

# FINANCE COMMITTEE

## Meeting Agenda

Wednesday, February 26, 2025

1:30 p.m.

Please see page 2 for meeting location options

The Board may take action on any of the items listed below, including items specifically labeled "Informational Only"		Time	Form A Page	Target
<b>Call To Order</b>				
I.	<b>Establishment of Quorum</b>	1		1:30
II.	<b>Public Comments<sup>1</sup></b>	30		2:00
III.	<b>Action Item(s) (ADD A)</b>			
	a. Finance Committee Minutes, May 1, 2024 (Pp 6-7)	5		2:05
	b. Finance Committee 2025 Meeting Calendar (Pp 8)	5		2:10
	c. Finance Committee Charter (Redline Pp 9-11, Clean Pp 12-14)	5		2:15
	d. Guidehouse Turnaround Project Update – Informational Only (Pp 15-18)	15		2:30
	e. YTD FY2025 and January 2025 Financials (Pp 19-64)	30		3:00
<b>Final Adjournment</b>				

### Board Finance Committee Members

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

Note: If you need special assistance to participate in the meeting, please call 760.740.6375, 72 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: 286 871 637 625

Pass Code: Ng2DX77J

or

Dial in using your phone at 929.352.2216; Access Code: 802 515 034#<sup>1</sup>

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

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

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

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### I. PURPOSE:

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

### II. DEFINITIONS:

A. None defined.

### III. TEXT / STANDARDS OF PRACTICE:

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

# Board Finance Committee Meeting

Meeting will begin at 1:30 p.m.



## Request for Public Comments

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

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

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

### Public Comments Process

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

# ADDENDUM A

BOARD FINANCE COMMITTEE – MEETING MINUTES – WEDNESDAY, MAY 1, 2024			
AGENDA ITEM	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
DISCUSSION			
<b>NOTICE OF MEETING</b>			
<ul style="list-style-type: none"> <li>The agenda (as Notice of Meeting) was posted on Tuesday, April 23, 2024, at Palomar Health’s Administrative Offices, which is consistent with legal requirements <ul style="list-style-type: none"> <li>The full agenda packet was also posted on the Palomar Health website, and notice of that posting was made via email to the Board and staff</li> </ul> </li> </ul>			
<b>CALL TO ORDER</b>			
<ul style="list-style-type: none"> <li>The meeting – held in the Linda Greer Conference Room, 2125 Citracado Parkway, Suite 300, Escondido, CA, and virtually – was called to order at 1:00 p.m. by Chair Laura Barry</li> <li>Diane Hansen, CEO, welcomed Andrew Tokar, the new CFO, who had been onboarded earlier this week; and she also noted that she was sure Melissa Wallace, VP of Finance and outgoing Interim CFO, was happy that he was here</li> </ul>			
<b>ESTABLISHMENT OF QUORUM</b>			
<ul style="list-style-type: none"> <li>Quorum was established</li> </ul>			
<b>PUBLIC COMMENTS</b>			
<ul style="list-style-type: none"> <li>None filed</li> </ul>			
<b>1. BOARD FINANCE COMMITTEE FOLLOW-UPS</b>			
<ul style="list-style-type: none"> <li>Case Mix Index Comparisons (<i>Originally requested at the July 2023 meeting</i>) <ul style="list-style-type: none"> <li>Dr. Omar Khawaja, Chief Medical Officer, reported projects were underway to ensure coding and CMI were appropriate</li> </ul> </li> </ul>			
<b>2. MINUTES – FINANCE COMMITTEE – WEDNESDAY, JANUARY 24, 2024</b>	<b>MOTION:</b> By Director Griffith, seconded by Director Pacheco, and carried to approve the Minutes from the Finance Committee meeting held on Wednesday, January 24, 2024, as presented.  Vote taken by Roll Call: Chair Barry – aye; Director Pacheco – aye; Director Griffith – aye; Ms. Hansen – aye; Dr. Koirala – aye; Absent: Dr. Filiciotto		<b>Y</b>
<ul style="list-style-type: none"> <li>No discussion</li> </ul>			
<b>3. MINUTES – SPECIAL FINANCE COMMITTEE – FRIDAY, MARCH 22, 2024</b>	<b>MOTION:</b> By Director Griffith, seconded by Director Pacheco, and carried to approve the Minutes from the Special Finance Committee meeting held on Friday, March 22, 2024, as presented.  Vote taken by Roll Call:		<b>Y</b>

**BOARD FINANCE COMMITTEE – MEETING MINUTES – WEDNESDAY, MAY 1, 2024**

• AGENDA ITEM	CONCLUSION/ACTION	FOLLOW UP/RESPONSIBLE PARTY	FINAL?
• DISCUSSION			
Chair Barry – aye; Director Pacheco – aye; Director Griffith – aye; Ms. Hansen – aye; Dr. Koirala – aye; Absent: Dr. Filiciotto			
• No discussion			
4. EXECUTED, BUDGETED, ROUTINE PHYSICIAN AGREEMENTS	<b>MOTION:</b> By Director Griffith, seconded by Director Pacheco, and carried and carried to recommend approval of the Executed, Budgeted, Routine Physician Agreements. Vote taken by Roll Call: Chair Barry – aye; Director Pacheco – aye; Director Griffith – aye; Ms. Hansen – aye; Dr. Koirala – aye; Absent: Dr. Filiciotto		Y
• No discussion			
5. MARCH 2024 & YTD FY2024 FINANCIAL REPORT	<b>MOTION:</b> By Director Griffith, seconded by Director Pacheco, and carried move the March 2024 & YTD FY2024 Financial Report forward for Board consideration. Vote taken by Roll Call: Chair Barry – aye; Director Pacheco – aye; Director Griffith – aye; Ms. Hansen – aye; Dr. Koirala – aye; Absent: Dr. Filiciotto	Forwarded to the May 13, 2024, Board of Directors meeting for Board consideration	N
• EXECUTIVE DASHBOARD (P9) <ul style="list-style-type: none"> <li>○ Ms. Wallace reviewed financial results for the first three quarters of the fiscal year</li> </ul>			
<b>ADJOURNMENT</b>		<b>The meeting was adjourned at 1:34 p.m.</b>	
SIGNATURES:	COMMITTEE CHAIR _____ LAURA BARRY		
	COMMITTEE ASSISTANT _____ TANYA HOWELL		

**Finance Committee Meeting Schedule  
Calendar Year 2025**

**TO:** Finance Committee

**MEETING DATE:** Wednesday, February 26, 2025

**FROM:** Andrew Tokar, Chief Financial Officer

**Background:** If adopted, Finance Committee meetings for calendar year 2025 will be held Monthly at 1:30 p.m. on the fourth Wednesday, except for the months of November and December.

Meetings will be held in the Linda Greer Board Room at Palomar Health’s Administrative Offices, located at 2125 Citracado Parkway, Suite 300, Escondido, CA. Members of the Committee who are elected members of the Board of Directors shall attend at that location.

Please see below for the dates on which the meetings would be held:

**2025 BOARD FINANCE COMMITTEE MEETING SCHEDULE**

Wednesday February 26, 2025	Wednesday March 26, 2025	Wednesday April 23, 2025
Wednesday May 28, 2025	Wednesday June 25, 2025	Wednesday July 23, 2025
Wednesday August 27, 2025	Wednesday September 24, 2025	Wednesday October 22, 2025
Wednesday December 10, 2025		

**Budget Impact:** N/A

**Staff Recommendation:** Review and approval

**Committee Questions:**

**COMMITTEE RECOMMENDATION:**

**Motion:**

**Individual Action:**

**Information:**

**Required Time:**



CHARTER  
of the  
FINANCE COMMITTEE  
of the  
PALOMAR HEALTH BOARD OF DIRECTORS

- I. **Purpose.** The Finance Committee (“Committee”) of the Palomar Health Board of Directors (“Board”) aims to provide oversight to determine and facilitate the financial viability of the organization through the effective establishment of sound policies and development of a system of controls to safeguard the preservation and use of assets and resources.
- II. **Membership.**
- A. Voting Membership. The voting members (“Voting Members”) of the Committee may consist of those individuals appointed as Voting Members of the Committee by the Chair of the Board (“Board Chair”) in accordance with the Bylaws of Palomar Health (“Bylaws”) and other applicable policies of the Board.
- B. Alternate(s). Any alternate voting members (“Alternates”) of the Committee may consist of those individuals appointed as Alternates of the Committee by the Board Chair in accordance with the Bylaws and other applicable policies of the Board. Alternates enjoy voting rights only in the absence of a Voting Member. Unless Alternates enjoy voting rights, they may attend the meetings of the Committee only as an observer.
- C. Non-Voting Membership. The non-voting members (“Non-Voting Members”) may consist of the following individuals:
- Chief Financial Officer of Palomar Health
  - ~~Chief Operations Officer of Palomar Health~~
  - Chief Medical Officer of Palomar Health
  - Chief Nurse Executive/Chief Operating Officer of Palomar Health
  - Vice President of Finance of Palomar Health
- III. **Authority.** The Committee has no expressed or implied power or authority except to make recommendations to the Board related to the Committee’s purpose and duties as described in this Charter.
- IV. **Duties.** The duties of the Committee may include:

- A. Review and approve annual and long-range operating cash, operational and capital budgets for Palomar Health and its system affiliates.
  - B. Develop and maintain sound understanding of the services of Palomar Health's revenues and expenses and its economic environment.
  - C. Approve methods of financing major capital asset renovations, replacements and additions.
  - D. Review financial reports and operating statistics on a regular basis to provide organizational oversight regarding the appropriateness of actions in response to operating trends in achievement of financial goals.
  - E. Evaluate and approve financial plans for new business ventures, programs, and services and establish criteria to measure their ongoing viability.
  - F. Develop communications in order to enhance the understanding of other members in regard to financial matters of the system.
  - G. Review the preliminary, annual operating budgets for Palomar Health and its system affiliates.
  - H. Review and recommend to the Board the final, annual, operating budgets.
  - I. Review annually those policies and procedures within its purview and report the results of such review to the Board. Such reports shall include recommendations regarding the modification of existing or creation of new policies and procedures.
  - J. Perform such other duties as may be assigned by the Board.
- V. **Committee Chairperson, Liaison, and Assistant.**
- A. The Chairperson of the Committee ("Committee Chairperson") may be the individual appointed as Committee Chairperson by the Board Chair in accordance with the Bylaws and other applicable policies of the Board.
  - B. The Chief Financial Officer may serve as the Palomar Health Administration's liaison ("Administrative Liaison") to the Committee.
  - C. The Executive Assistant to the Chief Financial Officer may serve as the assistant to the Committee ("Committee Assistant").
- VI. **Meetings.** The Committee will meet at least quarterly and more often as needed. A majority of the Voting Members will constitute a quorum. The Committee Assistant will record the meeting minutes and forward a copy to the Board Secretary upon

approval of the meeting minutes by the Committee. The Committee Chairperson may coordinate with the Administrative Liaison to invite any officer, staff member, expert or other advisor who is not a member of the Committee to attend a meeting of the Committee to discuss topics germane to the purpose and duties of the Committee.

**VII. Committee Agendas.**

A. The Committee Chairperson holds the primary responsibility for creating Committee Meeting Agendas. The Committee Chairperson will routinely work with the Administrative Liaison and the Committee Assistant in creating agendas. The Committee Chairperson will carefully consider all input regarding Agenda items from the Administrative Liaison. The authority for approval of final agendas for Committee Meetings will reside with the Committee Chairperson. Any disagreement, dispute, or confusion over specific agenda items and/or their appropriateness of specific items on the agenda between the Committee Chairperson and the Administrative Liaison that cannot be resolved will be referred to the Board Chair for resolution. The Board Chair, if indicated, may consult with Board or Corporate Counsel, the CEO, and/or other members of the Administration team to achieve resolution. If the Board Chair feels the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the full Board.

B. Individual Committee Members may request to place items on a Committee Meeting Agenda. Board Members who are not Committee Members may request to have items placed on a Committee Meeting Agenda at regular meetings of the Full Board either through the Board Chair or the Committee Chairperson. The Committee Chairperson will consider each item so requested and determine whether or not it is an appropriate Committee Agenda item. The Committee Chairperson will make every effort to accommodate all reasonable individual Member requests including refining the requested agenda item as indicated. The Committee Chairperson may decline to put the item on a Committee Agenda based upon his or her judgment. Any disagreement, dispute or confusion over specific agenda items and/or their appropriateness of specific item on the agenda between the Committee Chairperson and Member that cannot be resolved will be referred to the Board Chair for resolution. The Board Chair may consult with the Board or Corporate Counsel, the CEO and/or other members of the Administration team to achieve resolution. If the Board Chair determines-feels the issue cannot be satisfactorily resolved, the Board Chair will take the issue to the full Board.

**VIII. Review and Revision.** The Committee may review this Charter annually. Any revisions proposed by the Committee to this Charter must be approved by the Board in accordance with the Bylaws.

