,819	(9.3%)
Poway Interv. Radiology RVUs	312	263	18.6%	274	13.9%	2,099	1,947	7.8%	1,840	14.1%
Radiation Oncology RVUs	2,823	3,482	(18.9%)	3,212	(12.1%)	22,362	24,151	(7.4%)	21,562	3.7%
Infusion Therapy Hours	1,066	1,113	(4.3%)	816	30.6%	7,256	7,721	(6.0%)	6,474	12.1%
<b>Imaging</b>										
Escondido CAT Procedures	10,099	8,522	18.5%	8,744	15.5%	70,248	64,554	8.8%	62,711	12.0%
Poway CAT Procedures	2,891	2,439	18.5%	2,811	2.9%	19,998	18,359	8.9%	18,305	9.3%
Escondido MRI Procedures	652	430	51.7%	419	55.6%	3,929	3,344	17.5%	3,183	23.4%
Poway MRI Procedures	184	127	44.8%	117	57.3%	1,041	931	11.8%	933	11.6%
Escondido Diagnostic Rad. Procedures	7,187	7,312	(1.7%)	7,447	(3.5%)	49,124	48,870	0.5%	49,363	(0.5%)
Poway Diagnostic Rad. Procedures	2,344	2,308	1.6%	2,461	(4.8%)	15,565	15,580	(0.1%)	15,752	(1.2%)

\*Includes The Villas at Poway

Month

Year to Date

	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jan-26	Jan-26	Variance	Jan-25	Variance	Jan-26	Jan-26	Variance	Jan-25	Variance
<b>Key Statistics</b>										
Acute Average LOS - Days	4.35	4.62	6.2%	4.75	9.2%	4.14	4.28	3.4%	4.36	5.2%
Acute - General	4.35	4.62	6.2%	4.75	9.2%	4.14	4.28	3.4%	4.36	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	25	24	(6.5%)	24	(6.1%)	27	27	1.4%	27	1.4%
Acute Case Mix - Excludes Deliveries	1.70	1.69	(0.6%)	1.69	(0.6%)	1.67	1.72	2.9%	1.72	3.0%
Acute Case Mix - Medicare Only	1.78	1.67	(6.6%)	1.67	(6.2%)	1.68	1.69	0.6%	1.69	0.6%
Labor Productivity by Hrs						100.3			97.2	3.2%
Days Cash on Hand						31.2			21.2	47.2%
<b>Financial Performance</b>										
Operating Income	4,037,279	1,200,000	2,837,279	(2,322,906)	6,360,184	9,340,317	(5,100,000)	14,440,317	(39,045,309)	48,385,626
Net Income	3,344,882	221,291	3,123,591	(2,360,177)	5,705,059	(4,841,021)	(20,727,662)	15,886,641	(52,630,669)	47,789,648
Oper. Expenses/Adj. Patient Days	3,981	3,643	338	3,586	395	4,081	3,928	153	3,984	97
EBIDA Margin-Excludes PHMG	17.7%	14.0%	3.7%	12.0%	5.7%	13.6%	10.6%	3.0%	5.2%	8.4%
EBIDA-Excludes PHMG	14,237,294	10,739,622	3,497,673	8,621,848	5,615,446	71,094,298	52,900,698	18,193,600	25,160,099	45,934,199

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Jan 26	Jan 26	Jan 26	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	19,168	19,371	(203)					
<b>Adjusted Discharges</b>	3,842	3,539	303					
<b>Operating Revenue</b>								
Gross revenue	538,423,190	514,455,251	23,967,939	(5,391,276)	29,359,215	28,089.69	26,558.01	1,531.68
Deductions from revenue	(458,665,509)	(439,134,697)	(19,530,812)	4,601,948	(24,132,761)	(23,928.71)	(22,669.70)	(1,259.01)
Net patient revenue	79,757,681	75,320,554	4,437,127	(789,328)	5,226,455	4,160.98	3,888.32	272.67
Other operating revenue	590,360	1,159,790	(569,430)	(12,154)	(557,276)	30.80	59.87	(29.07)
<b>Total net revenue</b>	<b>80,348,040</b>	<b>76,480,344</b>	<b>3,867,696</b>	<b>(801,482)</b>	<b>4,669,178</b>	<b>4,191.78</b>	<b>3,948.19</b>	<b>243.59</b>
<b>Operating Expenses</b>								
Salaries, wages & contract labor	32,609,920	32,947,445	337,525	345,275	(7,751)	1,701.27	1,700.86	(0.40)
Benefits	8,532,523	8,681,365	148,842	90,977	57,865	445.14	448.16	3.02
Supplies	12,056,713	10,971,600	(1,085,113)	114,978	(1,200,091)	629.00	566.39	(62.61)
Prof fees & purch svcs	14,477,903	14,442,249	(35,654)	151,349	(187,002)	755.32	745.56	(9.76)
Depreciation & amortization	4,764,716	4,703,541	(61,175)	49,291	(110,466)	248.58	242.81	(5.76)
Other	3,868,988	3,534,144	(334,844)	37,036	(371,880)	201.85	182.45	(19.40)
<b>Total expenses</b>	<b>76,310,762</b>	<b>75,280,344</b>	<b>(1,030,418)</b>	<b>788,907</b>	<b>(1,819,325)</b>	<b>3,981.15</b>	<b>3,886.24</b>	<b>(94.91)</b>
<b>Income from operations</b>	<b>4,037,279</b>	<b>1,200,000</b>	<b>2,837,278</b>	<b>(12,576)</b>	<b>2,849,854</b>	<b>210.63</b>	<b>61.95</b>	<b>338.51</b>
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	2,141,666	2,141,667	(1)					
Investment Income	1,102,628	1,176,844	(74,216)					
Interest Expense	(4,648,897)	(4,335,990)	(312,907)					
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	(0)					
Other non-operating revenue(expense)	2,191,006	1,517,570	673,436					
<b>Net income(loss) <sup>2</sup></b>	<b>3,344,882</b>	<b>221,291</b>	<b>3,123,591</b>					

