

# ADDENDUM B

# Financial Statements

*January 2007*

Tim Nguyen

**Corporate Controller**

**February 27, 2007**

PALOMAR POMERADO HEALTH

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# Board Financial Report

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**PALOMAR POMERADO HEALTH**  
**JANUARY 2007 FINANCIAL RESULTS**  
**EXECUTIVE SUMMARY and HIGHLIGHTS**

**Statistics:**

<b>CONSOLIDATED</b>	<b>Dec-06</b>	<b>Jan-07</b>	<b>Dec vs Jan % Change</b>	<b>Jan-07 Budget</b>	<b>Act vs Bud % Variance</b>	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Act vs Bud % Variance</b>
Patient Days Acute	9,559	10,530	10.2%	9,922	6.1%	65,384	68,814	-5.0%
Patient Days SNF	6,503	6,526	0.4%	6,591	-1.0%	45,357	45,711	-0.8%
ADC Acute	308.35	339.67	10.2%	320.08	6.1%	304.11	320.05	-5.0%
ADC SNF	209.77	210.52	0.4%	212.61	-1.0%	210.96	212.61	-0.8%
Surgeries CVS Cases	12	10	-16.7%	11	-9.1%	74	75	-1.3%
Surgeries Total	916	974	6.3%	1,041	-6.4%	6,799	7,219	-5.8%
Number of Births	444	473	6.5%	499	-5.2%	3,306	3,461	-4.5%
<b>NORTH</b>								
Patient Days Acute	7,153	7,939	11.0%	7,396	7.3%	49,089	51,294	-4.3%
Patient Days SNF	2,665	2,760	3.6%	2,747	0.5%	18,844	19,051	-1.1%
ADC Acute	230.73	256.08	11.0%	238.59	7.3%	228.32	238.56	-4.3%
ADC SNF	85.97	89.03	3.6%	88.61	0.5%	87.65	88.61	-1.1%
<b>SOUTH</b>								
Patient Days Acute	2,406	2,591	7.7%	2,526	2.6%	16,295	17,520	-7.0%
Patient Days SNF	3,838	3,766	-1.9%	3,844	-2.0%	26,513	26,660	-0.6%
ADC Acute	77.62	83.58	7.7%	81.49	2.6%	75.79	81.48	-7.0%
ADC SNF	123.81	121.48	-1.9%	124.00	-2.0%	123.32	124.00	-0.5%

**PALOMAR POMERADO HEALTH  
JANUARY 2007 FINANCIAL RESULTS  
EXECUTIVE SUMMARY and HIGHLIGHTS (cont'd)**

**Balance Sheet:**

**Current Cash & Cash Equivalents** increased \$448 thousands from \$103.3 million in December to \$103.7 million in January. Total Cash and Investments are \$102.0 million, compared to \$121.6 million at June 30, 2006. Days Cash on Hand went from 106 days in December to 97 days in January compared to 128 in June.

**Net Accounts Receivable** increased to \$91.1 million in January as compared to \$90.1 million in December. Gross A/R days increased from 54.1 days in December to 54.9 days in January. December patient account collections including capitation are \$31.1 million compared to budget of \$29.9 million. January YTD collections are \$194.8 million compared to budget of \$209.2 million.

**Construction in Progress** increased \$3.4 million from \$115.8 million in December to \$119.2 million in January. The increase is attributed to Pomerado parking structure construction costs \$1.5 million and Building Expansion A & E Services \$1.3 million.

**Other Current Liabilities** decreased \$213 thousand from \$17.5 million to \$17.3 million primarily due to the realization of Deferred Property Tax Revenue of \$1.1 million in January and an increase of \$1.0 million in capitation liability.

**PALOMAR POMERADO HEALTH  
JANUARY 2007 YTD FINANCIAL RESULTS  
EXECUTIVE SUMMARY and HIGHLIGHTS (cont'd)**

**Income Statement:**

**Gross Patient Revenue** for YTD January reflects an unfavorable budget variance of \$18.2 million. This unfavorable variance is composed of \$19.8 million unfavorable volume variance and \$1.6 million favorable rate variance. However, January recorded the highest monthly gross revenue amount this fiscal year.

Routine revenue (inpatient room and board) reflects an unfavorable \$7.5 million budget variance. North is responsible for \$6.2 million of this variance.

Inpatient Ancillary revenue represents a \$17.3 million unfavorable budget variance. North reflects an unfavorable variance of \$3.5 million and South reflects \$13.8 million unfavorable variance. The main contributors to North's unfavorable variance are Surgery and Patient Supply totaling \$5.0 million lower than budget. The main contributors to South's unfavorable variance is Surgery, Surgery Patient Supply and Pharmacy departments totaling \$15.9 million lower than budget.

Outpatient revenue reflects a favorable budget variance of \$6.6 million. North has a \$6.6 million favorable variance and South has a \$0.7 million favorable variance. These two amounts are decreased by Outreach's \$0.7 million unfavorable variance.