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# Margin Improvement / Turnaround Project Financial Update

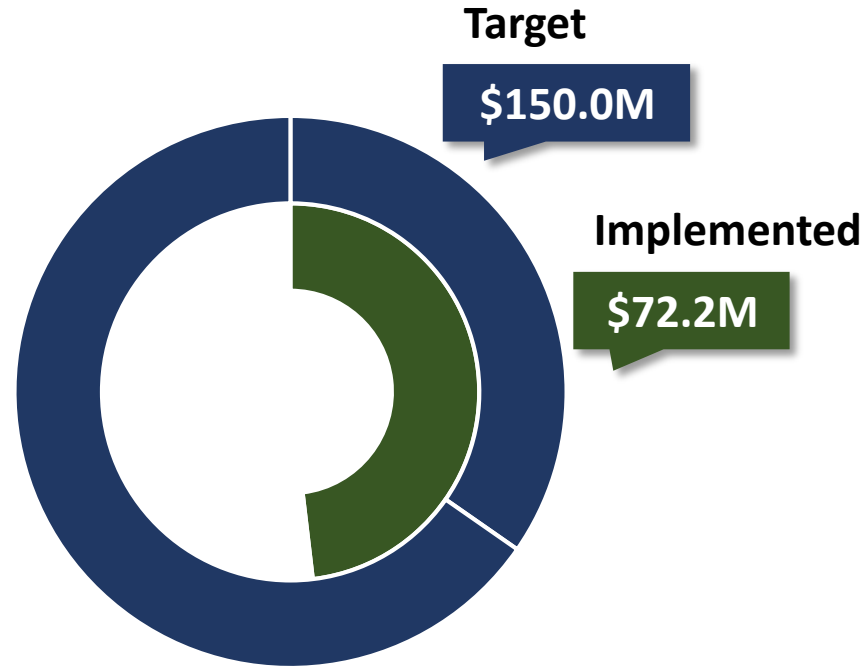
Reporting Month: Dec-24

February 26, 2025

# Palomar Health has implemented \$72.2M in improvement to date, with an additional \$77.8M needed to fill the gap to target

## Key implemented initiatives include:

- ✓ **\$12.3M** RIFs in October and November; Tightened Targets
- ✓ **\$12.0M** Improvements in Care Transitions
- ✓ **\$3.4M** Supply Chain Contract Savings
- ✓ **\$2.1M** Purchased Services Department & Contract Savings
- ✓ **\$4.7M** Reduction in Corporate Services IT, Legal, Finance Spend
- ✓ **\$2.5M** Early Retirement Savings



**\$241.5M**  
Pipeline (ann.)

**\$150.0M**  
Target (ann.)

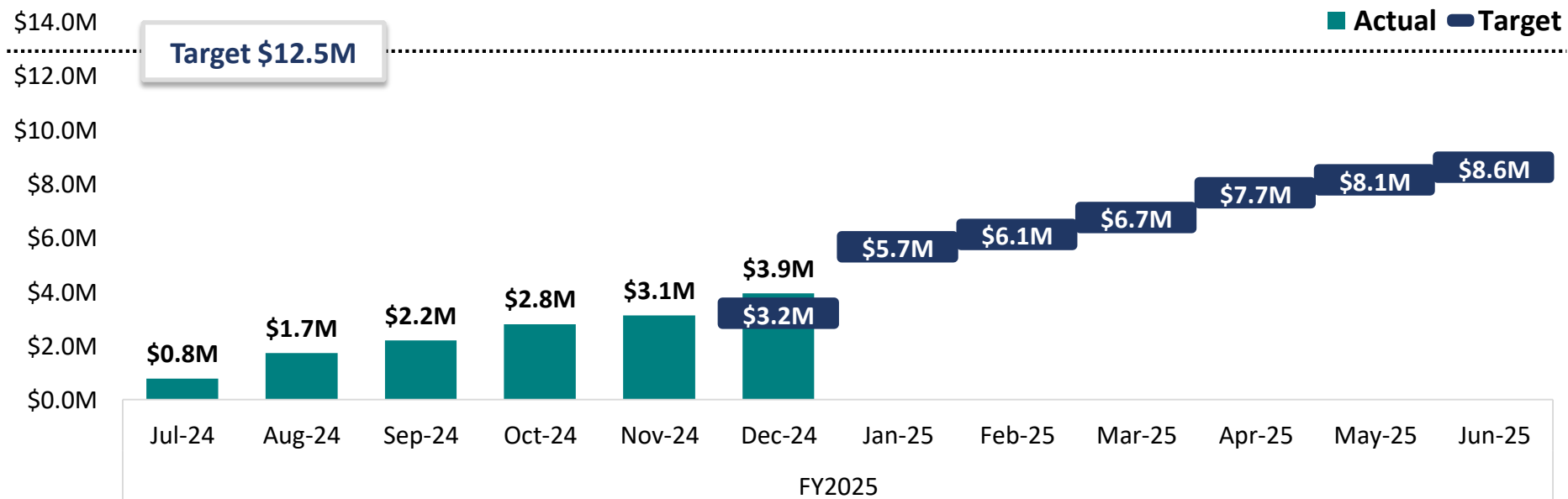
**\$72.2M**  
Implemented TD<sup>1</sup>

- \* Implemented to date value has grown **\$11.4M** from **\$60.8M** presented on 1/27, driven by:
- **Contract savings** from corporate departments, purchased services, and PHMG IT
  - Implementation of **Cardiology revenue growth** strategy, expected to begin realization in February

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



# Initiative performance in December 2024 resulted in \$3.9M in realization, exceeding trending monthly target of \$3.2M



December 2024  
Reporting Month

**\$12.5M**  
Target Run Rate (mon.)

**\$3.2M**  
Trended Month Target<sup>1</sup>

**\$3.9M**  
Current Month Actuals

- Monthly realization targets are trended to reflect initiative implementation timelines, building to a **\$12.5M** improvement to monthly run rate, annualized to **\$150M**, over the next **18 months**
- December realization of **\$3.9M** exceeds target projection of **\$3.2M**, largely due to overperformance in the Care Transitions initiatives
- All other workstreams are aligned with target projections. However, an additional **\$8.6M** is required

<sup>1</sup>Workstream targets were established and communicated to board 1/27/25; actuals will be tracked against month targets moving forward.

# While December performance exceeds target, implementation and sustainment of initiatives in Q3 requires discipline and rigor

Workstream	Month Target	Month Actual	Status
Supply Chain & PS	\$0.4M	\$0.3M	On Track
Care Transitions & PSA	\$0.9M	\$1.8M	Delayed
PHMG	\$0.3M	\$0.2M	At Risk
Workforce & Periop	\$0.5M	\$0.4M	On Track
Corporate Services	\$0.6M	\$0.7M	On Track
Growth Strategy	\$0.6M	\$0.6M	On Track
Facilities & Real Estate	-	-	On Track
Revenue Cycle	-	-	On Track
<b>Total:</b>	<b>\$3.2M</b>	<b>\$3.9M</b>	

## Key Updates

- **\$1.3M** of total Care Transitions realization from correct patient classification and throughput
- **\$680K** in Corporate Services realization driven by marketing and IT department expense reductions
- **\$531K** driven primarily from Infusion Therapy and ED net revenue improvement from prior FY

## High Priority Initiatives

- Purchased Services governance structure and additional contract savings
- Perioperative Services staffing & coverage models
- Corporate department spend reductions and P-Card policy / governance
- PHMG: IKS Solution Implementation
- Real Estate MSA, strategic planning with Cushman & Wakefield
- Lab expense reductions

December 2024  
Reporting Month

**\$3.2M**

Trended Month Target<sup>1</sup>

**\$3.9M**

Current Month Actuals

### Status

On Track *Delayed* At Risk

*Fiscal Year 2025  
Financial Performance –  
January 2025*

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

*January 2025*

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

## Highlights for January 2025

### Revenue

- Gross Revenue is up \$14M from December, and exceeded budget by \$19.0M
- Deductions are also up \$8.2M as we manage to our new payer mix that is more heavily dependent on governmental payers
- The new supplement program for hospitals has improved net revenue by \$2.9M
- Lower capitated revenue driven by extremely high utilization

### Volumes

- Outpatient Emergency visits were 4.8% above budget
- Both acute patient days and acute discharges are ahead of budget (8.6% and 14.3%, respectively) and prior year (21.7% and 12.2%, respectively.) We continue to be very busy.
- Oncology improved on the month and while still behind budget the miss (12.6%) was significantly smaller than in previous months (30.0+%)
- Skilled Nursing Facility volumes to continue to lag budget by around 17.0% on average

### Expenses

- Salaries are favorable and includes the March nurse bonus accrual
- Benefits continue to run higher than expected for a second month in a row as we transition from self-funded to traditional coverage
- We experienced a high-Overtime month and will expect that to begin to normalize as we hire in to critical roles
- Both professional fees and purchased services are lower (\$1.7M and \$915K, respectively) as we adjust our expense base and review contracts and services
- Medical Supplies decreased by \$1.0M from the prior month and is better aligned with November 2024 totals, with are lower than the fiscal year average

### Other Highlights

- EBIDA for Jan-25 was 12.0% versus a budget of 13.9%, and YTD has increased to 5.2%\*
- Days Cash on Hand Consolidated for January was 23.6 Days and that is down from 26.1 Days from December
- Cash remains a focus for the team as we gear up for a number of outflows for IGT requests in March and debt service payments in April
- Debt Service Coverage improved month-over-month from (0.18) to (0.08)

Net loss from operations for the month was \$2.3 million, unfavorable to budget by \$3.1 million. The year-to-date loss from operations was \$39.0 million with a \$34.2 million unfavorable variance. Net loss for the month was \$2.4 million, unfavorable to budget by \$2.9 million. Net loss year-to-date was \$52.6 million and unfavorable variance of \$39.8 million.

EBIDA margin for the month of January was unfavorable to budget by 1.9% and year-to-date EBIDA margin was unfavorable to budget by 6.1%. Additional comments and further analyses are presented in the following sections.

## **Patient Utilization**

### Inpatient (IP) Services

For January YTD, Acute Discharges for the District were 10.3% favorable to budget, and increased 8.5% YOY. Acute Average Daily Census was 7.4% favorable to budget, and increased 3.6% YOY. Total Average Daily Census was 0.4% favorable to budget, and is impacted by Villas patient days (17.8%) unfavorable to budget. Acute Adjusted Discharges were 4.6% favorable to budget, and increased 2.8% YOY. Acute Adjusted Patient Days were 1.9% favorable to budget, and decreased (1.8%) YOY.

IP surgeries for PMC Escondido and PMC Poway were 3,560 cases (4.1% favorable to budget and 2.9% increase YOY). Emergent cases increased YOY due to a 15.8% increase to Inpatient ER Admits.

Deliveries for PMC Escondido were 2,072, which was (2.2%) unfavorable to budget and (6.0%) decrease YOY.

Trauma inpatient admissions were 1,130, which was 21.8% favorable to budget and 12.1% increase YOY.

### Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway were 2,944 cases, which was (5.6%) unfavorable to budget and a (12.1%) decrease YOY. Outpatient ER visits were 60,827 (includes trauma), which was (5.6%) unfavorable to budget and a (2.3%) decrease YOY. OP registrations were (12.8%) unfavorable to budget and (13.6%) decrease YOY. ER inpatient admissions were 14.2% favorable to budget and increased 15.8% YOY.

**Financial Performance**Operating Revenue

Net Patient Revenue for the month was \$70.9 million, which was \$8.0 million (10.7%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$931 thousand, which was \$398 thousand (42.7%) unfavorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$74.2 million, which was \$4.9 million (6.6%) favorable to budget.

Salaries, Wages & Contract Labor for the month were \$31.8 million, which was \$2.5 million (7.7%) favorable to budget.

Benefits for the month were \$9.3 million, which was \$2.6 million (27.9%) favorable to budget.

Supplies for the month were \$10.1 million, which was \$147 thousand (1.4%) favorable to budget.

Professional Fees and Purchased Services for the month were \$14.0 million, which was \$80 thousand (0.6%) favorable to budget.

Depreciation & Amortization for the month was \$5.1 million, which was \$99 thousand (1.9%) favorable to budget.

Other Direct Expenses for the month were \$3.9 million, which was \$454 thousand (11.6%) unfavorable to budget.

Net Non-Operating Income/Expense

Net Non-Operating Loss for the month was \$37 thousand, which was \$151 thousand favorable to budget due to year-end investments, county redevelopment distribution and lease agreements.

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

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 \$60.1 million. Days in Net A/R are 71.1, an increase of 2.2 days from the prior month.

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

Key Performance Indicators (KPI)	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025
Total Net A/R (\$) <sup>1</sup>	\$ 147,921,747	\$ 154,630,866	\$ 155,574,643	\$ 153,804,994	151,985,346	153,128,078	157,290,461
Net Days in A/R (Days) <sup>2</sup>	81.2	79.3	71.9	70.3	70.1	68.9	71.1
% AR > 90 Days	41.8%	38.5%	41.4%	44.3%	46.5%	40.4%	40.2%
% of Avoidable Denial Write-Offs	8.8%	9.2%	10.3%	11.7%	11.7%	11.0%	10.1%
Net Revenue Yield	108.2%	104.4%	95.2%	96.2%	100.9%	100.4%	99.3%

**Balance Sheet**

Cash, Cash Equivalents and Investments decreased in January by \$13.4 million primarily due to increase in payments on outstanding invoices as we paid vendor balances down.