EBIDA Margin 17.7% 14.0% 3.7%

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

2= Excludes G.O. Bonds income / expense

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Jan 26	Jan 26	Jan 26	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	125,925	120,358	5,567					
<b>Adjusted Discharges</b>	26,333	23,300	3,033					
<b>Operating Revenue</b>								
Gross revenue	3,618,216,414	3,446,746,854	171,469,560	159,424,714	12,044,846	28,733.11	28,637.46	95.65
Deductions from revenue	(3,101,337,351)	(2,954,228,813)	(147,108,538)	(136,643,944)	(10,464,594)	(24,628.45)	(24,545.35)	(83.10)
Net patient revenue	516,879,063	492,518,041	24,361,022	22,780,770	1,580,252	4,104.66	4,092.11	12.55
Other operating revenue	6,382,693	8,118,531	(1,735,838)	375,512	(2,111,350)	50.69	67.45	(16.77)
<b>Total net revenue</b>	<b>523,261,756</b>	<b>500,636,571</b>	<b>22,625,184</b>	<b>23,156,282</b>	<b>(531,098)</b>	<b>4,155.34</b>	<b>4,159.56</b>	<b>(4.22)</b>
<b>Operating Expenses</b>								
Salaries, wages & contract labor	221,647,197	214,978,218	(6,668,979)	(9,943,533)	3,274,554	1,760.15	1,786.16	26.00
Benefits	51,834,636	56,395,678	4,561,042	(2,608,507)	7,169,549	411.63	468.57	56.94
Supplies	77,516,381	75,743,503	(1,772,877)	(3,503,416)	1,730,538	615.58	629.32	13.74
Prof fees & purch svcs	103,013,027	100,968,408	(2,044,619)	(4,670,160)	2,625,541	818.05	838.90	20.85
Depreciation & amortization	33,881,971	32,924,831	(957,139)	(1,522,895)	565,755	269.06	273.56	4.49
Other	26,028,227	24,725,934	(1,302,293)	(1,143,665)	(158,628)	206.70	205.44	(1.26)
<b>Total expenses</b>	<b>513,921,439</b>	<b>505,736,572</b>	<b>(8,184,866)</b>	<b>(23,392,176)</b>	<b>15,207,310</b>	<b>4,081.17</b>	<b>4,201.94</b>	<b>120.76</b>
<b>Income from operations</b>	<b>9,340,317</b>	<b>(5,100,000)</b>	<b>14,440,317</b>	<b>(235,894)</b>	<b>14,676,212</b>	<b>74.17</b>	<b>(42.37)</b>	<b>(124.98)</b>
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	14,991,662	14,991,667	(5)					
Investment Income	9,284,505	8,237,906	1,046,599					
Interest Expense	(31,701,749)	(30,351,929)	(1,349,820)					
Non-operating depreciation & amortization	(10,351,601)	(10,351,600)	(1)					
Other non-operating revenue(expense)	3,595,845	1,846,294	1,749,550					
<b>Net income(loss) <sup>2</sup></b>	<b>(4,841,021)</b>	<b>(20,727,662)</b>	<b>15,886,641</b>					