**PALOMAR POMERADO HEALTH**  
**JANUARY 2007 YTD FINANCIAL RESULTS**  
**EXECUTIVE SUMMARY and HIGHLIGHTS (cont'd)**

**Income Statement (cont'd):**

**Deductions from Revenue** reflect a YTD favorable variance of \$13.2 million. This is due to lower-than-budgeted volume and budgeted gross revenue. Total Deductions from Revenue is 69.28% of gross revenue compared to a budget of 69.35%. Deductions from Revenue (excluding Bad Debt/Charity/Undocumented expenses) is 64.29% of YTD Gross Revenue compared to budget of 64.78%.

The net capitation reflects a favorable budget variance of \$1.3 million. Cap Premium and Out of Network Claim Expense both show an unfavorable budget variance of \$1.9 million and \$2.4 million respectively. Cap Valuation shows a favorable variance of \$5.6 million to offset.

**Other Operating Revenue** reflects a YTD unfavorable budget variance of \$959 thousand. This is due primarily to the Foundation where actual PPH funding requests are \$340 thousand below budget, and PPNC Health Development where actual grants are \$372 thousand below budget.

**Salaries, Wages & Contract Labor** has a YTD favorable budget variance of \$3.0 million. This variance is mostly attributable to lower-than-budgeted volumes and staff flexing. The breakdown is as follows:

	<b>YTD Actual</b>	<b>YTD Budget</b>	<b>Variance</b>
<b>Consolidated</b>	107,475,457	110,550,830	3,075,373
<b>North</b>	62,379,293	63,179,181	799,888
<b>South</b>	26,070,745	27,366,611	1,295,866
<b>Central</b>	13,884,052	15,055,536	1,171,484
<b>Outreach</b>	5,141,367	4,949,502	(191,865)

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**PALOMAR POMERADO HEALTH  
JANUARY 2007 YTD FINANCIAL RESULTS  
EXECUTIVE SUMMARY and HIGHLIGHTS (cont'd)**

**Income Statement (cont'd):**

**Benefits Expense** has a YTD unfavorable budget variance of \$818 thousand. This variance is primarily due to the employer's contribution towards deferred compensation which is unfavorable by \$419 thousand, Health and Dental which is unfavorable by \$130 thousand and Workers Compensation which is unfavorable by \$233 thousand .

**Supplies Expense** reflects a YTD favorable budget variance of \$3.1 million. This favorable variance is composed of a \$1.03 million favorable volume variance and \$2.1 million favorable rate variance. The favorable variance is pharmacy at \$1.6 million, prosthesis at \$508 thousand, other medical \$622 thousand and other general supplies at \$370 thousand.

**Prof Fees & Purchased Services** reflects a YTD unfavorable budget variance of \$2.3 million. The unfavorable variance of \$1.3 million in professional fees is due to higher legal fees, rehabilitation therapy fees and Pomerado ED calls. The unfavorable variance of \$1.0 million in purchased services is due to purchased contracted services.

**Non-Operating Income** reflects a favorable YTD variance of \$946 thousand in January. This is due to a favorable investment income variance. Investment income reflects a 4.74% investment rate-of-return through January compared to budget of 4.25%.

**Ratios & Margins:**

All required bond covenant ratios were achieved in January 2007.



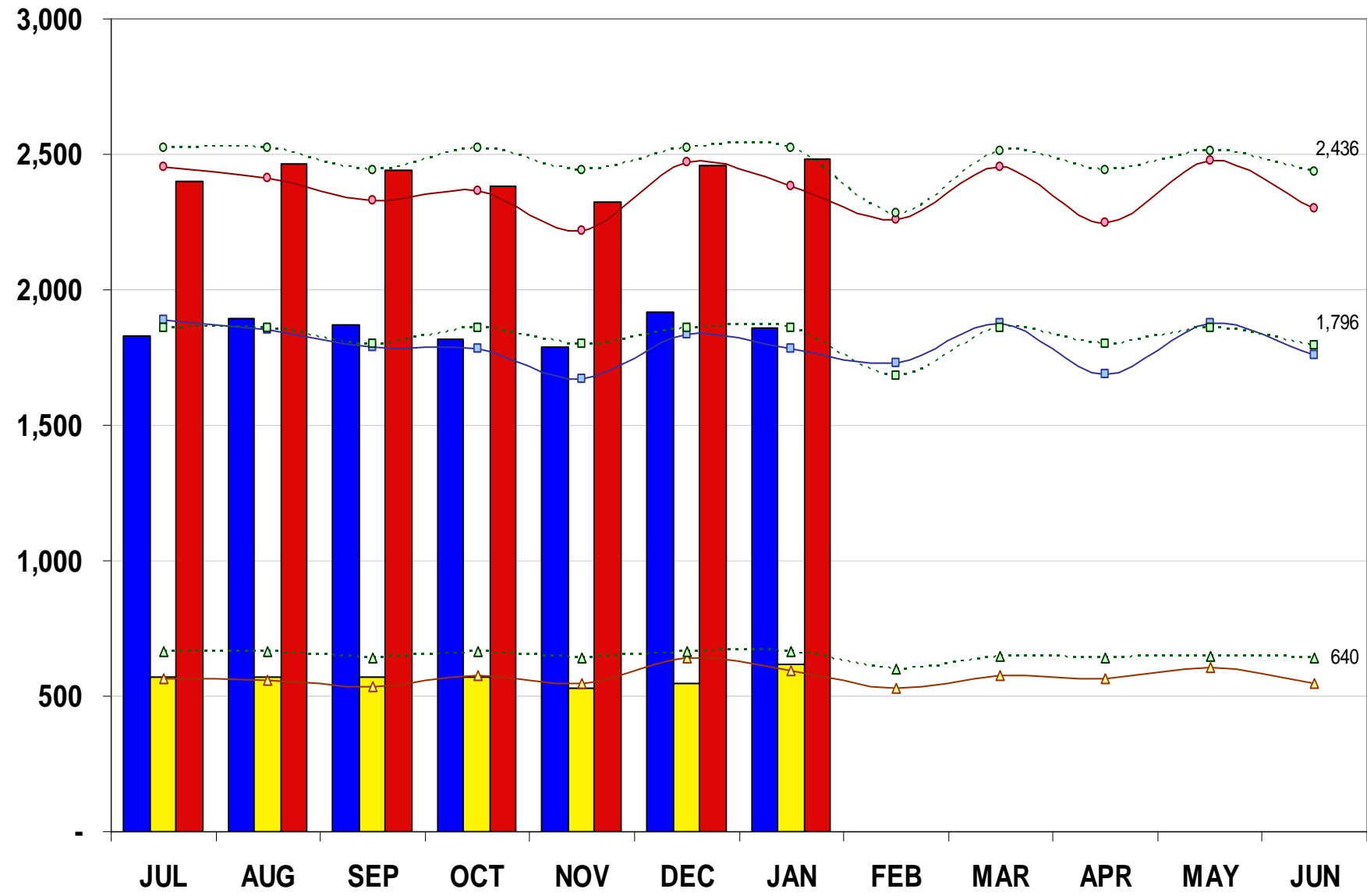
Palomar Pomerado Health  
Balanced Scorecard  
Financial Indicators  
January 31, 2007