**The Days Cash On Hand** ratio was to 21.2 days (PH Only) and 23.6 days (Consolidated)

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

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



	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jan-25	Jan-25	Variance	Jan-24	Variance	Jan-25	Jan-25	Variance	Jan-24	Variance
<b>Key Volumes</b>										
<b>Discharges - Total</b>	<b>2,295</b>	<b>2,132</b>	<b>7.7%</b>	<b>1,885</b>	<b>21.8%</b>	<b>15,052</b>	<b>13,787</b>	<b>9.2%</b>	<b>13,971</b>	<b>7.7%</b>
Acute - General	2,255	2,076	8.6%	1,817	24.1%	14,790	13,408	10.3%	13,316	11.1%
Acute - Behavioral Health	-	-	0.0%	36	(100.0%)	-	-	0.0%	321	(100.0%)
Total Acute Discharges	2,255	2,076	8.6%	1,853	21.7%	14,790	13,408	10.3%	13,637	8.5%
The Villas at Poway	40	56	(28.6%)	32	25.0%	262	379	(30.9%)	334	(21.6%)
<b>Patient Days - Total</b>	<b>13,542</b>	<b>12,799</b>	<b>5.8%</b>	<b>12,547</b>	<b>7.9%</b>	<b>83,505</b>	<b>83,176</b>	<b>0.4%</b>	<b>83,914</b>	<b>(0.5%)</b>
Acute - General	10,700	9,358	14.3%	9,180	16.6%	64,418	59,959	7.4%	59,836	7.7%
Acute - Behavioral Health	-	-	0.0%	361	(100.0%)	-	-	0.0%	2,339	(100.0%)
Total Acute Patient Days	10,700	9,358	14.3%	9,541	12.2%	64,418	59,959	7.4%	62,175	3.6%
The Villas at Poway	2,842	3,441	(17.4%)	3,006	(5.5%)	19,087	23,217	(17.8%)	21,739	(12.2%)
Acute Adjusted Discharges	3,460	3,482	(0.6%)	3,014	14.8%	23,519	22,490	4.6%	22,871	2.8%
Total Adjusted Discharges*	3,507	3,538	(0.9%)	3,043	15.3%	23,823	22,869	4.2%	23,221	2.6%
Acute Adjusted Patient Days	16,419	15,684	4.7%	15,520	5.8%	102,365	100,492	1.9%	104,205	(1.8%)
Total Adjusted Patient Days*	19,261	19,125	0.7%	18,526	4.0%	121,452	123,709	(1.8%)	125,944	(3.6%)
Acute Average Daily Census	345	302	14.3%	308	12.2%	300	279	7.4%	289	3.6%
Total Average Daily Census*	437	413	5.8%	405	7.9%	388	387	0.4%	390	(0.5%)
<b>Surgeries - Total</b>	<b>879</b>	<b>930</b>	<b>(5.5%)</b>	<b>968</b>	<b>(9.2%)</b>	<b>6,504</b>	<b>6,539</b>	<b>(0.5%)</b>	<b>6,810</b>	<b>(4.5%)</b>
Inpatient	483	497	(2.9%)	484	(0.2%)	3,560	3,421	4.1%	3,460	2.9%
Outpatient	396	433	(8.5%)	484	(18.2%)	2,944	3,118	(5.6%)	3,350	(12.1%)
Deliveries	269	313	(14.1%)	296	(9.1%)	2,072	2,118	(2.2%)	2,204	(6.0%)
<b>ER Visits (Includes Trauma) - Total</b>										
Inpatient	1,824	1,478	23.4%	1,594	14.4%	11,662	10,212	14.2%	10,074	15.8%
Outpatient	8,870	8,468	4.8%	9,226	(3.9%)	60,827	64,458	(5.6%)	62,251	(2.3%)

	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jan-25	Jan-25	Variance	Jan-24	Variance	Jan-25	Jan-25	Variance	Jan-24	Variance
Cardiac Cath RVUs	1,013	1,368	(26.0%)	1,312	(22.8%)	7,327	8,911	(17.8%)	8,940	(18.0%)
Escondido Interv. Radiology RVUs	975	948	2.9%	1,045	(6.7%)	6,819	6,463	5.5%	6,495	5.0%
Poway Interv. Radiology RVUs	274	234	16.9%	244	12.3%	1,840	1,768	4.0%	1,837	0.1%
Radiation Oncology RVUs	3,212	3,673	(12.6%)	3,745	(14.2%)	21,562	30,973	(30.4%)	22,658	(4.8%)
Infusion Therapy Hours	816	883	(7.6%)	728	12.1%	6,474	6,126	5.7%	5,052	28.2%
<b>Imaging</b>										
Escondido CAT Procedures	8,744	8,433	3.7%	8,209	6.5%	62,711	54,691	14.7%	56,472	11.1%
Poway CAT Procedures	2,811	2,587	8.7%	2,379	18.2%	18,305	17,484	4.7%	16,068	13.9%
Escondido MRI Procedures	419	350	19.7%	412	1.7%	3,183	2,627	21.2%	2,627	21.2%
Poway MRI Procedures	117	122	(4.5%)	133	(12.0%)	933	870	7.2%	956	(2.4%)
Escondido Diagnostic Rad. Procedures	7,447	7,309	1.9%	7,376	1.0%	49,363	48,825	1.1%	49,244	0.2%
Poway Diagnostic Rad. Procedures	2,461	2,449	0.5%	2,310	6.5%	15,752	16,106	(2.2%)	15,158	3.9%

\*Includes The Villas at Poway

	Month					Year to Date				
	Actual	Budget	Budget	Prior Year	Prior Year	Actual	Budget	Budget	Prior Year	Prior Year
	Jan-25	Jan-25	Variance	Jan-24	Variance	Jan-25	Jan-25	Variance	Jan-24	Variance
<b>Key Statistics</b>										
Acute Average LOS - Days	4.75	4.51	(5.3%)	5.15	(7.9%)	4.36	4.47	2.6%	4.56	(4.5%)
Acute - General	4.75	4.51	(5.3%)	5.05	(6.1%)	4.36	4.47	2.6%	4.49	(3.1%)
Acute Behavioral Health	0.00	0.00	0.0%	10.03	(100.0%)	0.00	0.00	0.0%	7.29	(100.0%)
Average Observation Hours	24	36	32.7%	36	(32.7%)	27	37	26.4%	37	26.4%
Acute Case Mix - Excludes Deliveries	1.69	1.81	6.6%	1.81	6.6%	1.72	1.76	2.3%	1.76	2.3%
Acute Case Mix -Medicare Only	1.67	1.83	8.7%	1.83	8.7%	1.69	1.75	3.4%	1.75	3.4%
Labor Productivity by Hrs						Not Avail.			Not Avail.	
Days Cash on Hand						21.2			31	
<b>Financial Performance</b>										
Operating Income	(2,322,905)	774,681	(3,097,586)	(5,284,012)	2,186,425	(39,049,393)	(4,791,694)	(34,257,699)	(24,170,240)	(14,879,153)
Net Income	(2,360,177)	586,043	(2,946,219)	(6,052,275)	3,106,056	(52,634,750)	(12,793,814)	(39,840,936)	(33,945,386)	(18,689,364)
Oper. Expenses/Adj. Patient Days	3,586	3,863	(7.2%)	3,974	(9.8%)	3,984	3,937	1.2%	3,679	8.3%
EBIDA Margin-Excludes PHMG	8,621,848	11,074,705	(2,452,857)	3,591,105	5,030,743	25,160,097	58,764,781	(33,604,684)	28,641,379	(62,246,063)
EBIDA-Excludes PHMG	12.0%	13.9%	-1.9%	4.9%	(6.8%)	5.2%	11.3%	-6.1%	6.1%	-0.9%

Note: Financial Performance excludes GO Bonds

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Jan-25	Jan-25	Jan-25	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	19,261	19,125	136					
<b>Adjusted Discharges</b>	3,507	3,538	(31)					
<b>Operating Revenue</b>								
Gross revenue	503,514,870	484,168,206	19,346,664	3,442,974	15,903,689.91	26,141.68	25,315.98	826
Deductions from revenue	(432,589,279)	(405,626,067)	(26,963,212)	(2,884,452)	(24,078,760)	(22,459.34)	(21,209.21)	(1,250)
Net patient revenue	70,925,591	78,542,139	(7,616,548)	558,522	(8,175,070)	3,682	4,107	(424)
Other operating revenue	930,518	1,328,165	(397,647)	9,444.73	(407,091.99)	48.31	69.45	(21)
<b>Total net revenue</b>	<b>71,856,109</b>	<b>79,870,304</b>	<b>(8,014,195)</b>	<b>567,967</b>	<b>(8,582,162)</b>	<b>3,731</b>	<b>4,176</b>	<b>(446)</b>
<b>Operating Expenses</b>								
Salaries, wages & contract labor	31,767,111	34,222,746	2,455,635	(243,362)	2,698,997	1,649	1,789	140
Benefits	9,282,958	11,872,748	2,589,790	(84,428)	2,674,218	482	621	139
Supplies	10,114,268	10,260,805	146,537	(72,966)	219,503	525	537	11
Prof fees & purch svcs	14,003,981	14,083,569	79,588	(100,150)	179,738	727	736	9
Depreciation	5,109,442	5,208,488	99,046	(37,038)	136,084	265	272	7
Other	3,901,253	3,447,260	(453,993)	(24,514)	(429,479)	203	180	(22)
<b>Total expenses</b>	<b>74,179,014</b>	<b>79,095,616</b>	<b>4,916,602</b>	<b>(562,458)</b>	<b>5,479,060</b>	<b>3,851</b>	<b>4,136</b>	<b>284</b>
Income from operations	(2,322,905)	774,688	(3,097,592)	5,509	(3,103,102)	(121)	41	(161)
<b>Non-operating revenue(expense)</b>								
Property tax revenues <sup>1</sup>	2,125,000	2,125,000	-					
Investment income	1,484,615	881,113	603,502					
Revenue bond interest expense	(4,393,833)	(4,130,682)	(263,151)					
Non-operating depreciation	(1,478,750)	(1,149,492)	(329,258)					
Other non-operating revenue(expense)	2,225,696	2,085,416	140,280					
<b>Net Income<sup>2</sup></b>	<b>(2,360,177)</b>	<b>586,043</b>	<b>(2,946,219)</b>					
EBIDA Margin	12.0%	13.9%	(1.9%)					

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-25	Jan-25	Jan-25	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	121,452	123,709	(2,257)					
<b>Adjusted Discharges</b>	23,823	22,869	954					
<b>Operating Revenue</b>								
Gross revenue	3,361,990,040	3,276,160,820	85,829,220	(59,771,682)	145,600,901	27,682	26,483	1,199
Deductions from revenue	(2,887,473,845)	(2,767,477,831)	(119,996,014)	50,491,051	(170,487,065)	(23,775)	(22,371)	(1,404)
Net patient revenue	474,516,195	508,682,989	(34,166,794)	(9,280,630)	(24,886,164)	3,907	4,112	(205)
Other operating revenue	6,725,375	9,355,158	(2,629,783)	(170,680)	(2,459,103)	55	76	(20)
Total net revenue	481,241,570	518,038,147	(36,796,577)	(9,451,310)	(27,345,267)	3,962	4,188	(225)
<b>Operating Expenses</b>								
Salaries, wages & contract labor	221,552,818	229,718,759	8,165,941	4,191,087	3,974,854	1,824	1,857	33
Benefits	59,645,317	62,741,009	3,095,692	1,144,674	1,951,018	491	507	16
Supplies	72,126,460	70,905,790	(1,220,670)	1,293,636	(2,514,305)	594	573	(21)
Prof fees & purch svcs	109,382,414	99,585,839	(9,796,575)	1,816,887	(11,613,461)	901	805	(96)
Depreciation	36,381,138	35,746,874	(634,264)	652,181	(1,286,446)	300	289	(11)
Other	21,198,733	24,131,570	2,932,837	440,267	2,492,570	175	195	21
Total expenses	520,286,880	522,829,841	2,542,961	9,538,732	(6,995,770)	4,284	4,226	(58)
Income from operations	(39,045,310)	(4,791,694)	(34,253,616)	87,422	(34,341,037)	(321)	(39)	(283)
<b>Non-operating revenue(expense)</b>								
Property tax revenues <sup>1</sup>	14,875,000	14,875,000	-					
Investment income	8,865,284	7,944,789	920,495					
Revenue bond interest expense	(31,059,998)	(28,914,773)	(2,145,225)					
Non-operating depreciation	(10,349,629)	(6,896,952)	(3,452,677)					
Other non-operating revenue(expense)	4,083,986	4,989,816	(905,830)					
Net Income <sup>2</sup>	(52,630,668)	(12,793,814)	(39,836,853)					
<b>EBIDA Margin</b>	5.2%	11.3%	(6.1%)					

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

	Current Year	Prior Year	Change	Variance		Dollars/Adjusted Patient Day		
	Jan-25	Jan-24		Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	121,452	125,944	(4,492)					
<b>Adjusted Discharges</b>	23,823	23,221	602					
<b>Operating Revenue</b>								
Gross revenue	3,361,990,040	3,133,516,503	228,473,537	(111,762,022)	340,235,559	27,682	24,880	2,801
Deductions from revenue	(2,887,473,845)	(2,670,812,626)	(216,661,219)	95,258,927	(311,920,146)	(23,775)	(21,206)	(2,568)
Net patient revenue	474,516,195	462,703,877	11,812,318	(16,503,095)	28,315,413	3,907	3,674	233
Other operating revenue	6,725,375	8,259,820	(1,534,445)	(294,600)	(1,239,845)	55	66	(10)
Total net revenue	481,241,570	470,963,697	10,277,873	(16,797,695)	27,075,568	3,962	3,739	223
<b>Operating Expenses</b>								
Salaries, wages & contract labor	221,552,818	229,418,557	7,865,739	8,182,590	(316,851)	1,824	1,822	(3)
Benefits	59,645,317	57,641,499	(2,003,818)	2,055,879	(4,059,697)	491	458	(33)
Supplies	72,126,460	69,558,255	(2,568,205)	2,480,910	(5,049,114)	594	552	(42)
Prof fees & purch svcs	109,382,414	85,730,273	(23,652,141)	3,057,711	(26,709,852)	901	681	(220)
Depreciation	36,381,138	31,765,421	(4,615,717)	1,132,966	(5,748,683)	300	252	(47)
Other	21,198,733	21,019,932	(178,801)	749,710	(928,511)	175	167	(8)
Total expenses	520,286,880	495,133,937	(25,152,943)	17,659,767	(42,812,709)	4,284	3,931	(353)
Income from operations	(39,045,310)	(24,170,240)	(14,875,070)	862,071	(15,737,141)	(321)	(192)	(130)
<b>Non-operating revenue(expense)</b>								
Property tax revenues <sup>1</sup>	14,875,000	13,708,333	1,166,667					
Investment income	8,865,284	14,059,552	(5,194,268)					
Revenue bond interest expense	(31,059,998)	(29,075,029)	(1,984,969)					
Non-operating depreciation	(10,349,629)	(5,238,944)	(5,110,685)					
Other non-operating revenue(expense)	4,083,986	(3,229,058)	7,313,045					
Net Income <sup>2</sup>	(52,630,668)	(33,945,386)	(18,685,281)					
EBIDA Margin	5.2%	6.8%	(1.6%)					