EBIDA Margin 13.6% 10.6% 3.0%

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		
	Jan 26	Jan 25	Jan 26	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	125,925	121,452	4,473					
<b>Adjusted Discharges</b>	26,333	23,823	2,510					
<b>Operating Revenue</b>								
Gross revenue	3,618,216,414	3,361,990,040	256,226,374	123,819,957	132,406,417	28,733.11	27,681.64	1,051.47
Deductions from revenue	(3,101,337,351)	(2,887,473,844)	(213,863,507)	(106,343,827)	(107,519,680)	(24,628.45)	(23,774.61)	(853.84)
Net patient revenue	516,879,063	474,516,196	42,362,867	17,476,130	24,886,737	4,104.66	3,907.03	197.63
Other operating revenue	6,382,693	6,725,375	(342,680)	247,691	(590,373)	50.69	55.37	(4.69)
<b>Total net revenue</b>	<b>523,261,756</b>	<b>481,241,571</b>	<b>42,020,187</b>	<b>17,723,821</b>	<b>24,296,364</b>	<b>4,155.34</b>	<b>3,962.40</b>	<b>192.94</b>
<b>Operating Expenses</b>								
Salaries, wages & contract labor	221,647,197	221,552,818	(94,379)	(8,159,650)	8,065,271	1,760.15	1,824.20	64.05
Benefits	51,834,636	59,645,317	7,810,681	(2,196,699)	10,007,380	411.63	491.10	79.47
Supplies	77,516,381	72,126,460	(5,389,921)	(2,656,372)	(2,733,549)	615.58	593.87	(21.71)
Prof fees & purch svcs	103,013,027	109,382,414	6,369,388	(4,028,485)	10,397,872	818.05	900.62	82.57
Depreciation & amortization	33,881,971	36,381,138	2,499,167	(1,339,894)	3,839,061	269.06	299.55	30.49
Other	26,028,227	21,198,733	(4,829,493)	(780,736)	(4,048,758)	206.70	174.54	(32.15)
<b>Total expenses</b>	<b>513,921,439</b>	<b>520,286,880</b>	<b>6,365,443</b>	<b>(19,161,835)</b>	<b>25,527,276</b>	<b>4,081.17</b>	<b>4,283.89</b>	<b>202.72</b>
<b>Income from operations</b>	<b>9,340,317</b>	<b>(39,045,309)</b>	<b>48,385,626</b>	<b>(1,438,014)</b>	<b>49,823,640</b>	<b>74.17</b>	<b>(321.49)</b>	<b>(9.77)</b>
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	14,991,662	14,875,000	116,662					
Investment Income	9,284,505	8,865,283	419,222					
Interest Expense	(31,701,749)	(31,059,998)	(641,751)					
Non-operating depreciation & amortization	(10,351,601)	(10,349,629)	(1,972)					
Other non-operating revenue(expense)	3,595,845	4,083,984	(488,139)					
<b>Net income(loss) <sup>2</sup></b>	<b>(4,841,021)</b>	<b>(52,630,669)</b>	<b>47,789,648</b>					

EBIDA Margin 13.6% 5.2% 8.4%

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

2= Excludes G.O. Bonds income / expense

	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Fiscal Year 2026
<b>Adjusted Patient Days</b>	17,851	17,948	16,940	17,962	17,408	18,648	19,168	125,925
<b>Adjusted Discharges</b>	3,734	3,988	3,785	3,818	3,372	3,794	3,842	26,333
<b>Operating Revenue</b>								
Gross revenue	514,243,464	500,282,001	512,535,349	526,244,883	492,983,821	533,503,706	538,423,190	3,618,216,414
Deductions from revenue	(441,255,169)	(428,250,221)	(440,133,502)	(456,700,924)	(420,035,285)	(456,296,740)	(458,665,509)	(3,101,337,351)
Net patient revenue	72,988,295	72,031,780	72,401,847	69,543,959	72,948,536	77,206,966	79,757,681	516,879,063
Other operating revenue	864,100	946,365	1,049,479	945,491	1,075,318	911,580	590,360	6,382,693
<b>Total net revenue</b>	<b>73,852,396</b>	<b>72,978,145</b>	<b>73,451,326</b>	<b>70,489,450</b>	<b>74,023,854</b>	<b>78,118,546</b>	<b>80,348,040</b>	<b>523,261,756</b>
<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	32,609,920	221,647,197
Benefits	7,366,292	6,306,806	7,513,675	7,427,821	7,243,795	7,443,724	8,532,523	51,834,636
Supplies	11,103,543	10,692,013	10,734,391	11,238,958	10,095,256	11,595,507	12,056,713	77,516,381
Prof fees & purch svcs	13,799,753	14,509,520	15,262,239	14,915,537	15,556,548	14,491,529	14,477,903	103,013,027
Depreciation & amortization	4,843,923	4,776,143	4,866,590	4,975,598	4,834,844	4,820,157	4,764,716	33,881,971
Other	2,794,212	4,173,848	3,396,570	3,367,857	4,107,312	4,319,439	3,868,988	26,028,227
<b>Total expenses</b>	<b>71,772,864</b>	<b>71,562,440</b>	<b>72,693,470</b>	<b>73,716,005</b>	<b>73,050,288</b>	<b>74,815,609</b>	<b>76,310,762</b>	<b>513,921,439</b>
<b>Income from operations</b>	<b>2,079,532</b>	<b>1,415,705</b>	<b>757,856</b>	<b>(3,226,555)</b>	<b>973,566</b>	<b>3,302,937</b>	<b>4,037,279</b>	<b>9,340,317</b>
<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	2,141,666	14,991,662
Investment Income	1,263,898	1,124,368	1,174,237	1,159,725	2,032,287	1,427,360	1,102,628	9,284,505
Interest Expense	(4,435,614)	(4,465,415)	(4,458,852)	(4,462,078)	(4,582,958)	(4,647,935)	(4,648,897)	(31,701,749)
Non-operating depreciation & amortization	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(1,478,800)	(10,351,601)
Other non-operating revenue(expense)	759,733	541,399	342,659	206,005	(62,034)	(382,923)	2,191,006	3,595,845
<b>Net income(loss) <sup>2</sup></b>	<b>330,414</b>	<b>(721,077)</b>	<b>(1,521,235)</b>	<b>(5,660,037)</b>	<b>(976,273)</b>	<b>362,306</b>	<b>3,344,882</b>	<b>(4,841,021)</b>
<b>EBIDA Margin</b>	<b>15.0%</b>	<b>13.7%</b>	<b>12.6%</b>	<b>7.5%</b>	<b>13.4%</b>	<b>14.5%</b>	<b>17.7%</b>	<b>13.6%</b>