October	November	December	January					YTD 2007				
Actual	Actual	Actual	Actual	Budget / PY	Variance	% Actual to Budget		Actual	Budget	Variance	% Actual to Budget	Prior Year Actual
<b>PPH Indicators:</b>												
4.4%	4.6%	10.0%	11.0%	9.9%	1.1%	111.1%	OEBITDA Margin w/Prop Tax	9.2%	9.9%	-0.7%	92.9%	7.9%
\$ 2,697.64	\$ 2,643.70	\$ 2,576.57	\$ 2,309.02	\$2,483.52	\$ 174.50	93.0%	Expenses/Wtd Day	2,518.30	\$2,487.82	\$ (30.48)	101.2%	2,396.51
\$ 1,622.50	\$ 1,561.40	\$ 1,556.33	\$ 1,359.76	\$1,478.51	\$ 118.75	92.0%	SWB/Wtd Day	1,495.64	\$1,479.86	\$ (15.78)	101.1%	1,401.49
6.38	6.15	6.24	5.29	6.12	\$ 0.83	86.4%	Prod FTE's/Adj Occupied Bed	6.02	6.12	0.10	98.4%	6.05
12,431	12,042	12,813	14,443	13,278	\$ 1,165.00	108.8%	Weighted Patient Days	89,980	92,465	(2,485)	102.3%	87,933
<b>PPH North Indicators:</b>												
1.5%	4.9%	14.3%	8.8%	9.8%	-1.0%	89.8%	OEBITDA Margin w/Prop Tax	9.4%	9.6%	-0.2%	97.9%	8.1%
\$ 2,606.31	\$ 2,494.84	\$ 2,441.50	\$ 2,189.49	\$2,363.03	\$ 173.54	92.7%	Expenses/Wtd Day	2,397.92	\$2,367.05	\$ (30.87)	101.3%	2,430.79
\$ 1,365.10	\$ 1,272.60	\$ 1,254.46	\$ 1,152.07	\$1,224.57	\$ 72.50	94.1%	SWB/Wtd Day	1,247.38	\$1,225.59	\$ (21.79)	101.8%	1,247.38
5.42	5.19	5.23	4.47	5.08	\$ 0.61	88.0%	Prod FTE's/Adj Occupied Bed	5.09	5.08	(0.01)	100.2%	5.09
8,475	8,434	8,911	10,130	9,345	\$ 785.00	108.4%	Weighted Patient Days	62,335	63,828	(1,493)	100.2%	62,229
<b>PPH South Indicators:</b>												
11.1%	2.1%	-1.7%	11.7%	6.9%	4.8%	169.6%	OEBITDA Margin w/Prop Tax	6.5%	6.9%	-0.4%	94.2%	4.9%
\$ 2,450.64	\$ 2,515.07	\$ 2,435.03	\$ 2,260.27	\$2,417.53	\$ 157.26	93.5%	Expenses/Wtd Day	2,409.42	\$2,421.60	\$ 12.18	99.5%	2,373.58
\$ 1,285.60	\$ 1,274.59	\$ 1,260.40	\$ 1,209.89	\$1,283.34	\$ 73.45	94.3%	SWB/Wtd Day	1,251.05	\$1,284.52	\$ 33.47	97.4%	1,235.38
5.46	5.45	5.54	4.95	5.58	\$ 0.63	88.7%	Prod FTE's/Adj Occupied Bed	5.39	5.58	0.19	96.6%	5.69
3,713	3,429	3,700	4,004	3,772	\$ 232.00	106.2%	Weighted Patient Days	25,853	26,472	(619)	105.8%	24,436