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

2= Excludes G.O. Bonds income / expense

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Fiscal Year 2025
<b>Adjusted Patient Days</b>	16,533	17,241	17,034	17,052	16,530	17,801	19,261	121,452
<b>Adjusted Discharges</b>	3,374	3,358	3,348	3,424	3,237	3,575	3,507	23,823
<b>Operating Revenue</b>								
Gross revenue	485,400,622	481,303,719	467,378,630	474,558,980	460,334,839	489,498,381	503,514,870	3,361,990,040
Deductions from revenue	(415,757,901)	(415,886,085)	(403,359,082)	(402,798,738)	(398,689,551)	(418,393,204)	(432,589,279)	(2,887,473,845)
Net patient revenue	69,642,721	65,417,634	64,019,548	71,760,242	61,645,288	71,105,177	70,925,591	474,516,195
Other operating revenue	920,937	782,991	1,167,339	1,079,195	1,127,177	717,219	930,518	6,725,375
Total net revenue	70,563,658	66,200,625	65,186,887	72,839,437	62,772,465	71,822,396	71,856,109	481,241,570
<b>Operating Expenses</b>								
Salaries, wages & contract labor	32,166,595	32,697,011	31,039,334	31,126,296	30,170,077	32,586,392	31,767,111	221,552,816
Benefits	7,845,288	9,667,894	8,249,929	7,595,482	7,835,218	9,168,549	9,282,958	59,645,317
Supplies	9,937,683	10,435,128	10,495,794	10,460,309	9,232,381	11,450,897	10,114,268	72,126,460
Prof fees & purch svcs	15,022,459	14,994,548	15,811,542	17,142,092	16,662,021	15,745,771	14,003,981	109,382,414
Depreciation	4,970,802	4,965,343	4,988,370	5,439,793	4,899,938	6,007,449	5,109,442	36,381,138
Other	2,622,147	2,630,102	2,712,652	4,403,218	2,425,595	2,503,764	3,901,254	21,198,733
Total expenses	72,564,974	75,390,026	73,297,621	76,167,190	71,225,230	77,462,822	74,179,014	520,286,880
Income from operations	(2,001,316)	(9,189,401)	(8,110,734)	(3,327,753)	(8,452,765)	(5,640,426)	(2,322,905)	(39,045,310)
<b>Non-operating revenue (expense)</b>								
Property tax revenues <sup>1</sup>	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	14,875,000
Investment Income	1,264,997	1,347,561	1,207,216	1,237,202	990,738	1,332,953	1,484,615	8,865,284
Interest Expense	(4,431,369)	(4,424,943)	(4,426,719)	(4,449,375)	(4,418,116)	(4,515,644)	(4,393,833)	(31,059,998)
Non-operating depreciation	(1,477,130)	(1,478,750)	(1,478,750)	(1,478,750)	(1,478,046)	(1,479,454)	(1,478,750)	(10,349,629)
Other non-operating revenue(expense)	595,819	582,346	639,696	(581,209)	673,917	(52,280)	2,225,696	4,083,986
Net income <sup>2</sup>	(3,923,999)	(11,038,187)	(10,044,291)	(6,474,885)	(10,559,272)	(8,229,851)	(2,360,177)	(52,630,668)
EBIDA Margin	9.9%	(0.3%)	1.3%	6.7%	0.4%	5.3%	12.0%	5.2%

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-24	Nov-24	Dec-24	Jan-25	Jun-24
<b>Current Assets</b>					
Cash and cash equivalents	11,981,842	13,000,438	26,360,524	15,642,922	17,359,239
Investments	15,558,884	19,605,493	34,765,900	32,039,319	54,298,096
Board Designated	7,082,739	7,082,739	-	-	7,082,739
Total cash, cash equivalents & investments	34,623,465	39,688,670	61,126,423	47,682,241	78,740,073
<b>Patient Accounts Receivable</b>	479,375,130	498,397,340	552,113,099	537,677,625	475,079,653
Allowance on accounts	(325,570,136)	(346,411,994)	(398,985,021)	(380,387,164)	(327,700,367)
Net accounts receivable	153,804,994	151,985,346	153,128,078	157,290,461	147,379,287
Inventories	12,862,403	12,910,271	12,883,827	12,948,641	12,512,288
Prepaid expenses	20,705,901	18,558,289	20,918,729	18,841,204	9,872,204
Est. third party settlements	87,443,191	102,440,341	100,436,170	91,525,345	87,806,947
Other	73,464,603	74,141,312	73,208,682	72,523,479	71,689,100
Total current assets	382,904,557	399,724,229	421,701,910	400,811,371	407,999,899
<b>Non-Current Assets</b>					
Restricted assets	120,200,383	91,977,105	92,322,093	92,626,084	106,528,977
Restricted other	357,084	357,163	357,237	357,317	356,833
Total restricted assets	120,557,467	92,334,269	92,679,330	92,983,401	106,885,809
Property, plant & equipment	1,555,149,478	1,555,210,075	1,555,311,137	1,555,380,266	1,556,364,751
Accumulated depreciation	(658,689,176)	(662,194,516)	(665,750,415)	(669,270,190)	(644,358,038)
Construction in process	65,489,103	67,488,625	67,460,106	68,788,117	57,513,297
Net property, plant & equipment	961,949,405	960,504,184	957,020,827	954,898,192	969,520,010
Right of Use Assets	326,700,932	324,583,606	328,260,640	325,346,653	334,609,278
Investment related companies	2,085,386	2,021,842	2,574,846	2,907,329	6,754,766
Prepaid debt insurance costs	7,194,120	7,168,113	7,142,139	7,116,165	7,298,149
Other non-current assets	70,130,489	69,627,915	68,744,996	68,238,376	78,831,767
Total non-current assets	1,488,617,799	1,456,239,930	1,456,422,778	1,451,490,117	1,503,899,779
<b>Total assets</b>	<b>1,871,522,356</b>	<b>1,855,964,159</b>	<b>1,878,124,687</b>	<b>1,852,301,488</b>	<b>1,911,899,678</b>
Deferred outflow of resources-loss on refunding of debt	43,646,058	43,428,144	43,210,229	42,992,314	44,517,717
<b>Total assets and deferred outflow of resources</b>	<b>1,915,168,414</b>	<b>1,899,392,302</b>	<b>1,921,334,916</b>	<b>1,895,293,802</b>	<b>1,956,417,396</b>

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Oct-24	Nov-24	Dec-24	Jan-25	Jun-24
<b>Current Liabilities</b>					
Accounts payable	93,280,490	106,161,799	122,090,155	118,815,268	67,475,287
Accrued payroll	33,962,796	35,889,106	43,390,390	28,565,370	38,178,331
Accrued PTO	23,431,631	23,129,962	22,628,427	22,527,814	24,267,836
Accrued interest payable	20,798,255	6,003,674	8,973,015	11,890,135	8,905,068
Current portion of bonds	8,530,000	8,925,000	8,925,000	8,925,000	8,530,000
Current portion of lease liab	20,057,117	20,065,534	21,398,808	21,316,854	20,245,743
Est. third party settlements	2,812,345	7,256,147	17,512,022	16,998,461	16,933,480
Other current liabilities	130,380,124	131,779,295	126,663,460	123,495,406	128,832,172
Total current liabilities	333,252,757	339,210,517	371,581,276	352,534,308	313,367,918
<b>Long Term Liabilities</b>					
Other LT liabilities	27,620,952	27,597,980	27,576,075	27,554,170	27,708,572
Bonds & contracts payable	723,906,575	714,758,745	714,536,038	714,313,332	724,797,898
Lease liabilities	337,624,025	336,405,630	338,627,542	337,184,037	342,095,335
Total long term liabilities	1,089,151,553	1,078,762,355	1,080,739,655	1,079,051,539	1,094,601,805
<b>Total liabilities</b>	<b>1,422,404,310</b>	<b>1,417,972,872</b>	<b>1,452,320,931</b>	<b>1,431,585,847</b>	<b>1,407,969,723</b>
Deferred inflow of resources- unearned revenue	6,951,612	6,901,094	6,850,577	6,800,059	6,653,683
<b>Total liabilities and deferred inflow of resources</b>	<b>1,429,355,922</b>	<b>1,424,873,966</b>	<b>1,459,171,508</b>	<b>1,438,385,906</b>	<b>1,414,623,405</b>
<b>Net Position</b>					
Unrestricted	485,807,409	474,161,172	461,806,170	456,550,578	541,437,159
Restricted for other purpose	5,083	357,163	357,237	357,317	356,833
Total net position	485,812,492	474,518,335	462,163,407	456,907,896	541,793,991
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,915,168,414</b>	<b>1,899,392,301</b>	<b>1,921,334,915</b>	<b>1,895,293,802</b>	<b>1,956,417,396</b>



# Statement of Net Position including G.O. Bonds

Excludes PHMG

Assets	Current Fiscal Year					Prior Fiscal Year
	Oct-24	Nov-24	Dec-24	Jan-25	Jun-24	Jun-24
<b>Current Assets</b>						
Cash and cash equivalents	11,981,842	13,000,438	26,360,524	15,642,922	17,359,239	
Investments	15,558,884	19,605,493	34,765,900	32,039,319	54,298,096	
Board Designated	7,082,739	7,082,739	-	-	7,082,739	
Total cash, cash equivalents & investments	34,623,465	39,688,670	61,126,423	47,682,241	78,740,073	
<b>Patient Accounts Receivable</b>	479,375,130	498,397,340	552,113,099	537,677,625	475,079,653	
Allowance on accounts	(325,570,136)	(346,411,994)	(398,985,021)	(380,387,164)	(327,700,367)	
Net accounts receivable	153,804,994	151,985,346	153,128,078	157,290,461	147,379,287	
Inventories	12,862,403	12,910,271	12,883,827	12,948,641	12,512,288	
Prepaid expenses	20,705,901	18,558,289	20,918,729	18,841,204	9,872,204	
Est. third party settlements	87,443,191	102,440,341	100,436,170	91,525,345	87,806,947	
Other	90,073,342	92,287,451	83,621,439	78,595,640	71,978,298	
Total current assets	399,513,297	417,870,368	432,114,666	406,883,532	408,289,097	
<b>Non-Current Assets</b>						
Restricted assets	160,906,948	135,881,907	148,691,141	158,095,958	176,672,759	
Restricted other	357,084	357,163	357,237	357,317	356,833	
Total restricted assets	161,264,032	136,239,071	149,048,379	158,453,275	177,029,591	
Property, plant & equipment	1,555,149,478	1,555,210,075	1,555,311,137	1,555,380,266	1,556,364,751	
Accumulated depreciation	(658,689,176)	(662,194,516)	(665,750,415)	(669,270,190)	(644,358,038)	
Construction in process	65,489,103	67,488,625	67,460,106	68,788,117	57,513,297	
Net property, plant & equipment	961,949,405	960,504,184	957,020,827	954,898,192	969,520,010	
Right of Use Assets	326,700,932	324,583,606	328,260,640	325,346,653	334,609,278	
Investment related companies	2,085,386	2,021,842	2,574,846	2,907,329	6,754,766	
Prepaid debt insurance and other costs	8,447,493	8,408,574	8,369,688	8,330,802	8,603,170	
Other non-current assets	70,130,489	69,627,915	68,744,996	68,238,376	78,831,767	
Total non-current assets	1,530,577,737	1,501,385,193	1,514,019,375	1,518,174,627	1,575,348,583	
<b>Total assets</b>	<b>1,930,091,033</b>	<b>1,919,255,561</b>	<b>1,946,134,041</b>	<b>1,925,058,159</b>	<b>1,983,637,680</b>	
Deferred outflow of resources-loss on refunding of debt	46,164,382	45,928,607	45,692,832	45,457,056	47,107,482	
<b>Total assets and deferred outflow of resources</b>	<b>1,976,255,416</b>	<b>1,965,184,169</b>	<b>1,991,826,873</b>	<b>1,970,515,216</b>	<b>2,030,745,163</b>	