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
	Nov-25	Dec-25	Jan-26	Jun-25
<b>Current Assets</b>				
Cash and cash equivalents	13,829,562	26,600,919	35,757,388	15,000,751
Investments	21,740,862	18,740,842	33,886,287	28,463,741
Board Designated	-	-	-	-
Total cash, cash equivalents & investments	35,570,424	45,341,761	69,643,675	43,464,492
<b>Patient Accounts Receivable</b>	464,592,746	446,841,630	485,692,281	504,133,063
Allowance on accounts	(342,927,330)	(331,474,059)	(367,205,917)	(360,699,498)
Net accounts receivable	121,665,415	115,367,571	118,486,363	143,433,565
Inventories	12,061,648	12,051,424	11,988,040	12,194,024
Prepaid expenses	7,972,932	8,253,751	8,277,381	8,309,163
Est. third party settlements	154,794,861	156,804,676	119,640,673	95,529,680
Other	79,238,494	72,899,000	73,178,970	71,655,917
Total current assets	411,303,774	410,718,183	401,215,102	374,586,840
<b>Non-Current Assets</b>				
Restricted assets	90,301,663	91,062,562	94,298,921	87,348,717
Restricted other	358,039	358,104	358,169	357,688
Total restricted assets	90,659,702	91,420,666	94,657,090	87,706,405
Property, plant & equipment	1,594,372,659	1,563,653,584	1,564,014,334	1,593,114,786
Accumulated depreciation	(703,846,545)	(680,919,706)	(684,559,305)	(686,328,663)
Construction in process	40,501,598	45,174,684	47,392,071	39,167,673
Net property, plant & equipment	931,027,711	927,908,562	926,847,101	945,953,795
<b>Right of Use Assets</b>				
Building leases	270,135,154	268,795,633	267,456,112	276,832,758
Sub-leases	192,571	187,633	182,695	234,948
Equipment leases	17,020,796	16,379,495	15,738,195	18,084,940
SBITA	12,664,294	11,991,446	11,373,289	16,006,107
Net right of use assets	300,012,814	297,354,208	294,750,291	311,158,754
Investment related companies	7,284,261	6,547,003	6,983,989	5,718,913
Prepaid debt insurance costs	6,856,462	6,830,524	6,804,585	6,986,297
Other non-current assets	64,738,965	64,947,659	64,290,436	66,188,501
Total non-current assets	1,400,579,915	1,395,008,621	1,394,333,490	1,423,712,664
<b>Total assets</b>	<b>1,811,883,689</b>	<b>1,805,726,804</b>	<b>1,795,548,593</b>	<b>1,798,299,504</b>
Deferred outflow of resources-loss on refunding of debt	40,813,167	40,595,253	40,377,338	41,902,741
<b>Total assets and deferred outflow of resources</b>	<b>1,852,696,856</b>	<b>1,846,322,057</b>	<b>1,835,925,931</b>	<b>1,840,202,245</b>

Liabilities	Current Fiscal Year			Prior Fiscal Year
	Nov-25	Dec-25	Jan-26	Jun-25
<b>Current Liabilities</b>				
Accounts payable	106,777,768	98,390,028	100,864,653	94,240,154
Accrued payroll	39,150,537	39,238,025	33,229,342	49,881,621
Accrued PTO	24,672,380	24,439,893	24,585,810	23,828,506
Accrued interest payable	5,451,191	8,812,649	12,217,802	7,842,158
Current portion of bonds	9,365,000	9,365,000	9,365,000	8,925,000
Current portion of lease liab	21,756,699	21,706,739	21,596,028	21,510,594
Est. third party settlements	8,235,649	8,235,649	7,887,259	8,593,099
Other current liabilities	158,032,317	208,643,530	207,605,542	147,853,726
Total current liabilities	373,441,540	418,831,514	417,351,436	362,674,858
<b>Long Term Liabilities</b>				
Other LT liabilities	74,835,123	24,813,218	24,791,313	27,444,646
Bonds & contracts payable	702,721,398	702,498,822	702,276,246	713,199,799
Lease liabilities	320,731,288	319,126,038	317,650,695	327,879,779
Total long term liabilities	1,098,287,808	1,046,438,078	1,044,718,254	1,068,524,225
<b>Total liabilities</b>	<b>1,471,729,348</b>	<b>1,465,269,592</b>	<b>1,462,069,689</b>	<b>1,431,199,083</b>
Deferred inflow of resources- unearned revenue	6,895,276	6,844,759	6,794,241	6,547,471
<b>Total liabilities and deferred inflow of resources</b>	<b>1,478,624,625</b>	<b>1,472,114,350</b>	<b>1,468,863,930</b>	<b>1,437,746,554</b>
<b>Net Position</b>				
Unrestricted	373,714,193	373,849,603	366,703,832	402,098,003
Restricted for other purpose	358,039	358,104	358,169	357,688
Total net position	374,072,232	374,207,707	367,062,000	402,455,691
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,852,696,856</b>	<b>1,846,322,057</b>	<b>1,835,925,931</b>	<b>1,840,202,245</b>