Weighted Patient Days is compared with Prior Year Actual

# Admissions - Acute

FISCAL YEAR 2007



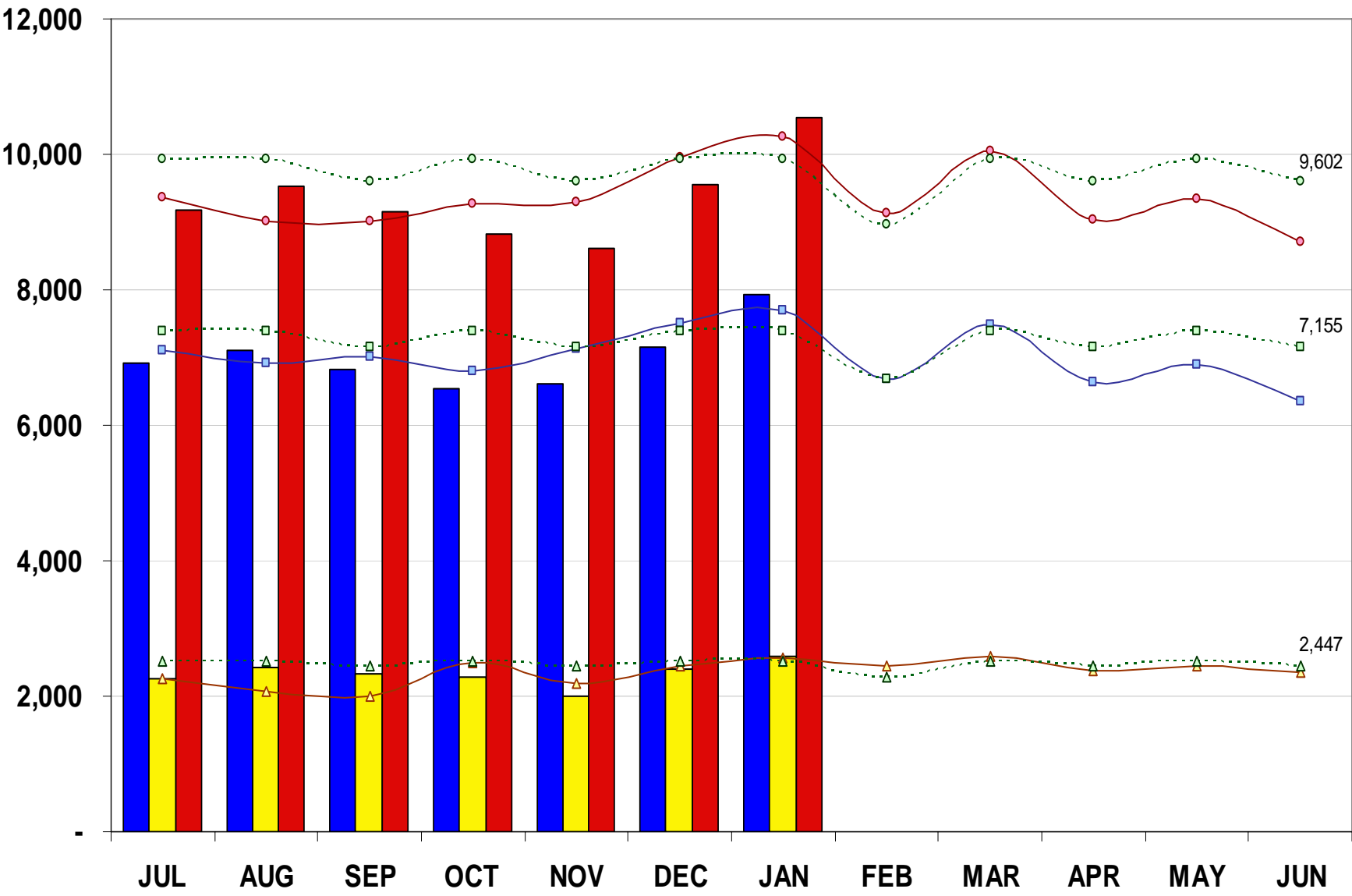
	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	1,832	1,895	1,871	1,816	1,791	1,915	1,861	-	-	-	-	-	12,981	12,900
POM	570	569	572	568	532	545	620	-	-	-	-	-	3,976	4,606
CON	2,402	2,464	2,443	2,384	2,323	2,460	2,481	-	-	-	-	-	16,957	17,506