Liabilities	Current Fiscal Year					Prior Fiscal Year
	Oct-24	Nov-24	Dec-24	Jan-25	Jun-24	Jun-24
<b>Current Liabilities</b>						
Accounts payable	93,280,490	106,162,324	122,090,655	118,815,268	67,477,787	
Accrued payroll	33,962,796	35,889,106	43,390,390	28,565,370	38,178,331	
Accrued PTO	23,431,631	23,129,962	22,628,427	22,527,814	24,267,836	
Accrued interest payable	29,447,057	17,535,410	23,387,685	29,187,740	28,882,187	
Current portion of bonds	18,686,756	19,081,756	19,081,756	19,081,756	18,010,103	
Current portion of lease liab	20,057,117	20,065,534	21,398,808	21,316,854	20,245,743	
Est. third party settlements	2,812,345	7,256,147	17,512,022	16,998,461	16,933,480	
Other current liabilities	59,447,975	61,449,548	57,265,171	54,696,680	55,689,956	
Total current liabilities	281,126,168	290,569,787	326,754,915	311,189,944	269,685,423	
<b>Long Term Liabilities</b>						
Other LT liabilities	27,620,952	27,597,980	27,576,075	27,554,170	27,708,572	
Bonds & contracts payable	1,352,255,441	1,343,194,301	1,343,058,285	1,342,922,270	1,362,956,758	
Lease liabilities	337,624,025	336,405,630	338,627,542	337,184,037	342,095,335	
Total long term liabilities	1,717,500,419	1,707,197,911	1,709,261,902	1,707,660,477	1,732,760,665	
<b>Total liabilities</b>	<b>1,998,626,586</b>	<b>1,997,767,698</b>	<b>2,036,016,817</b>	<b>2,018,850,420</b>	<b>2,002,446,088</b>	
Deferred inflow of resources-unearned revenue	77,883,761	77,230,844	76,248,867	75,598,786	79,795,899	
<b>Total liabilities and deferred inflow of resources</b>	<b>2,076,510,347</b>	<b>2,074,998,542</b>	<b>2,112,265,684</b>	<b>2,094,449,207</b>	<b>2,082,241,987</b>	
<b>Net Position</b>						
Unrestricted	(100,260,015)	(110,171,537)	(120,796,048)	(124,291,308)	(51,853,656)	
Restricted for other purpose	5,083	357,163	357,237	357,317	356,833	
Total net position	(100,254,931)	(109,814,373)	(120,438,811)	(123,933,991)	(51,496,824)	
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,976,255,416</b>	<b>1,965,184,169</b>	<b>1,991,826,873</b>	<b>1,970,515,216</b>	<b>2,030,745,163</b>	

	<b>YTD</b> <b>January 31, 2025</b>
<b>CASH FROM OPERATING ACTIVITIES</b>	
Receipts from:	
Patients, insurers, and other third-party payers	467,676,979
Other sources	5,180,753
Payments to:	
Employees	(292,551,117)
Suppliers	(157,062,961)
Net cash provided by operating activities	<u>23,243,654</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Receipt of district taxes	14,875,000
Other	
Net cash provided by noncapital financing activities	<u>14,875,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(10,729,974)
Interest payments on long-term debt	(40,654,888)
Interest payments on lease liabilities	(10,132,275)
Proceeds from issuance of long-term debt	-
Defeasance of debt	-
Interest rate swap payment	-
Principal repayment on long-term debt	(18,010,102)
Principal repayment on lease obligations	(12,878,008)
Deferred financing costs	-
Proceeds on sale of capital assets	(47,766)
Receipt of property taxes restricted for debt service on general obligation bonds	32,083,331
Other	(38,400,207)
Net cash used in capital and related financing activities	<u>(98,769,889)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(72,334,581)
Proceeds from sale of investments	125,747,664
Interest received on investments and notes receivable	5,521,833
Other	-
Net cash provided by (used in) investing activities	<u>58,934,916</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,716,319)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b><u>17,359,241</u></b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>\$ 15,642,922</b>

# *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

	Palomar Health	PHMG	PAC	Eliminations	Total
<b>ASSETS</b>					
Current assets	461,774,132	77,928,136	4,389,138	(55,194,351)	488,897,055
Capital assets - net	954,898,192	6,995,053	-	-	961,893,245
Right of use assets - net	325,346,653	30,471,227	-	(20,985,543)	334,832,336
Non-current assets	183,039,183	2,438,636	-	-	185,477,818
<b>Total assets</b>	<b>1,925,058,160</b>	<b>117,833,052</b>	<b>4,389,138</b>	<b>(76,179,894)</b>	<b>1,971,100,454</b>
Deferred outflow of resources	45,457,056	-	-	-	45,457,056
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,970,515,216</b>	<b>117,833,052</b>	<b>4,389,138</b>	<b>(76,179,894)</b>	<b>2,016,557,510</b>
<b>LIABILITIES AND NET POSITION</b>					
Current liabilities	281,573,987	111,763,724	142,495	(59,351,642.04)	334,128,565
Long-term liabilities	1,377,916,517	(18,442)	-	-	1,377,898,075
Right of use lease liabilities	337,184,037	24,119,826	-	(17,836,459)	343,467,405
<b>Total liabilities</b>	<b>1,996,674,541</b>	<b>135,865,109</b>	<b>142,495</b>	<b>(77,188,101)</b>	<b>2,055,494,044</b>
Deferred inflow of resources - deferred revenue	97,770,579	-	-	-	97,770,579
<b>Total liabilities and deferred inflow of resources</b>	<b>2,094,445,120</b>	<b>135,865,109</b>	<b>142,495</b>	<b>(77,188,101)</b>	<b>2,153,264,623</b>
Invested in capital assets - net of related debt	(308,721,083)	6,220,609	-	1,008,206	(301,492,268)
Restricted	44,577,154	-	-	-	44,577,154
Unrestricted	140,214,025	(24,252,668)	4,246,643	-	120,208,000
<b>Total net position</b>	<b>(123,929,904)</b>	<b>(18,032,059)</b>	<b>4,246,643</b>	<b>1,008,206</b>	<b>(136,707,114)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>1,970,515,216</b>	<b>117,833,050</b>	<b>4,389,138</b>	<b>(76,179,894)</b>	<b>2,016,557,510</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	Elimination	YTD Consolidated
<b>OPERATING REVENUE:</b>					
Net patient service revenue	425,545,492	47,601,299	-	-	473,146,791
Shared risk revenue	48,970,703	22,546,474	-	(1,528,867)	69,988,310
Other revenue	6,725,375	5,933,766	223,089	(286,388)	12,595,842
PH Program revenue	-	18,548,439	-	(18,548,439)	-
Total operating revenue	481,241,570	94,629,978	223,089	(20,363,694)	555,730,943
<b>OPERATING EXPENSES</b>					
DEPRECIATION AND AMORTIZATION	36,381,138	2,904,242	-	-	39,285,380
Total operating expenses	520,286,880	127,675,957	663,040	(24,378,002)	624,247,876
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(39,045,310)</b>	<b>(33,045,979)</b>	<b>(439,951)</b>	<b>4,014,308</b>	<b>(68,516,932)</b>
<b>NON-OPERATING INCOME (EXPENSE):</b>					
Investment income	10,231,162	(840)	-	-	10,230,322
Unrealized loss on interest rate swap	-	-	-	-	-
Interest expense	(52,062,779)	(152,405)	-	141,355	(52,073,828)
Property tax revenue	46,958,331	-	-	-	46,958,331
Other - net	(5,701,017)	(2,062,870)	-	(2,845,928)	(10,609,815)
Total non-operating expense - net	(574,303)	(2,216,115)	-	(2,704,572)	(5,494,991)
Net income (loss) before capital contrib	(39,619,613)	(35,262,095)	(439,951)	1,309,735	(74,011,923)
<b>CAPITAL CONTRIBUTIONS</b>					
<b>CHANGE IN NET POSITION</b>	<b>(39,619,613)</b>	<b>(35,262,095)</b>	<b>(439,951)</b>	<b>1,309,735</b>	<b>(74,011,923)</b>
Interfund Capital Support - PHMG	-	-	-	-	-
Interfund Operating Support - PHMG	(32,813,472)	26,329,750	-	-	(6,483,722)
Interfund Support - Graybill	-	-	-	-	-
Interfund - PHMG	(32,813,472)	26,329,750	-	-	(6,483,722)
Net Position - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(301,529)	(56,211,468)
Prior Period Adj-Assets	-	-	-	-	-
Effect of adopting GASB 87	-	-	-	-	-
NET POSITION - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(301,529)	(56,211,468)
<b>NET POSITION - Year to date</b>	<b>(123,929,908)</b>	<b>(18,032,055)</b>	<b>4,246,643</b>	<b>1,008,206</b>	<b>(136,707,113)</b>

Days Cash on Hand Ratio Covenant	January 31, 2025 Consolidated
Cash and Cash Equivalents	64,336,919
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	624,247,874
Less: Depreciation	39,285,380
Adjusted Expenses	584,962,494
Number of days in period	215
Average Adjusted Expenses per Day	2,720,756
<b>Days Cash on Hand</b>	<b>23.6</b>
Debt Service Coverage Ratio Covenant	Consolidated
Excess of revenues over expenses	(87,022,975)
REVERSE:	
Depreciation and Amortization	39,285,380
Depreciation and Amortization-NonOp	10,349,629
Interest Expense	31,071,047
Income Available for Debt Service	(6,316,919)
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	79,683,445
<b>Debt Service Coverage Ratio</b>	<b>(0.08)</b>

**NOTE: Pre-audit results shown**

# *APPENDIX*

# *Fiscal Year 2025 Financial Performance*

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

*December 2024*



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Net loss from operations for the month was \$5.6 million, unfavorable to budget by \$5.6 million. The year-to-date loss from operations was \$36.7 million with a \$31.1 million unfavorable variance. Net loss for the month was \$8.2 million, unfavorable to budget by \$6.8million. Net loss year-to-date was \$50.3 million and unfavorable variance of \$36.9 million.

EBIDA margin for the month of December was unfavorable to budget by 5.3% and year-to-date EBIDA margin was unfavorable to budget by 6.9%. Additional comments and further analyses are presented in the following sections.

## **Patient Utilization**

### Inpatient (IP) Services

For December YTD, Acute Discharges for the District were 10.6% favorable to budget, and increased 6.4% YOY. Acute Average Daily Census was 6.2% favorable to budget, and increased 2.1% YOY. Total Average Daily Census was (0.6%) unfavorable to budget, and is impacted by Villas patient days (17.9%) unfavorable to budget. Acute Adjusted Discharges were 5.5% favorable to budget, and increased 1% YOY. Acute Adjusted Patient Days were 1.3% favorable to budget, and decreased (3.1%) YOY.

IP surgeries for PMC Escondido and PMC Poway were 3,077 cases (5.3% favorable to budget and 3.4% increase YOY). Emergent cases increased YOY due to a 16% increase to Inpatient ER Admits.

Deliveries for PMC Escondido were 1,803, which was (0.1%) unfavorable to budget and (5.5%) decrease YOY.

Trauma inpatient admissions were 847, which was 22.9% favorable to budget and 15.2% increase YOY.

### Outpatient (OP) and Ancillary Services

OP surgeries for PMC Escondido and PMC Poway were 2,548 cases, which was (5.1%) unfavorable to budget and a (11.1%) decrease YOY. Outpatient ER visits were 51,957 (includes trauma), which was (7.2%) unfavorable to budget and a (2.0%) decrease YOY. OP registrations were (15.2%) unfavorable to budget and (14.1%) decrease YOY. ER inpatient admissions were 12.6% favorable to budget and increased 16.0% YOY.

**Financial Performance**Operating Revenue

Net Patient Revenue for the month was \$71.1 million, which was \$3.5 million (4.8%) unfavorable to budget.

Other Operating Revenue

Other Operating Revenue for the month was \$717 thousand, which was \$640 thousand (89.2%) unfavorable to budget.

Operating Expenses

Total Operating Expenses for the month were \$77.5 million, which was \$2.1 million (2.8%) unfavorable to budget.

Salaries, Wages & Contract Labor for the month were \$32.6 million, which was \$1.9 million (5.9%) favorable to budget.

Benefits for the month were \$9.1 million, which was \$1.5 million (16.7%) unfavorable to budget.

Supplies for the month were \$11.4 million, which was \$999 thousand (8.7%) unfavorable to budget.

Professional Fees and Purchased Services for the month were \$15.7 million, which was \$1.6 million (10.6%) unfavorable to budget.

Depreciation & Amortization for the month was \$6.0 million, which was \$799 thousand (13.3%) unfavorable to budget.

Other Direct Expenses for the month were \$2.5 million, which was \$943 thousand (37.7%) favorable to budget.

### Net Non-Operating Income/Expense

Net Non-Operating Loss for the month was \$2.6 million, which was \$1.3 million unfavorable to budget due to year-end investments, county redevelopment distribution and lease agreements.

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

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 \$57.6 million. Days in Net A/R are 68.9, a decrease of 1.2 days from the prior month.

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

Key Performance Indicators (KPI)	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024
Total Net A/R (\$) <sup>1</sup>	\$ 147,921,747	\$ 154,630,866	\$ 155,574,643	\$ 153,804,994	151,985,346	153,128,078
Net Days in A/R (Days) <sup>2</sup>	81.2	79.3	71.9	70.3	70.1	68.9
% AR > 90 Days	41.8%	38.5%	41.4%	44.3%	46.5%	40.4%
% of Avoidable Denial Write-Offs	8.8%	9.2%	10.3%	11.7%	11.7%	11.0%
Net Revenue Yield	108.2%	104.4%	95.2%	96.2%	100.9%	100.4%

### **Balance Sheet**

Cash, Cash Equivalents and Investments increased in December by \$21.4 million primarily due to the receipt of State Supplemental Program advances.