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

Assets	Current Fiscal Year			Prior Fiscal Year
	Nov-25	Dec-25	Jan-26	Jun-25
<b>Current Assets</b>				
Cash and cash equivalents	13,829,562	26,600,919	35,757,388	15,000,751
Investments	21,740,862	18,740,842	33,886,287	28,463,741
Board Designated	-	-	-	-
Total cash, cash equivalents & investments	35,570,424	45,341,761	69,643,675	43,464,492
<b>Patient Accounts Receivable</b>	464,592,746	446,841,630	485,692,281	504,133,063
Allowance on accounts	(342,927,330)	(331,474,059)	(367,205,917)	(360,699,498)
Net accounts receivable	121,665,415	115,367,571	118,486,363	143,433,565
Inventories	12,061,648	12,051,424	11,988,040	12,194,024
Prepaid expenses	7,972,932	8,253,751	8,277,381	8,309,163
Est. third party settlements	154,794,861	156,804,676	119,640,673	95,529,680
Other	94,778,253	77,357,049	75,218,702	71,777,188
Total current assets	426,843,533	415,176,232	403,254,834	374,708,111
<b>Non-Current Assets</b>				
Restricted assets	137,624,565	153,732,056	163,679,297	163,601,420
Restricted other	358,039	358,104	358,169	357,688
Total restricted assets	137,982,604	154,090,160	164,037,466	163,959,108
Property, plant & equipment	1,594,372,659	1,563,653,584	1,564,014,334	1,593,114,786
Accumulated depreciation	(703,846,545)	(680,919,706)	(684,559,305)	(686,328,663)
Construction in process	40,501,598	45,174,684	47,392,071	39,167,673
Net property, plant & equipment	931,027,711	927,908,562	926,847,101	945,953,795
<b>Right of Use Assets</b>				
Building leases	270,135,154	268,795,633	267,456,112	276,832,758
Sub-leases	192,571	187,633	182,695	234,948
Equipment leases	17,020,796	16,379,495	15,738,195	18,809,028
SBITA	12,664,294	11,991,446	11,373,289	16,226,190
Net right of use assets	300,012,814	297,354,208	294,750,291	312,102,924
Investment related companies	7,284,261	6,547,003	6,983,989	5,718,913
Prepaid debt insurance and other costs	7,947,622	7,910,031	7,872,439	8,136,372
Other non-current assets	64,738,965	64,947,659	64,290,436	66,188,501
Total non-current assets	1,448,993,977	1,458,757,622	1,464,781,721	1,502,059,614
<b>Total assets</b>	<b>1,875,837,510</b>	<b>1,873,933,854</b>	<b>1,868,036,555</b>	<b>1,876,767,725</b>
Deferred outflow of resources-loss on refunding of debt	43,099,305	42,863,530	42,627,755	44,278,181
<b>Total assets and deferred outflow of resources</b>	<b>1,918,936,815</b>	<b>1,916,797,385</b>	<b>1,910,664,309</b>	<b>1,921,045,905</b>

Liabilities	Current Fiscal Year			Prior Fiscal Year
	Nov-25	Dec-25	Jan-26	Jun-25
<b>Current Liabilities</b>				
Accounts payable	106,778,293	98,391,053	100,864,653	94,240,154
Accrued payroll	39,150,537	39,238,025	33,229,342	49,712,808
Accrued PTO	24,672,380	24,439,893	24,585,810	23,828,506
Accrued interest payable	18,537,307	25,170,294	31,846,975	29,905,711
Current portion of bonds	20,171,216	20,171,216	20,171,216	19,081,756
Current portion of lease liab	21,756,699	21,706,739	21,596,028	21,878,270
Est. third party settlements	8,235,649	8,235,649	7,887,259	8,593,099
Other current liabilities	94,916,938	145,048,185	144,936,788	81,698,710
Total current liabilities	334,219,017	382,401,054	385,118,071	328,939,015
<b>Long Term Liabilities</b>				
Other LT liabilities	74,835,123	24,813,218	24,791,313	27,444,646
Bonds & contracts payable	1,317,314,884	1,316,746,118	1,316,177,351	1,340,117,039
Lease liabilities	320,731,288	319,126,038	317,650,695	328,471,724
Total long term liabilities	1,712,881,295	1,660,685,374	1,658,619,359	1,696,033,409
<b>Total liabilities</b>	<b>2,047,100,312</b>	<b>2,043,086,428</b>	<b>2,043,737,430</b>	<b>2,024,972,424</b>
Deferred inflow of resources- unearned revenue	70,010,656	70,440,104	69,462,995	72,791,253
<b>Total liabilities and deferred inflow of resources</b>	<b>2,117,110,968</b>	<b>2,113,526,531</b>	<b>2,113,200,424</b>	<b>2,097,763,677</b>
<b>Net Position</b>				
Unrestricted	(198,532,191)	(197,087,252)	(202,894,284)	(177,075,460)
Restricted for other purpose	358,039	358,104	358,169	357,688
Total net position	(198,174,152)	(196,729,148)	(202,536,115)	(176,717,772)
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,918,936,815</b>	<b>1,916,797,385</b>	<b>1,910,664,309</b>	<b>1,921,045,905</b>