# Patient Days - Acute

B10

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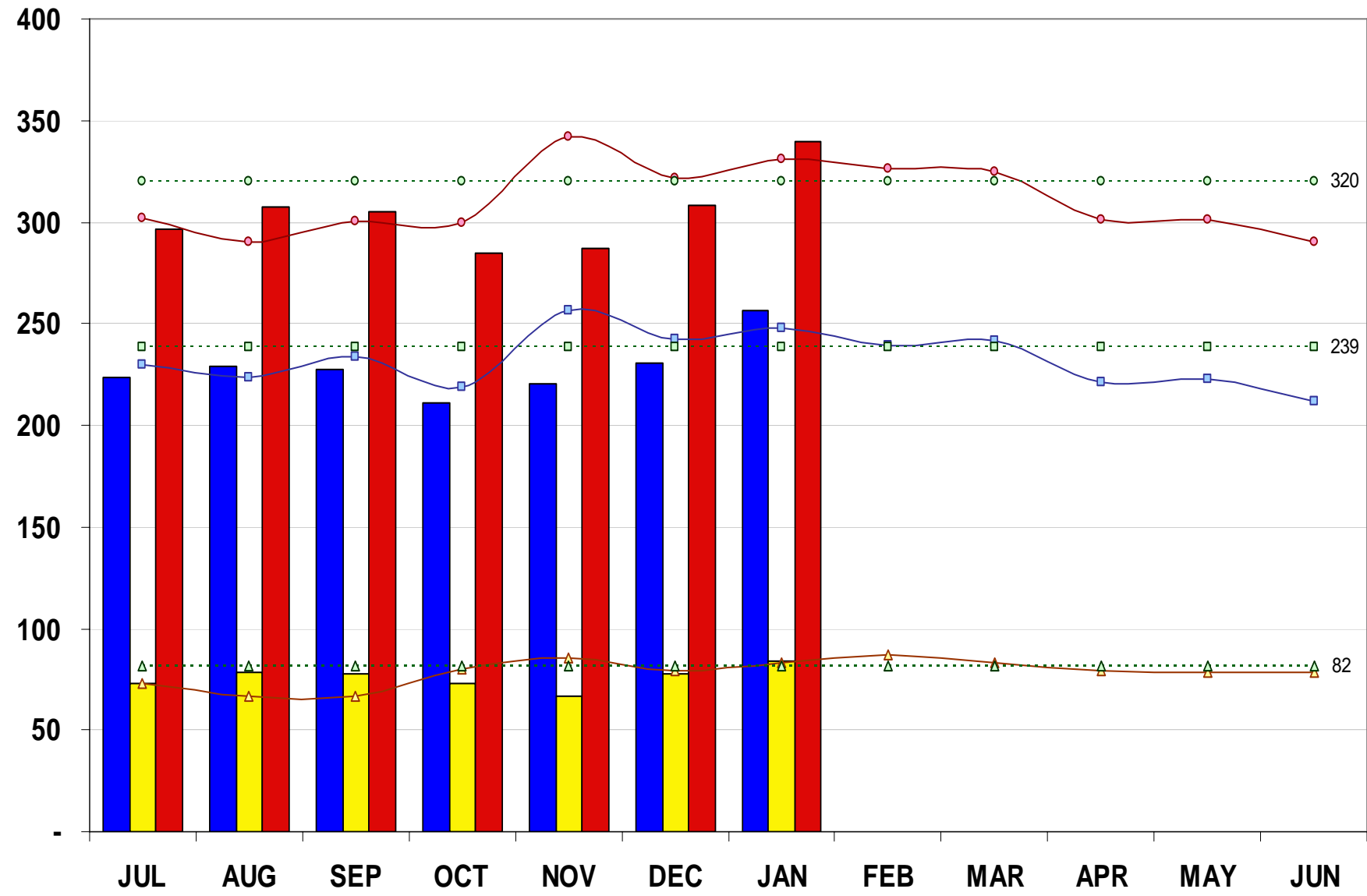


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	6,919	7,102	6,822	6,547	6,607	7,153	7,939	-	-	-	-	-	49,089	51,294
POM	2,261	2,433	2,329	2,272	2,003	2,406	2,591	-	-	-	-	-	16,295	17,520
CON	9,180	9,535	9,151	8,819	8,610	9,559	10,530	-	-	-	-	-	65,384	68,814