**The Days Cash On Hand** ratio increased by 9.4 days from the prior month to 27.1 days.

<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	Variance	Prior Year	Actual	Budget	Variance	Prior Year
	Dec-24	Dec-24		Dec-23	Dec-24	Dec-24		Dec-23
<b>Key Volumes</b>								
<b>Discharges - Total</b>	<b>2,284</b>	<b>2,150</b>	<b>6.2%</b>	<b>2,112</b>	<b>12,757</b>	<b>11,655</b>	<b>9.5%</b>	<b>12,086</b>
Acute - General	2,246	2,097	7.1%	2,002	12,535	11,332	10.6%	11,499
Acute - Behavioral Health	-	-	0.0%	59	-	-	0.0%	285
Total Acute Discharges	2,246	2,097	7.1%	2,061	12,535	11,332	10.6%	11,784
The Villas at Poway	38	53	(28.3%)	51	222	323	(31.3%)	302
<b>Patient Days - Total</b>	<b>12,306</b>	<b>12,696</b>	<b>(3.1%)</b>	<b>12,221</b>	<b>69,963</b>	<b>70,377</b>	<b>(0.6%)</b>	<b>71,367</b>
Acute - General	9,600	9,441	1.7%	9,058	53,718	50,601	6.2%	50,656
Acute - Behavioral Health	-	-	0.0%	300	-	-	0.0%	1,978
Total Acute Patient Days	9,600	9,441	1.7%	9,358	53,718	50,601	6.2%	52,634
The Villas at Poway	2,706	3,255	(16.9%)	2,863	16,245	19,776	(17.9%)	18,733
Acute Adjusted Discharges	3,532	3,517	0.4%	3,401	20,059	19,008	5.5%	19,857
Total Adjusted Discharges*	3,575	3,570	0.1%	3,458	20,316	19,331	5.1%	20,178
Acute Adjusted Patient Days	15,095	15,823	(4.6%)	15,443	85,946	84,807	1.3%	88,685
Total Adjusted Patient Days*	17,801	19,078	(6.7%)	18,306	102,191	104,583	(2.3%)	107,418
Acute Average Daily Census	310	305	1.7%	302	292	275	6.2%	286
Total Average Daily Census*	397	410	(3.1%)	394	380	382	(0.6%)	387.86
<b>Surgeries - Total</b>	<b>924</b>	<b>902</b>	<b>2.4%</b>	<b>924</b>	<b>5,625</b>	<b>5,609</b>	<b>0.3%</b>	<b>5,842</b>
Inpatient	519	503	3.2%	476	3,077	2,924	5.3%	2,976
Outpatient	405	399	1.5%	448	2,548	2,685	(5.1%)	2,866
Deliveries	301	296	1.7%	297	1,803	1,805	(0.1%)	1,908
<b>ER Visits (Includes Trauma) - Total</b>								
Inpatient	1,786	1,665	45 7.3%	1,482	9,838	8,734	12.6%	8,480
Outpatient	9,207	9,270	(0.7%)	8,976	51,957	55,990	(7.2%)	53,025

	Month				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
	Dec-24	Dec-24		Dec-23	Dec-24	Dec-24		Dec-23
Cardiac Cath RVUs	909	1,118	(18.7%)	1,364	6,314	7,543	(16.3%)	7,628
Escondido Interv. Radiology RVUs	1,013	983	3.1%	949	5,844	5,515	6.0%	5,450
Poway Interv. Radiology RVUs	267	256	4.1%	266	1,566	1,534	2.1%	1,593
Radiation Oncology RVUs	2,539	3,976	(36.1%)	3,407	18,350	27,300	(32.8%)	18,913
Infusion Therapy Hours	807	883	(8.6%)	749	5,658	5,243	7.9%	4,324
<b>Imaging</b>								
Escondido CAT Procedures	9,280	8,015	15.8%	8,021	53,967	46,258	16.7%	48,263
Poway CAT Procedures	2,906	2,534	14.7%	2,334	15,494	14,897	4.0%	13,689
Escondido MRI Procedures	464	415	11.8%	361	2,764	2,277	21.4%	2,215
Poway MRI Procedures	138	108	28.1%	118	816	748	9.1%	823
Escondido Diagnostic Rad. Procedures	7,275	7,358	(1.1%)	7,107	41,916	41,516	1.0%	41,868
Poway Diagnostic Rad. Procedures	2,508	2,439	2.8%	2,295	13,291	13,657	(2.7%)	12,848

\*Includes The Villas at Poway

	Month				Year to Date			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
	Dec-24	Dec-24		Dec-23	Dec-24	Dec-24		Dec-23
<b>Key Statistics</b>								
Acute Average LOS - Days	4.27	4.50	5.1%	4.54	4.29	4.47	4.0%	4.47
Acute - General	4.27	4.50	5.1%	4.52	4.29	4.47	4.0%	4.41
Acute Behavioral Health	0.00	0.00	0.0%	5.08	0.00	0.00	0.0%	6.94
Average Observation Hours	24	38	36.8%	38	27	37	27.0%	37
Acute Case Mix - Excludes Deliveries	1.66	1.78	6.7%	1.78	1.72	1.75	1.7%	1.75
Acute Case Mix -Medicare Only	1.61	1.76	8.5%	1.76	1.70	1.74	2.3%	1.74
Labor Productivity by Hrs					Not Avail.			Not Avail.
Days Cash on Hand					27.1			44.4
<b>Financial Performance</b>								
Operating Income	(5,640,426)	(13,097)	(5,627,329)	(2,304,194)	(36,722,402)	(5,566,383)	(31,156,019)	(18,886,226)
Net Income	(8,229,851)	(1,340,714)	(6,889,137)	(2,415,333)	(50,270,488)	(13,379,858)	(36,890,630)	(27,893,108)
Oper. Expenses/Adj. Patient Days	4,352	3,948	10.2%	3,421	4,365	4,243	2.9%	3,628
EBIDA Margin-Excludes PHMG	5.3%	12.2%	(6.9%)	11.2%	4.0%	11.2%	(7.1%)	7.8%
EBIDA-Excludes PHMG	3,772,696	9,147,948	(5,375,252)	7,267,389	16,538,253	48,839,567	(32,301,314)	30,944,132

Note: Financial Performance excludes GO Bonds

	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Dec-24	Dec-24	Dec-24	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	17,801	19,078	(1,277)					
<b>Adjusted Discharges</b>	3,575	3,570	5					
<b>Operating Revenue</b>								
Gross revenue	489,498,381	492,554,648	(3,056,267)	(32,969,509)	29,913,241.78	27,498.36	25,817.94	1,680
Deductions from revenue	(418,393,204)	(418,607,160)	213,956	28,019,779	(27,805,823)	(23,503.92)	(21,941.88)	(1,562)
Net patient revenue	71,105,177	73,947,488	(2,842,311)	(4,949,730)	2,107,419	3,994	3,876	118
Other operating revenue	717,219	1,357,165	(639,946)	(90,842.84)	(549,103.57)	40.29	71.14	(31)
Total net revenue	71,822,396	75,304,653	(3,482,257)	(5,040,572)	1,558,315	4,035	3,947	88
<b>Operating Expenses</b>								
Salaries, wages & contract labor	32,586,392	34,502,773	1,916,381	2,309,469	(393,088)	1,831	1,809	(22)
Benefits	9,168,549	7,636,222	(1,532,327)	511,136	(2,043,463)	515	400	(115)
Supplies	11,450,897	10,452,246	(998,651)	699,629	(1,698,280)	643	548	(95)
Prof fees & purch svcs	15,745,771	14,070,761	(1,675,010)	941,837	(2,616,847)	885	738	(147)
Depreciation	6,007,449	5,208,488	(798,961)	348,634	(1,147,595)	337	273	(64)
Other	2,503,764	3,447,260	943,496	230,745	712,751	141	181	40
Total expenses	77,462,822	75,317,750	(2,145,073)	5,041,449	(7,186,522)	4,352	3,948	(404)
Income from operations	(5,640,426)	(13,097)	(5,627,330)	877	(5,628,207)	(317)	(1)	(316)
<b>Non-operating revenue(expense)</b>								
Property tax revenues <sup>1</sup>	2,125,000	2,125,000	-					
Investment income	1,332,953	1,177,279	155,674					
Revenue bond interest expense	(4,515,644)	(4,130,682)	(384,962)					
Non-operating depreciation	(1,479,454)	(1,149,492)	(329,962)					
Other non-operating revenue(expense)	(52,280)	650,278	(702,558)					
Net Income <sup>2</sup>	(8,229,851)	(1,340,714)	(6,889,138)					
EBIDA Margin	5.3%	12.2%	(6.9%)					

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

2= Excludes G.O. Bonds income / expense



	Actual	Budget	Variance	Variance		Dollars/Adjusted Patient Day		
	Dec-24	Dec-24	Dec-24	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	102,191	104,583	(2,392)					
<b>Adjusted Discharges</b>	20,316	19,331	985					
<b>Operating Revenue</b>								
Gross revenue	2,858,475,170	2,791,992,612	66,482,558	(63,857,858)	130,340,415	27,972	26,696	1,275
Deductions from revenue	(2,454,884,565)	(2,361,851,764)	(93,032,801)	54,019,768	(147,052,569)	(24,023)	(22,584)	(1,439)
Net patient revenue	403,590,605	430,140,848	(26,550,243)	(9,838,089)	(16,712,154)	3,949	4,113	(164)
Other operating revenue	5,794,858	8,026,993	(2,232,135)	(183,592)	(2,048,544)	57	77	(20)
Total net revenue	409,385,462	438,167,841	(28,782,379)	(10,021,681)	(18,760,698)	4,006	4,190	(184)
<b>Operating Expenses</b>								
Salaries, wages & contract labor	189,785,706	195,496,013	5,710,307	4,471,343	1,238,964	1,857	1,869	12
Benefits	50,362,359	50,868,260	505,901	1,163,448	(657,547)	493	486	(6)
Supplies	62,012,191	60,644,985	(1,367,206)	1,387,059	(2,754,266)	607	580	(27)
Prof fees & purch svcs	95,378,432	85,502,270	(9,876,162)	1,955,590	(11,831,752)	933	818	(116)
Depreciation	31,271,696	30,538,386	(733,310)	698,467	(1,431,777)	306	292	(14)
Other	17,297,479	20,684,310	3,386,831	473,087	2,913,744	169	198	29
Total expenses	446,107,865	443,734,224	(2,373,641)	10,148,994	(12,522,635)	4,365	4,243	(123)
Income from operations	(36,722,402)	(5,566,383)	(31,156,019)	127,313	(31,283,332)	(359)	(53)	(306)
<b>Non-operating revenue(expense)</b>								
Property tax revenues <sup>1</sup>	12,750,000	12,750,000	-					
Investment income	7,380,669	7,063,676	316,993					
Revenue bond interest expense	(26,666,166)	(24,784,091)	(1,882,075)					
Non-operating depreciation	(8,870,879)	(6,896,952)	(1,973,927)					
Other non-operating revenue(expense)	1,858,291	4,053,892	(2,195,601)					
Net Income <sup>2</sup>	(50,270,488)	(13,379,858)	(36,890,629)					
<b>EBIDA Margin</b>	4.0%	11.2%	(7.1%)					

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

	Current Year			Variance		Dollars/Adjusted Patient Day		
	Dec-24	Dec-23	Change	Volume	Rate/Eff	Actual	Budget	Variance
<b>Adjusted Patient Days</b>	102,191	107,418	(5,227)					
<b>Adjusted Discharges</b>	20,316	20,178	138					
<b>Operating Revenue</b>								
Gross revenue	2,858,475,170	2,657,841,330	200,633,840	(129,331,552)	329,965,392	27,972	24,743	3,229
Deductions from revenue	(2,454,884,565)	(2,266,897,302)	(187,987,263)	110,308,069	(298,295,333)	(24,023)	(21,104)	(2,919)
Net patient revenue	403,590,605	390,944,028	12,646,577	(19,023,482)	31,670,059	3,949	3,639	310
Other operating revenue	5,794,858	7,263,227	(1,468,369)	(353,431)	(1,114,938)	57	68	(11)
Total net revenue	409,385,462	398,207,255	11,178,207	(19,376,914)	30,555,121	4,006	3,707	299
<b>Operating Expenses</b>								
Salaries, wages & contract labor	189,785,706	195,736,379	5,950,673	9,524,605	(3,573,933)	1,857	1,822	(35)
Benefits	50,362,359	46,604,702	(3,757,657)	2,267,802	(6,025,459)	493	434	(59)
Supplies	62,012,191	57,952,494	(4,059,697)	2,819,990	(6,879,687)	607	540	(67)
Prof fees & purch svcs	95,378,432	71,479,275	(23,899,157)	3,478,208	(27,377,366)	933	665	(268)
Depreciation	31,271,696	27,340,653	(3,931,043)	1,330,406	(5,261,449)	306	255	(51)
Other	17,297,479	17,979,978	682,499	874,912	(192,414)	169	167	(2)
Total expenses	446,107,865	417,093,481	(29,014,384)	20,295,925	(49,310,308)	4,365	3,883	(483)
Income from operations	(36,722,402)	(18,886,226)	(17,836,176)	919,011	(18,755,187)	(359)	(176)	(184)
<b>Non-operating revenue(expense)</b>								
Property tax revenues <sup>1</sup>	12,750,000	11,750,000	1,000,000					
Investment income	7,380,669	12,375,658	(4,994,989)					
Revenue bond interest expense	(26,666,166)	(24,952,278)	(1,713,888)					
Non-operating depreciation	(8,870,879)	(5,238,944)	(3,631,935)					
Other non-operating revenue(expense)	1,858,291	(2,941,318)	4,799,609					
Net Income <sup>2</sup>	(50,270,488)	(27,893,108)	(22,377,379)					
EBIDA Margin	4.0%	7.4%	(3.4%)					