	<u>Jan-26</u>	<u>YTD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income (Loss) from operations	4,037,279	9,340,317
<b>Adjustments to reconcile change in net assets to net cash provided from operating activities:</b>		
Depreciation Expense	4,764,716	33,881,971
Provision for bad debts	3,112,801	40,737,456
<b>Changes in operating assets and liabilities:</b>		
Patient accounts receivable	(6,231,594)	(15,790,255)
Property Tax and other receivables	(1,512,530)	(254,252)
Inventories	63,384	205,984
Prepaid expenses and other current assets	(930,145)	(2,790,909)
Accounts payable	2,473,600	6,624,499
Accrued compensation	(5,862,765)	(15,894,976)
Estimated settlement amounts due third-party payors	36,815,613	(24,816,833)
Other liabilities	2,759	64,539,032
Net cash provided from (used by) operating activities	<u>36,733,118</u>	<u>95,782,034</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (purchases) sales of investments	(25,092,751)	(5,500,904)
Income (Loss) on investments	1,261,860	10,479,300
Investment in affiliates	(10,914,753)	(32,988,196)
Net cash provided from (used by) investing activities	<u>(34,745,644)</u>	<u>(28,009,800)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipt of G.O. Bond Taxes	6,551,650	27,211,160
Receipt of District Taxes	3,485,028	14,498,474
Net cash provided from non-capital financing activities	<u>10,036,678</u>	<u>41,709,634</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds on asset sale	132	(22,792)
Acquisition of property plant and equipment	(2,578,137)	(6,232,080)
Redevelopment Trust Fund Distributions	1,508,003	1,508,003
G.O. Bond Interest paid	0	(25,121,525)
Revenue Bond Interest paid	0	(17,581,585)
ROU Interest paid	(3,247,556)	(12,932,788)
Proceeds (Payments) of Long Term Debt	0	(21,603,661)
Payments of Long Term Lease Liabilities	1,449,876	(6,738,806)
Net cash provided from (used by) capital and related financing activities	<u>(2,867,683)</u>	<u>(88,725,235)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	9,156,470	20,756,637
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<u>26,600,918</u>	<u>15,000,751</u>
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<u><u>35,757,388</u></u>	<u><u>35,757,388</u></u>

# Supplemental Information

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

**Condensed Combining Statement of Net Position**  
For the Fiscal Year-to-Date Ended January 31, 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	480,104,186	32,820,736	-	356,042	2,080,682	(63,003,549)	452,358,097
Capital assets - net	926,847,101	5,982,640	-	868,948	-	-	933,698,689
Right of use assets - net	294,750,291	24,355,894	-	-	-	(16,268,275)	302,837,910
Non-current assets	166,334,976	2,030,875	-	-	-	-	168,365,850
<b>Total assets</b>	<b>1,868,036,554</b>	<b>65,190,145</b>	<b>-</b>	<b>1,224,990</b>	<b>2,080,682</b>	<b>(79,271,824)</b>	<b>1,857,260,546</b>
Deferred outflow of resources	42,627,755	-	-	-	-	-	42,627,755
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,910,664,309</b>	<b>65,190,145</b>	<b>-</b>	<b>1,224,990</b>	<b>2,080,682</b>	<b>(79,271,824)</b>	<b>1,899,888,301</b>
<b>LIABILITIES AND NET POSITION</b>							
Current liabilities	347,388,561	98,228,661	-	1,848,065	241,280	(61,157,293.35)	386,549,268
Long-term liabilities	1,357,856,004	(0)	-	-	-	-	1,357,856,003
Right of use lease liabilities	317,650,695	21,427,450	-	-	-	(15,147,780)	323,930,365
<b>Total liabilities</b>	<b>2,022,895,260</b>	<b>119,656,111</b>	<b>-</b>	<b>1,848,065</b>	<b>241,280</b>	<b>(76,305,073)</b>	<b>2,068,335,637</b>
Deferred inflow of resources - deferred revenue	90,305,163	-	-	-	-	-	90,305,163
<b>Total liabilities and deferred inflow of resources</b>	<b>2,113,200,423</b>	<b>119,656,111</b>	<b>-</b>	<b>1,848,065</b>	<b>241,280</b>	<b>(76,305,073)</b>	<b>2,158,640,800</b>
Invested in capital assets - net of related debt	(327,189,072)	5,031,906	-	1,660,879	-	10,788,904	(309,707,383)
Restricted	48,944,606	-	-	-	-	-	48,944,606
Unrestricted	75,708,350	(59,497,872)	(0)	(2,283,954)	1,839,403	(13,755,654)	2,010,276
<b>Total net position</b>	<b>(202,536,116)</b>	<b>(54,465,966)</b>	<b>(0)</b>	<b>(623,075)</b>	<b>1,839,403</b>	<b>(2,966,750)</b>	<b>(258,752,499)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>1,910,664,309</b>	<b>65,190,145</b>	<b>(0)</b>	<b>1,224,990</b>	<b>2,080,682</b>	<b>(79,271,824)</b>	<b>1,899,888,301</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 January 31, 2025