# Average Daily Census - Acute

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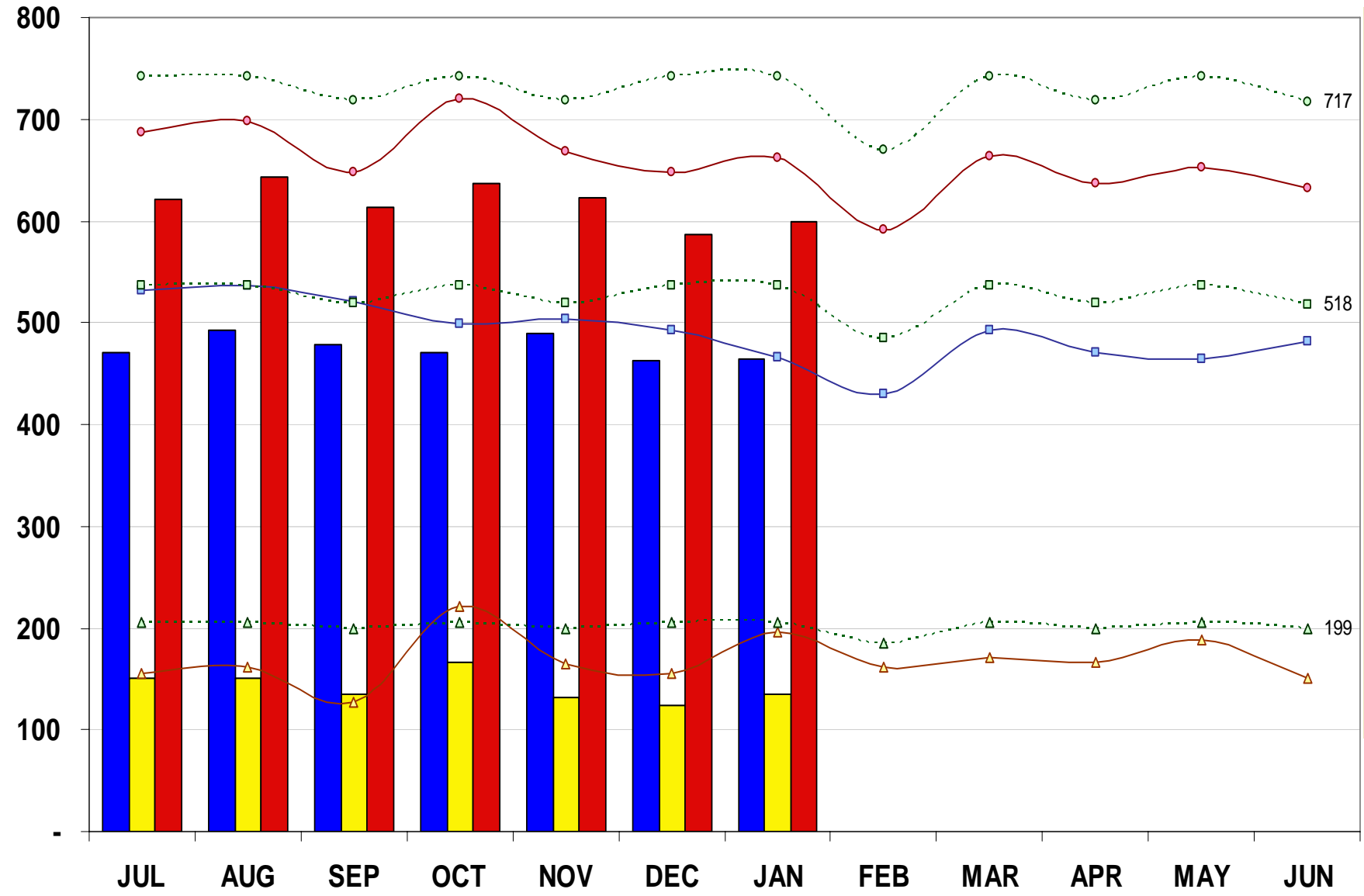
	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	223	229	227	211	220	231	256	-	-	-	-	-	228	239
POM	73	78	78	73	67	78	84	-	-	-	-	-	76	81
CON	296	308	305	284	287	308	340	-	-	-	-	-	304	320

# Surgeries (In-Patient)

B12

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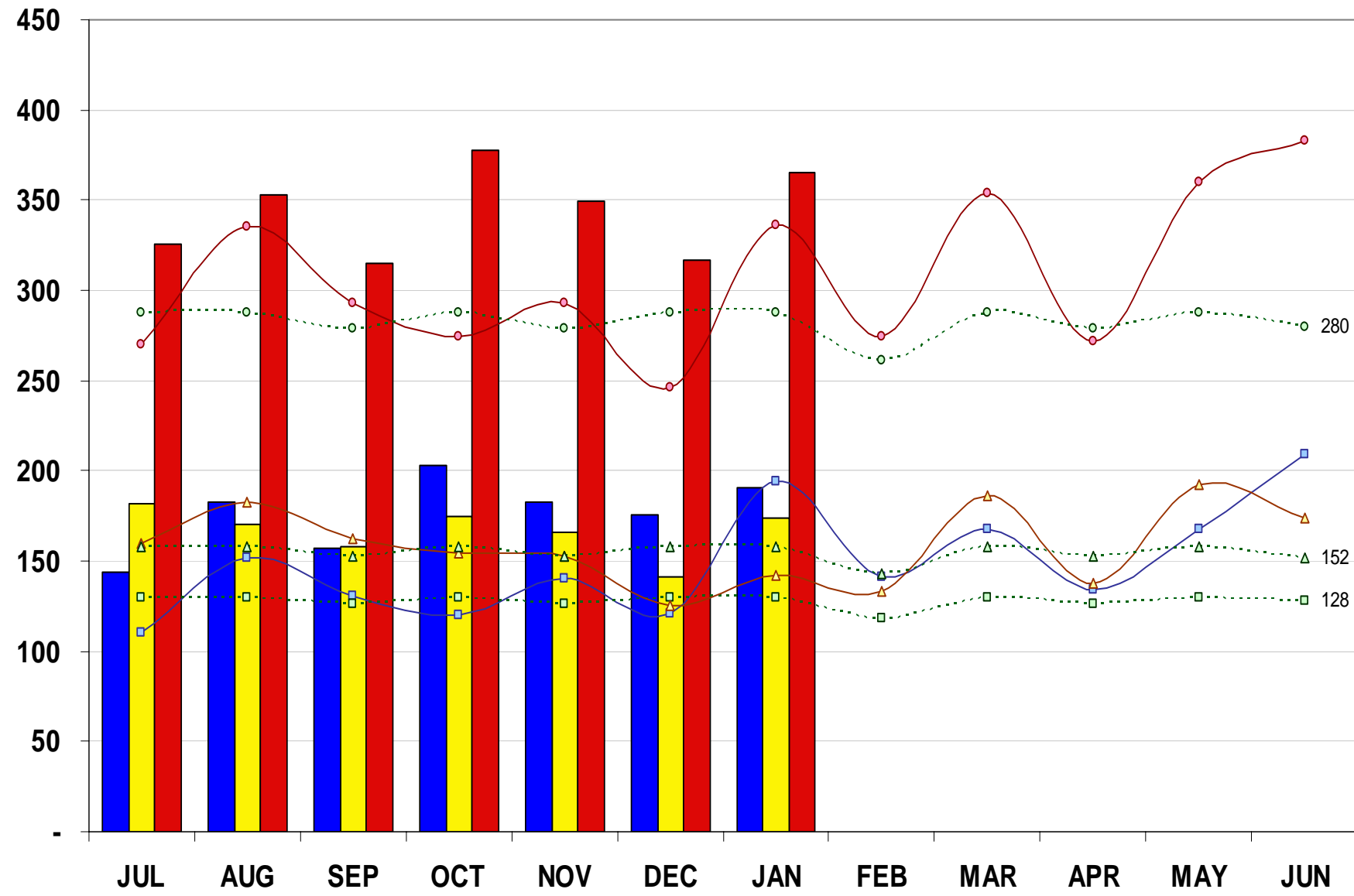