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

2= Excludes G.O. Bonds income / expense

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Fiscal Year 2025
<b>Adjusted Patient Days</b>	16,533	17,241	17,034	17,052	16,530	17,801	102,191
<b>Adjusted Discharges</b>	3,374	3,358	3,348	3,424	3,237	3,575	20,316
<b>Operating Revenue</b>							
Gross revenue	485,400,622	481,303,719	467,378,630	474,558,980	460,334,839	489,498,381	2,858,475,170
Deductions from revenue	(415,757,901)	(415,886,085)	(403,359,082)	(402,798,738)	(398,689,551)	(418,393,204)	(2,454,884,565)
Net patient revenue	69,642,721	65,417,634	64,019,548	71,760,242	61,645,288	71,105,177	403,590,605
Other operating revenue	920,937	782,991	1,167,339	1,079,195	1,127,177	717,219	5,794,858
<b>Total net revenue</b>	<b>70,563,658</b>	<b>66,200,625</b>	<b>65,186,887</b>	<b>72,839,437</b>	<b>62,772,465</b>	<b>71,822,396</b>	<b>409,385,462</b>
<b>Operating Expenses</b>							
Salaries, wages & contract labor	32,166,595	32,697,011	31,039,334	31,126,296	30,170,077	32,586,392	189,785,706
Benefits	7,845,288	9,667,894	8,249,929	7,595,482	7,835,218	9,168,549	50,362,359
Supplies	9,937,683	10,435,128	10,495,794	10,460,309	9,232,381	11,450,897	62,012,191
Prof fees & purch svcs	15,022,459	14,994,548	15,811,542	17,142,092	16,662,021	15,745,771	95,378,432
Depreciation	4,970,802	4,965,343	4,988,370	5,439,793	4,899,938	6,007,449	31,271,696
Other	2,622,147	2,630,102	2,712,652	4,403,218	2,425,595	2,503,764	17,297,479
<b>Total expenses</b>	<b>72,564,974</b>	<b>75,390,026</b>	<b>73,297,621</b>	<b>76,167,190</b>	<b>71,225,230</b>	<b>77,462,822</b>	<b>446,107,865</b>
<b>Income from operations</b>	<b>(2,001,316)</b>	<b>(9,189,401)</b>	<b>(8,110,734)</b>	<b>(3,327,753)</b>	<b>(8,452,765)</b>	<b>(5,640,426)</b>	<b>(36,722,402)</b>
<b>Non-operating revenue (expense)</b>							
Property tax revenues <sup>1</sup>	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	2,125,000	12,750,000
Investment Income	1,264,997	1,347,561	1,207,216	1,237,202	990,738	1,332,953	7,380,669
Interest Expense	(4,431,369)	(4,424,943)	(4,426,719)	(4,449,375)	(4,418,116)	(4,515,644)	(26,666,166)
Non-operating depreciation	(1,477,130)	(1,478,750)	(1,478,750)	(1,478,750)	(1,478,046)	(1,479,454)	(8,870,879)
Other non-operating revenue(expense)	595,819	582,346	639,696	(581,209)	673,917	(52,280)	1,858,291
<b>Net income <sup>2</sup></b>	<b>(3,923,999)</b>	<b>(11,038,187)</b>	<b>(10,044,291)</b>	<b>(6,474,885)</b>	<b>(10,559,272)</b>	<b>(8,229,851)</b>	<b>(50,270,488)</b>
<b>EBIDA Margin</b>	<b>9.9%</b>	<b>(0.3%)</b>	<b>1.3%</b>	<b>6.7%</b>	<b>0.4%</b>	<b>5.3%</b>	<b>4.0%</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
	Sep-24	Oct-24	Nov-24	Dec-24	Jun-24
<b>Current Assets</b>					
Cash and cash equivalents	20,816,458	11,981,842	13,000,438	26,360,524	17,359,239
Investments	14,102,916	15,558,884	19,605,493	34,765,900	54,298,096
Board Designated	7,082,739	7,082,739	7,082,739	-	7,082,739
Total cash, cash equivalents & investments	42,002,112	34,623,465	39,688,670	61,126,423	78,740,073
<b>Patient Accounts Receivable</b>	499,215,786	479,375,130	498,397,340	552,113,099	475,079,653
Allowance on accounts	(343,641,143)	(325,570,136)	(346,411,994)	(398,985,021)	(327,700,367)
Net accounts receivable	155,574,643	153,804,994	151,985,346	153,128,078	147,379,287
Inventories	12,879,181	12,862,403	12,910,271	12,883,827	12,512,288
Prepaid expenses	22,930,136	20,705,901	18,558,289	20,918,729	9,872,204
Est. third party settlements	87,443,191	87,443,191	102,440,341	100,436,170	87,806,947
Other	80,675,294	73,464,603	74,141,312	73,208,682	71,689,100
Total current assets	401,504,558	382,904,557	399,724,229	421,701,910	407,999,899
<b>Non-Current Assets</b>					
Restricted assets	98,669,946	120,200,383	91,977,105	92,322,093	106,528,977
Restricted other	357,007	357,084	357,163	357,237	356,833
Total restricted assets	99,026,953	120,557,467	92,334,269	92,679,330	106,885,809
Property, plant & equipment	1,556,632,604	1,555,149,478	1,555,210,075	1,555,311,137	1,556,364,751
Accumulated depreciation	(655,156,263)	(658,689,176)	(662,194,516)	(665,750,415)	(644,358,038)
Construction in process	61,759,172	65,489,103	67,488,625	67,460,106	57,513,297
Net property, plant & equipment	963,235,513	961,949,405	960,504,184	957,020,827	969,520,010
Right of Use Assets	326,907,892	326,700,932	324,583,606	328,260,640	334,609,278
Investment related companies	5,147,027	2,085,386	2,021,842	2,574,846	6,754,766
Prepaid debt insurance costs	7,220,128	7,194,120	7,168,113	7,142,139	7,298,149
Other non-current assets	77,310,447	70,130,489	69,627,915	68,744,996	78,831,767
Total non-current assets	1,478,847,959	1,488,617,799	1,456,239,930	1,456,422,778	1,503,899,779
<b>Total assets</b>	<b>1,880,352,517</b>	<b>1,871,522,356</b>	<b>1,855,964,159</b>	<b>1,878,124,687</b>	<b>1,911,899,678</b>
Deferred outflow of resources-loss on refunding of debt	43,863,973	43,646,058	43,428,144	43,210,229	44,517,717
<b>Total assets and deferred outflow of resources</b>	<b>1,924,216,490</b>	<b>1,915,168,414</b>	<b>1,899,392,302</b>	<b>1,921,334,916</b>	<b>1,956,417,396</b>

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Sep-24	Oct-24	Nov-24	Dec-24	Jun-24
<b>Current Liabilities</b>					
Accounts payable	85,941,843	93,280,490	106,161,799	122,090,155	67,475,287
Accrued payroll	33,050,744	33,962,796	35,889,106	43,390,390	38,178,331
Accrued PTO	23,998,225	23,431,631	23,129,962	22,628,427	24,267,836
Accrued interest payable	17,786,466	20,798,255	6,003,674	8,973,015	8,905,068
Current portion of bonds	8,530,000	8,530,000	8,925,000	8,925,000	8,530,000
Current portion of lease liab	19,361,930	20,057,117	20,065,534	21,398,808	20,245,743
Est. third party settlements	7,543,190	2,812,345	7,256,147	17,512,022	16,933,480
Other current liabilities	129,436,748	130,380,124	131,779,295	126,663,460	128,832,172
Total current liabilities	325,649,147	333,252,757	339,210,517	371,581,276	313,367,918
<b>Long Term Liabilities</b>					
Other LT liabilities	27,642,857	27,620,952	27,597,980	27,576,075	27,708,572
Bonds & contracts payable	724,129,406	723,906,575	714,758,745	714,536,038	724,797,898
Lease liabilities	337,850,084	337,624,025	336,405,630	338,627,542	342,095,335
Total long term liabilities	1,089,622,347	1,089,151,553	1,078,762,355	1,080,739,655	1,094,601,805
<b>Total liabilities</b>	<b>1,415,271,494</b>	<b>1,422,404,310</b>	<b>1,417,972,872</b>	<b>1,452,320,931</b>	<b>1,407,969,723</b>
Deferred inflow of resources-unearned revenue	7,085,463	6,951,612	6,901,094	6,850,577	6,653,683
<b>Total liabilities and deferred inflow of resources</b>	<b>1,422,356,957</b>	<b>1,429,355,922</b>	<b>1,424,873,966</b>	<b>1,459,171,508</b>	<b>1,414,623,405</b>
<b>Net Position</b>					
Unrestricted	501,854,528	485,807,409	474,161,172	461,806,170	541,437,159
Restricted for other purpose	5,006	5,083	357,163	357,237	356,833
Total net position	501,859,534	485,812,492	474,518,335	462,163,407	541,793,991
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,924,216,490</b>	<b>1,915,168,414</b>	<b>1,899,392,301</b>	<b>1,921,334,915</b>	<b>1,956,417,396</b>

# Statement of Net Position including G.O. Bonds

Excludes PHMG

Assets	Current Fiscal Year				Prior Fiscal Year
	Sep-24	Oct-24	Nov-24	Dec-24	Jun-24
<b>Current Assets</b>					
Cash and cash equivalents	20,816,458	11,981,842	13,000,438	26,360,524	17,359,239
Investments	14,102,916	15,558,884	19,605,493	34,765,900	54,298,096
Board Designated	7,082,739	7,082,739	7,082,739	-	7,082,739
Total cash, cash equivalents & investments	42,002,112	34,623,465	39,688,670	61,126,423	78,740,073
<b>Patient Accounts Receivable</b>	499,215,786	479,375,130	498,397,340	552,113,099	475,079,653
Allowance on accounts	(343,641,143)	(325,570,136)	(346,411,994)	(398,985,021)	(327,700,367)
Net accounts receivable	155,574,643	153,804,994	151,985,346	153,128,078	147,379,287
Inventories	12,879,181	12,862,403	12,910,271	12,883,827	12,512,288
Prepaid expenses	22,930,136	20,705,901	18,558,289	20,918,729	9,872,204
Est. third party settlements	87,443,191	87,443,191	102,440,341	100,436,170	87,806,947
Other	93,542,815	90,073,342	92,287,451	83,621,439	71,978,298
Total current assets	414,372,078	399,513,297	417,870,368	432,114,666	408,289,097
<b>Non-Current Assets</b>					
Restricted assets	138,380,981	160,906,948	135,881,907	148,691,141	176,672,759
Restricted other	357,007	357,084	357,163	357,237	356,833
Total restricted assets	138,737,987	161,264,032	136,239,071	149,048,379	177,029,591
Property, plant & equipment	1,556,632,604	1,555,149,478	1,555,210,075	1,555,311,137	1,556,364,751
Accumulated depreciation	(655,156,263)	(658,689,176)	(662,194,516)	(665,750,415)	(644,358,038)
Construction in process	61,759,172	65,489,103	67,488,625	67,460,106	57,513,297
Net property, plant & equipment	963,235,513	961,949,405	960,504,184	957,020,827	969,520,010
Right of Use Assets	326,907,892	326,700,932	324,583,606	328,260,640	334,609,278
Investment related companies	5,147,027	2,085,386	2,021,842	2,574,846	6,754,766
Prepaid debt insurance and other costs	8,486,412	8,447,493	8,408,574	8,369,688	8,603,170
Other non-current assets	77,310,447	70,130,489	69,627,915	68,744,996	78,831,767
Total non-current assets	1,519,825,278	1,530,577,737	1,501,385,193	1,514,019,375	1,575,348,583
<b>Total assets</b>	<b>1,934,197,357</b>	<b>1,930,091,033</b>	<b>1,919,255,561</b>	<b>1,946,134,041</b>	<b>1,983,637,680</b>
Deferred outflow of resources-loss on refunding of debt	46,400,157	46,164,382	45,928,607	45,692,832	47,107,482
<b>Total assets and deferred outflow of resources</b>	<b>1,980,597,515</b>	<b>1,976,255,416</b>	<b>1,965,184,169</b>	<b>1,991,826,873</b>	<b>2,030,745,163</b>

Liabilities	Current Fiscal Year				Prior Fiscal Year
	Sep-24	Oct-24	Nov-24	Dec-24	Jun-24
<b>Current Liabilities</b>					
Accounts payable	85,941,843	93,280,490	106,162,324	122,090,655	67,477,787
Accrued payroll	33,050,744	33,962,796	35,889,106	43,390,390	38,178,331
Accrued PTO	23,998,225	23,431,631	23,129,962	22,628,427	24,267,836
Accrued interest payable	23,552,334	29,447,057	17,535,410	23,387,685	28,882,187
Current portion of bonds	18,686,756	18,686,756	19,081,756	19,081,756	18,010,103
Current portion of lease liab	19,361,930	20,057,117	20,065,534	21,398,808	20,245,743
Est. third party settlements	7,543,190	2,812,345	7,256,147	17,512,022	16,933,480
Other current liabilities	58,087,661	59,447,975	61,449,548	57,265,171	55,689,956
Total current liabilities	270,222,683	281,126,168	290,569,787	326,754,915	269,685,423
<b>Long Term Liabilities</b>					
Other LT liabilities	27,642,857	27,620,952	27,597,980	27,576,075	27,708,572
Bonds & contracts payable	1,352,391,581	1,352,255,441	1,343,194,301	1,343,058,285	1,362,956,758
Lease liabilities	337,850,084	337,624,025	336,405,630	338,627,542	342,095,335
Total long term liabilities	1,717,884,522	1,717,500,419	1,707,197,911	1,709,261,902	1,732,760,665
<b>Total liabilities</b>	<b>1,988,107,206</b>	<b>1,998,626,586</b>	<b>1,997,767,698</b>	<b>2,036,016,817</b>	<b>2,002,446,088</b>
Deferred inflow of resources-unearned revenue	78,434,551	77,883,761	77,230,844	76,248,867	79,795,899
<b>Total liabilities and deferred inflow of resources</b>	<b>2,066,541,756</b>	<b>2,076,510,347</b>	<b>2,074,998,542</b>	<b>2,112,265,684</b>	<b>2,082,241,987</b>
<b>Net Position</b>					
Unrestricted	(85,949,247)	(100,260,015)	(110,171,537)	(120,796,048)	(51,853,656)
Restricted for other purpose	5,006	5,083	357,163	357,237	356,833
Total net position	(85,944,241)	(100,254,931)	(109,814,373)	(120,438,811)	(51,496,824)
<b>Total liabilities, deferred inflow of resources and net position</b>	<b>1,980,597,515</b>	<b>1,976,255,416</b>	<b>1,965,184,169</b>	<b>1,991,826,873</b>	<b>2,030,745,163</b>