	Palomar Health	PHMG	PAC	NCRE	SANDEMA	Elimination	YTD Consolidated
<b>OPERATING REVENUE:</b>							
Net patient service revenue	470,380,063	47,528,613	-	-	-	68,227	517,976,903
Shared risk revenue	46,499,000	7,909,411	-	-	-	-	54,408,411
Other revenue	6,382,693	265,085	-	1,756,338	412,302	7,036	8,823,454
PH Program revenue	-	17,169,911	-	-	-	(17,169,911)	-
<b>Total operating revenue</b>	<b>523,261,756</b>	<b>72,873,020</b>	<b>-</b>	<b>1,756,338</b>	<b>412,302</b>	<b>(17,094,648)</b>	<b>581,208,768</b>
<b>OPERATING EXPENSES</b>	<b>480,039,468</b>	<b>110,199,061</b>	<b>3,935,535</b>	<b>1,995,909</b>	<b>589,350</b>	<b>(17,364,848)</b>	<b>579,394,474</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>33,881,971</b>	<b>2,570,810</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,452,781</b>
<b>Total operating expenses</b>	<b>513,921,439</b>	<b>112,769,871</b>	<b>3,935,535</b>	<b>1,995,909</b>	<b>589,350</b>	<b>(17,364,848)</b>	<b>615,847,255</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>9,340,317</b>	<b>(39,896,851)</b>	<b>(3,935,535)</b>	<b>(239,571)</b>	<b>(177,048)</b>	<b>270,200</b>	<b>(34,638,488)</b>
<b>NON-OPERATING INCOME (EXPENSE):</b>							
Investment income	10,479,297	3,552,903	-	-	-	-	14,032,200
Interest expense	(52,394,899)	(44,615)	-	-	-	-	(52,439,514)
Property tax revenue	43,924,995	-	-	-	-	-	43,924,995
Other - net	(6,532,043)	(550,099)	-	-	-	(3,236,950)	(10,319,093)
<b>Total non-operating expense - net</b>	<b>(4,522,650)</b>	<b>2,958,188</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,236,950)</b>	<b>(4,801,412)</b>
<b>CHANGE IN NET POSITION</b>	<b>4,817,667</b>	<b>(36,938,663)</b>	<b>(3,935,535)</b>	<b>(239,571)</b>	<b>(177,048)</b>	<b>(2,966,750)</b>	<b>(39,439,900)</b>
Interfund - PHMG	(30,636,012)	24,945,392	-	-	-	-	(5,690,620)
Net Position - Beginning of year	(176,717,770)	(42,472,695)	3,935,535	(324,790)	1,334,334	-	(214,245,386)
Prior Period Adj-Assets				(58,714)	682,117		
Effect of adopting GASB 87		-	-				
<b>NET POSITION - Beginning of year</b>	<b>(176,717,770)</b>	<b>(42,472,695)</b>	<b>3,935,535</b>	<b>(383,504)</b>	<b>2,016,451</b>	<b>-</b>	<b>(213,621,983)</b>
<b>NET POSITION - Year to date</b>	<b>(202,536,118)</b>	<b>(54,465,966)</b>	<b>(0)</b>	<b>(623,075)</b>	<b>1,839,403</b>	<b>(2,966,750)</b>	<b>(258,752,499)</b>
<b>EBIDA</b>							<b>59,803,996</b>
<b>EBIDA Margin</b>							<b>10.3%</b>

Note: Financial Performance includes GO Bonds  
Financial Performance excludes PHMG

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

**Assets**

<b>Current Assets</b>	
Cash and cash equivalents	\$ 39,772,446
Investments	33,886,287
Patient accounts receivable - net of allowances for uncollectible accounts of \$31,240	135,162,853
Other receivables	24,520,598
Supplies and inventories	12,470,876
Prepaid expenses and other	10,055,012
Estimated third-party payor settlements receivable	119,640,673
Assets whose use is limited - current portion	7,468,976
Restricted cash and investments, current	<u>69,380,376</u>
<b>Total current assets</b>	<u>452,358,097</u>
<b>Restricted Noncurrent Cash and Investments</b>	
Held by trustee under indenture agreements	94,291,153
Held by trustee under general obligation bonds indenture	69,380,376
Held in escrow for street improvements	7,768
Restricted by donor and other	<u>358,169</u>
<b>Total restricted cash and investments</b>	164,037,466
Less amounts required to meet current obligations	<u>76,849,352</u>
<b>Total restricted noncurrent cash and investments</b>	<u>87,188,114</u>
<b>Capital Assets - net</b>	<u>933,698,689</u>
<b>Right of Use Assets - Net</b>	<u>302,837,910</u>
<b>Other Assets</b>	
Prepaid debt insurance costs	7,872,439
Investment in and amounts due from affiliated entities	7,462,814
Other	<u>65,842,483</u>
<b>Total other assets</b>	<u>81,177,736</u>
<b>Total assets</b>	1,857,260,546

**Deferred outflow of resources - loss on refunding of debt** 42,627,755

**Total Assets and Deferred Outflow of Resources** \$ 1,899,888,301

**Liabilities**

<b>Current Liabilities</b>	
Accounts payable	111,815,887
Accrued compensation and related liabilities	51,130,230
Current portion of general obligation bonds	10,806,216
Current portion of long-term debt	59,397,291
Current portion of lease liabilities	26,680,663
Estimated third-party payor settlements	9,060
Other accrued liabilities	94,862,096
Accrued interest payable	30,438,129
Accrued interest payable-ROU's	<u>1,409,695</u>
<b>Total current liabilities</b>	386,549,266
Workers' compensation - net of current portion	9,009,142
Long-term debt - general obligation bonds - net of current portion	613,901,105
Long-term debt - net of current portion	734,945,758
Long-term debt - Lease liability - net of current portion	323,930,365
<b>Total liabilities</b>	<u>2,068,335,637</u>
<b>Deferred inflow of resources - unearned revenue</b>	<u>90,305,163</u>
<b>Total liabilities and deferred inflow of resources</b>	<u>2,158,640,800</u>