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	471	492	478	471	490	463	464	-	-	-	-	-	3,329	3,723
POM	150	151	135	166	132	124	135	-	-	-	-	-	993	1,423
CON	621	643	613	637	622	587	599	-	-	-	-	-	4,322	5,146

# Surgeries (Out-Patient)

B13

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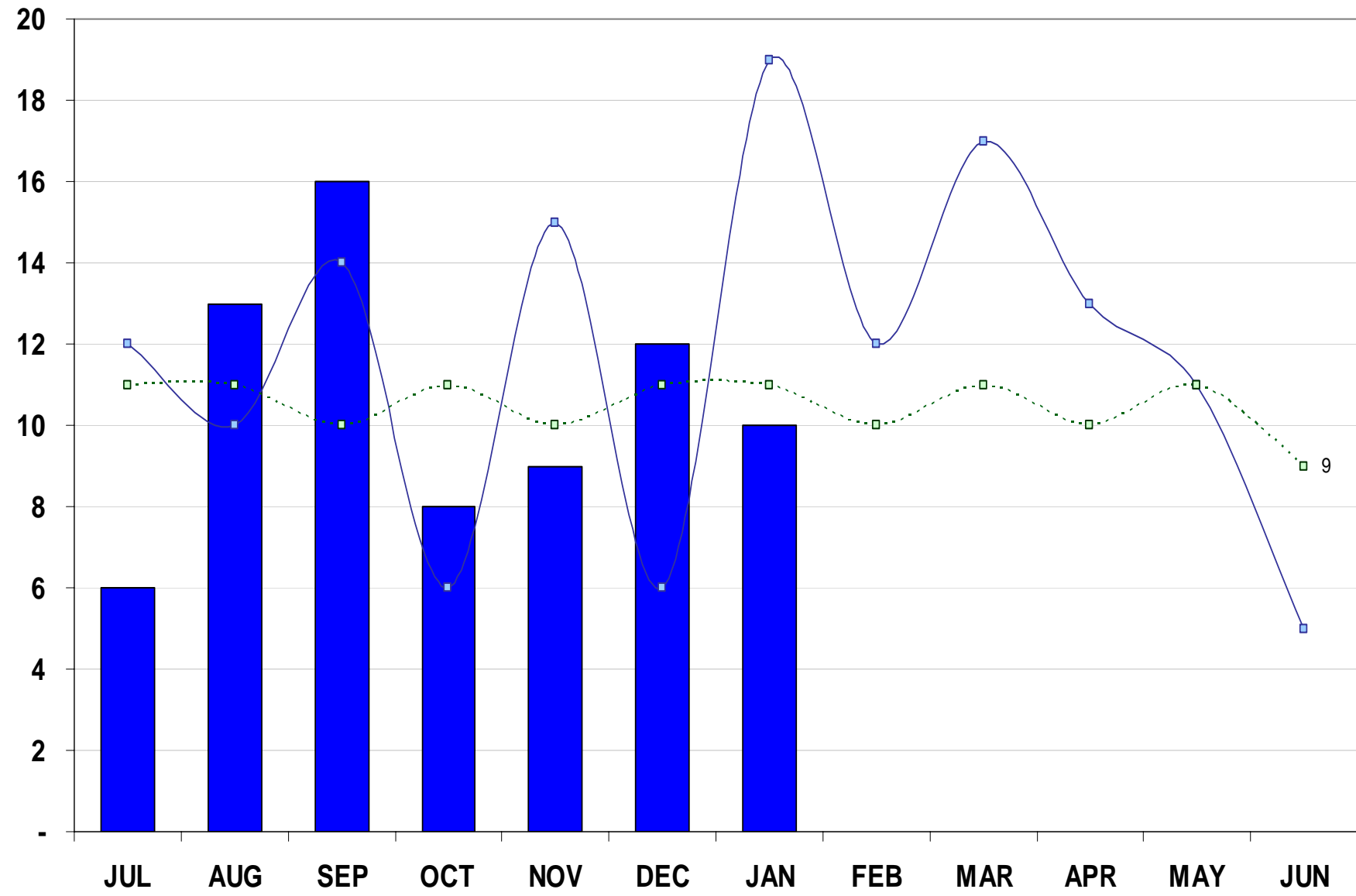