	YTD <u>December 31, 2024</u>
<b>CASH FROM OPERATING ACTIVITIES</b>	
Receipts from:	
Patients, insurers, and other third-party payers	391,585,990
Other sources	487,437
Payments to:	
Employees	(236,575,415)
Suppliers	<u>(124,382,204)</u>
Net cash provided by operating activities	<u>31,115,808</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Receipt of district taxes	24,500,000
Other	
Net cash provided by noncapital financing activities	<u>24,500,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition and construction of capital assets	(9,314,175)
Interest payments on long-term debt	(66,838,762)
Interest payments on lease liabilities	(25,517,009)
Principal repayment on long-term debt	(18,010,102)
Principal repayment on lease obligations	(14,717,094)
Proceeds on sale of capital assets	(33,251)
Receipt of property taxes restricted for debt service on general obligation bonds	54,999,996
Other	<u>(44,572,789)</u>
Net cash used in capital and related financing activities	<u>(124,003,186)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of investments	(63,410,653)
Proceeds from sale of investments	122,747,664
Interest received on investments and notes receivable	<u>18,051,649</u>
Net cash provided by (used in) investing activities	<u>77,388,660</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,001,282</b>
CASH AND CASH EQUIVALENTS - beginning of year	<u>17,359,241</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 26,360,523</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, 2024

	Palomar Health	PHMG	PAC	Eliminations	Total
<b>ASSETS</b>					
Current assets	477,897,903	68,599,201	5,645,182	(52,771,759)	499,370,527
Capital assets - net	957,020,827	7,602,057	-	-	964,622,884
Right of use assets - net	328,260,639	31,118,640	-	(21,331,815)	338,047,464
Non-current assets	182,954,672	2,455,298	-	-	185,409,969
<b>Total assets</b>	<b>1,946,134,041</b>	<b>109,775,196</b>	<b>5,645,182</b>	<b>(74,103,574)</b>	<b>1,987,450,844</b>
Deferred outflow of resources	45,692,832	-	-	-	45,692,832
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>1,991,826,873</b>	<b>109,775,196</b>	<b>5,645,182</b>	<b>(74,103,574)</b>	<b>2,033,143,676</b>
<b>LIABILITIES AND NET POSITION</b>					
Current liabilities	297,088,300	104,781,913	1,360,254	(56,903,662.05)	346,326,804
Long-term liabilities	1,378,018,378	-	-	-	1,378,018,378
Right of use lease liabilities	338,627,542	25,484,789	-	(18,194,355)	345,917,975
<b>Total liabilities</b>	<b>2,013,734,220</b>	<b>130,266,701</b>	<b>1,360,254</b>	<b>(75,098,017)</b>	<b>2,070,263,158</b>
Deferred inflow of resources - deferred revenue	98,531,462	-	-	-	98,531,462
<b>Total liabilities and deferred inflow of resources</b>	<b>2,112,265,682</b>	<b>130,266,701</b>	<b>1,360,254</b>	<b>(75,098,017)</b>	<b>2,168,794,620</b>
Invested in capital assets - net of related debt	(305,331,639)	5,958,511	-	994,443	(298,378,685)
Restricted	41,232,675	-	-	-	41,232,675
Unrestricted	143,660,155	(26,450,018)	4,284,928	-	121,495,065
<b>Total net position</b>	<b>(120,438,809)</b>	<b>(20,491,507)</b>	<b>4,284,928</b>	<b>994,443</b>	<b>(135,650,945)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>	<b>1,991,826,873</b>	<b>109,775,194</b>	<b>5,645,182</b>	<b>(74,103,574)</b>	<b>2,033,143,676</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, 2024

	<u>Palomar Health</u>	<u>PHMG</u>	<u>PAC</u>	<u>Elimination</u>	<u>Consolidated</u>
<b>OPERATING REVENUE:</b>					
Net patient service revenue	361,596,973	40,807,375	-	-	402,404,348
Shared risk revenue	41,993,631	21,470,272	-	(1,445,170)	62,018,733
Other revenue	5,794,858	4,265,462	223,088	(231,940)	10,051,469
PH Program revenue	-	15,760,062	-	(15,760,062)	-
Total operating revenue	<u>409,385,462</u>	<u>82,303,171</u>	<u>223,088</u>	<u>(17,437,172)</u>	<u>474,474,550</u>
<b>OPERATING EXPENSES</b>					
DEPRECIATION AND AMORTIZATION	414,836,168	111,706,537	624,754	(20,876,093)	506,291,366
	31,271,696	2,405,151	-	-	33,676,847
Total operating expenses	<u>446,107,864</u>	<u>114,111,688</u>	<u>624,754</u>	<u>(20,876,093)</u>	<u>539,968,213</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b><u>(36,722,402)</u></b>	<b><u>(31,808,517)</u></b>	<b><u>(401,666)</u></b>	<b><u>3,438,922</u></b>	<b><u>(65,493,663)</u></b>
<b>NON-OPERATING INCOME (EXPENSE):</b>					
Investment income	8,569,652	(840)	-	-	8,568,812
Unrealized loss on interest rate swap	-	-	-	-	-
Interest expense	(44,668,549)	(134,694)	-	141,355	(44,661,887)
Property tax revenue	40,249,998	-	-	-	40,249,998
Other - net	(6,528,834)	(1,756,671)	-	(2,284,305)	(10,569,810)
Total non-operating expense - net	<u>(2,377,733)</u>	<u>(1,892,205)</u>	<u>-</u>	<u>(2,142,949)</u>	<u>(6,412,888)</u>
Net income (loss) before capital contrib	(39,100,135)	(33,700,722)	(401,666)	1,295,972	(71,906,551)
<b>CHANGE IN NET POSITION</b>	<b><u>(39,100,135)</u></b>	<b><u>(33,700,722)</u></b>	<b><u>(401,666)</u></b>	<b><u>1,295,972</u></b>	<b><u>(71,906,551)</u></b>
Interfund Capital Support - PHMG					-
Interfund Operating Support - PHMG	(29,841,851)	22,308,925	-		(7,532,926)
Interfund Support - Graybill					-
Interfund - PHMG	<u>(29,841,851)</u>	<u>22,308,925</u>	<u>-</u>	<u>-</u>	<u>(7,532,926)</u>
Net Position - Beginning of year	(51,496,823)	(9,099,710)	4,686,594	(301,529)	(56,211,468)
Prior Period Adj-Assets					-
Effect of adopting GASB 87		-	-	-	-
NET POSITION - Beginning of year	<u>(51,496,823)</u>	<u>(9,099,710)</u>	<u>4,686,594</u>	<u>(301,529)</u>	<u>(56,211,468)</u>
<b>NET POSITION - Year to date</b>	<b><u>(120,438,809)</u></b>	<b><u>(20,491,507)</u></b>	<b><u>4,284,928</u></b>	<b><u>994,443</u></b>	<b><u>(135,650,945)</u></b>

Note: Financial Performance includes GO Bonds  
Financial Performance excludes PHMG

Days Cash on Hand Ratio Covenant	December 31, 2024 Consolidated
Cash and Cash Equivalents	71,684,641
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	539,968,213
Less: Depreciation	33,676,847
Adjusted Expenses	506,291,365
Number of days in period	184
Average Adjusted Expenses per Day	2,751,584
<b>Days Cash on Hand</b>	<b>26.1</b>
Debt Service Coverage Ratio Covenant	Consolidated
Excess of revenues over expenses	(83,076,901)
REVERSE:	
Depreciation and Amortization	33,676,847
Depreciation and Amortization-NonOp	8,547,387
Interest Expense	26,659,503
Income Available for Debt Service	(14,193,164)
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	75,489,579
<b>Debt Service Coverage Ratio</b>	<b>(0.19)</b>

**NOTE: Pre-audit results shown**

# Fiscal Year 2025 Financial Performance

\*Includes Palomar Health Medical Group (PHMG) and Consolidating Schedules

September 2024

Condensed Combining Statement of Net Position ..... 3

Condensed Combining Statement of Revenue, Expenses,  
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	<b>September 30, 2024</b>
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 24,996,713
Investments	21,185,655
Patient accounts receivable - net of allowances for uncollectible accounts of \$124,693	195,040,652
Other receivables	63,375,693
Supplies and inventories	13,331,357
Prepaid expenses and other	25,402,816
Estimated third-party payor settlements receivable	74,943,191
Assets whose use is limited - current portion	29,750
Restricted cash and investments, current	39,711,034
	<hr/>
Total current assets	458,016,861
Restricted Noncurrent Cash and Investments	
Held by trustee under indenture agreements	96,438,615
Held by trustee under general obligation bonds indenture	39,711,034
Held in escrow for street improvements	2,231,331
Restricted by donor and other	357,007
	<hr/>
Total restricted cash and investments	138,737,987
Less amounts required to meet current obligations	39,740,784
	<hr/>
Total restricted noncurrent cash and investments	98,997,203
Capital Assets - net	972,251,850
	<hr/>
Right of Use Assets - Net	350,483,593
	<hr/>
Estimated third-party payor settlements receivable	12,500,000
Other Assets	
Prepaid debt insurance costs	8,486,412
Investment in and amounts due from affiliated entities	4,892,766
Other	73,770,959
	<hr/>
Total other assets	87,150,137
	<hr/>
Total assets	1,979,399,643
<b>Deferred outflow of resources - loss on refunding of debt</b>	<b>46,400,157</b>
	<hr/>
Total Assets and Deferred Outflow of Resources	<b>\$ 2,025,799,800</b>

September 30, 2024

<b>Liabilities</b>	
Current Liabilities	
Accounts payable	88,775,335
Accrued compensation and related liabilities	53,318,323
Current portion of general obligation bonds	10,156,756
Current portion of long-term debt	8,860,161
Current portion of lease liabilities	24,524,713
Estimated third-party payor settlements	7,543,190
Other accrued liabilities	59,565,220
Accrued interest payable	21,327,902
Accrued interest payable-ROU's	2,394,284
	<hr/>
Total current liabilities	276,465,883
Long-term debt - general obligation bonds - net of current portion	628,262,175
Long-term debt - net of current portion	759,041,443
Long-term debt - Lease liability - net of current portion	357,015,689
	<hr/>
Total liabilities	2,020,785,190
<b>Deferred inflow of resources - unearned revenue</b>	<hr/> 101,049,551
	<hr/>
Total liabilities and deferred inflow of resources	2,121,834,741
<b>Net Position</b>	
Net investment in capital assets	(292,449,951)
Restricted, expendable for:	
Repayment of debt	23,113,288
Capital acquisitions	1,879,330
Other purposes	357,007
Unrestricted	171,065,384
	<hr/>
Total net position	(96,034,941)
	<hr/>
Total Liabilities, Deferred Inflow of Resources, and Net Position	<u>\$ 2,025,799,800</u>

# Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position

	<b>September 30, 2024</b>
Operating Revenue	
Patient service revenue, net of provision for uncollectible accounts of \$30,014	\$ 196,376,557
Shared risk revenue	34,782,033
Other revenue	5,301,695
	<hr/>
Total operating revenue	236,460,285
	<hr/>
Operating Expenses	
Salaries, wages, and benefits	166,901,141
Professional fees	12,514,356
Supplies	32,684,545
Purchased services	28,785,089
Depreciation and amortization	16,117,071
Rent expense	4,221,822
Utilities	1,427,391
Other	7,593,550
	<hr/>
Total operating expenses	270,244,964
	<hr/>
Income (Loss) From Operations	(33,784,679)
	<hr/>
Non-Operating Income (Expenses)	
Investment income	4,555,533
Interest expense	(22,582,808)
Property tax revenue - unrestricted	6,375,000
Property tax revenue - restricted	13,749,999
Amortization expense	(4,275,598)
Other - net	(3,588,026)
	<hr/>
Total non-operating expenses - net	(5,765,900)
	<hr/>
Change in net position	(39,550,579)
	<hr/>
Net Position - Beginning of year	(56,484,362)
	<hr/>
Net Position - September 30, 2024	\$ (96,034,941)
	<hr/> <hr/>

<b>September 30, 2024</b>	
<b>Days Cash on Hand Ratio Covenant</b>	<b>Consolidated</b>
Cash and Cash Equivalents	39,099,629
Board Designated Reserves	7,082,739
Total	46,182,368
Divide Total by Average Adjusted Expenses per Day	
Total Expenses	270,244,964
Less: Depreciation	16,117,071
Adjusted Expenses	254,127,893
Number of days in period	92
Average Adjusted Expenses per Day	2,762,260
<b>Days Cash on Hand</b>	<b>16.7</b>
<b>Debt Service Coverage Ratio Covenant</b>	<b>Consolidated</b>
Excess of revenues over expenses	(41,129,325)
REVERSE:	
Depreciation and Amortization	16,117,071
Depreciation and Amortization-NonOp	4,275,598
Interest Expense	13,581,616
Income Available for Debt Service	(7,155,040)
Divided by:	
Maximum Annual Debt Service (excludes GO Bonds)	62,907,983
<b>Debt Service Coverage Ratio</b>	<b>(0.11)</b>

**NOTE: Pre-audit results shown**