**Net Position**

Net investment in capital assets	(319,393,873)
Restricted, expendable for:	
Repayment of debt	48,578,669
Capital acquisitions	7,768
Other purposes	358,169
Unrestricted	11,696,768
<b>Total net position</b>	<u>(258,752,499)</u>

**Total Liabilities, Deferred Inflow of Resources, and Net Position** \$ 1,899,888,301

Operating Revenue		
Patient service revenue, net of provision for uncollectible		
accounts of \$39,966	\$	517,976,906
Premium revenue		
Shared risk revenue		54,408,411
Other revenue		8,823,454
		<u>8,823,454</u>
Total operating revenue		<u>581,208,771</u>
Operating Expenses		
Salaries, wages, and benefits		362,132,081
Professional fees		31,303,923
Supplies		81,392,804
Purchased services		63,813,853
Depreciation and amortization		36,452,781
Rent expense		11,466,557
Utilities		5,475,294
Other		23,809,960
		<u>23,809,960</u>
Total operating expenses		<u>615,847,252</u>
Income (Loss) From Operations		<u>(34,638,482)</u>
Non-Operating Income (Expenses)		
Investment income		14,032,200
Interest expense		(52,439,513)
Property tax revenue - unrestricted		14,991,662
Property tax revenue - restricted		28,933,333
Amortization expense		(10,351,601)
Other - net		(5,658,116)
		<u>(5,658,116)</u>
Total non-operating expenses - net		<u>(10,492,034)</u>
Change in net position		(45,130,516)
Net Position - Beginning of year		<u>(214,221,247)</u>
Net Position - January 31, 2026		<u>\$ (258,752,499)</u>

<b>Cash Balance at 1/31/26(+/-DEBIT -/CREDIT)</b>	39,772,446
<i>Cash Balance at 6/30/25(+/-DEBIT -/CREDIT)</i>	22,645,150
<b><u>OPERATING ACTIVITIES:</u></b>	
<i>Income (Loss) from Operations</i>	(34,638,488)
<b>Depreciation and amortization</b>	27,125,958
<i>Amortization of lease right-of-use asset</i>	13,893,586
<i>Amortization of SBITA</i>	5,783,649
<i>Provision for bad debts</i>	39,965,956
<b>Equity in Earnings of Affiliates</b>	(1,092,720)
<i>(Gain)/Loss on disposal of fixed assets</i>	22,593
Changes in Assets and Liabilities	
<i>Patient accounts receivable</i>	(12,629,659)
<i>Other receivables</i>	6,644,060
<i>Inventories</i>	399,186
<i>Prepaid expenses and other current assets</i>	165,068
<i>Estimated settlement amounts due third-party payors</i>	(24,816,833)
<i>Accounts payable</i>	15,889,777
<i>Accrued Compensation and Other Liabilities</i>	(16,777,581)
<i>Other accrued liabilities</i>	11,828,535
<i>Deferred Revenue</i>	(4,257,206)
<i>Other net</i>	992,004
<b>Net cash provided by (used in) operating activities</b>	<b>28,497,884</b>
<b><u>INVESTING ACTIVITIES:</u></b>	
<i>Purchases of investments</i>	(119,622,986)
<i>Proceeds on Sale of Investments</i>	117,971,477
<i>Income received on investments</i>	10,182,805
<b>Net cash provided by (used in) investing activities</b>	<b>8,531,295</b>
<b><u>FINANCING ACTIVITIES</u></b>	
<i>Acquisition of Fixed Assets</i>	(13,224,758)
<i>Proceeds on the sale of fixed assets</i>	(22,593)
<i>Other Misc. Receipts</i>	(13,943,205)
<i>Receipt of district taxes - G.O. Bonds</i>	28,933,333
<i>Payments on long-term debt</i>	(21,756,536)
<i>Payment on lease liabilities</i>	(12,497,126)
<i>Deferred Financing Costs</i>	-
<b>Interest Paid</b>	(43,362,309)
<b>Interest Paid Lease Obligations</b>	(8,990,055)
<i>Proceeds on LOC</i>	50,000,000
<i>Financing Activities - Other</i>	(30,301)
<b>Net cash provided by (used in) financing activities</b>	<b>(34,893,549)</b>
<b>C.F.'s from Non-Capital Financing:</b>	
<i>Receipt of District Taxes</i>	14,991,662
<i>Other Financing</i>	-

Days Cash on Hand Ratio Covenant	January 31, 2026 Consolidated
Cash and Cash Equivalents	73,658,733
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	615,847,252
Less: Depreciation	36,452,781
Adjusted Expenses	579,394,471
Number of days in period	215
Average Adjusted Expenses per Day	2,694,858
<b>Days Cash on Hand</b>	<b>27.3</b>
<b>REQUIREMENT</b>	<b>65</b>

Debt Service Coverage Ratio Covenant	January 31, 2026 Consolidated
Excess of revenues over expenses	(49,098,579)
REVERSE:	
Depreciation and Amortization	36,452,781
Depreciation and Amortization-NonOp	10,351,601
Interest Expense	31,746,364
Income Available for Debt Service	29,452,166
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	32,836,041
<b>Debt Service Coverage Ratio</b>	<b>0.90</b>
<b>REQUIREMENT</b>	<b>1.15</b>
	NOT ACHIEVED

**NOTE: Pre-audit results shown**