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	144	183	157	203	183	176	191	-	-	-	-	-	1,237	902
POM	182	170	158	175	166	141	174	-	-	-	-	-	1,166	1,096
CON	326	353	315	378	349	317	365	-	-	-	-	-	2,403	1,998

# Surgeries – CVS (PMC)

B14

FISCAL YEAR 2007



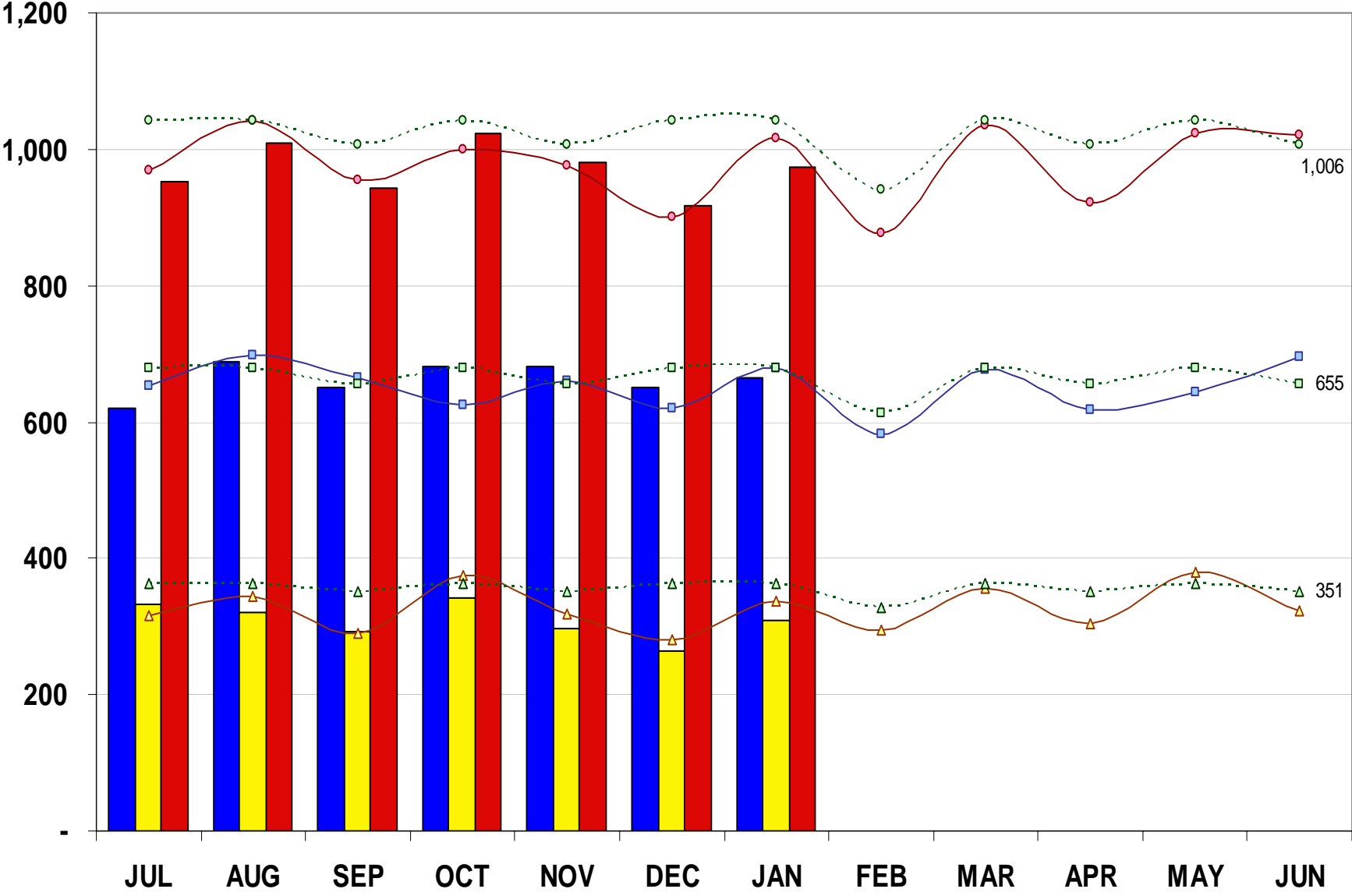
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	6	13	16	8	9	12	10	-	-	-	-	-	74	75

# Total Surgeries

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	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	621	688	651	682	682	651	665	-	-	-	-	-	4,640	4,700
POM	332	321	293	341	298	265	309	-	-	-	-	-	2,159	2,519
CON	953	1,009	944	1,023	980	916	974	-	-	-	-	-	6,799	7,219

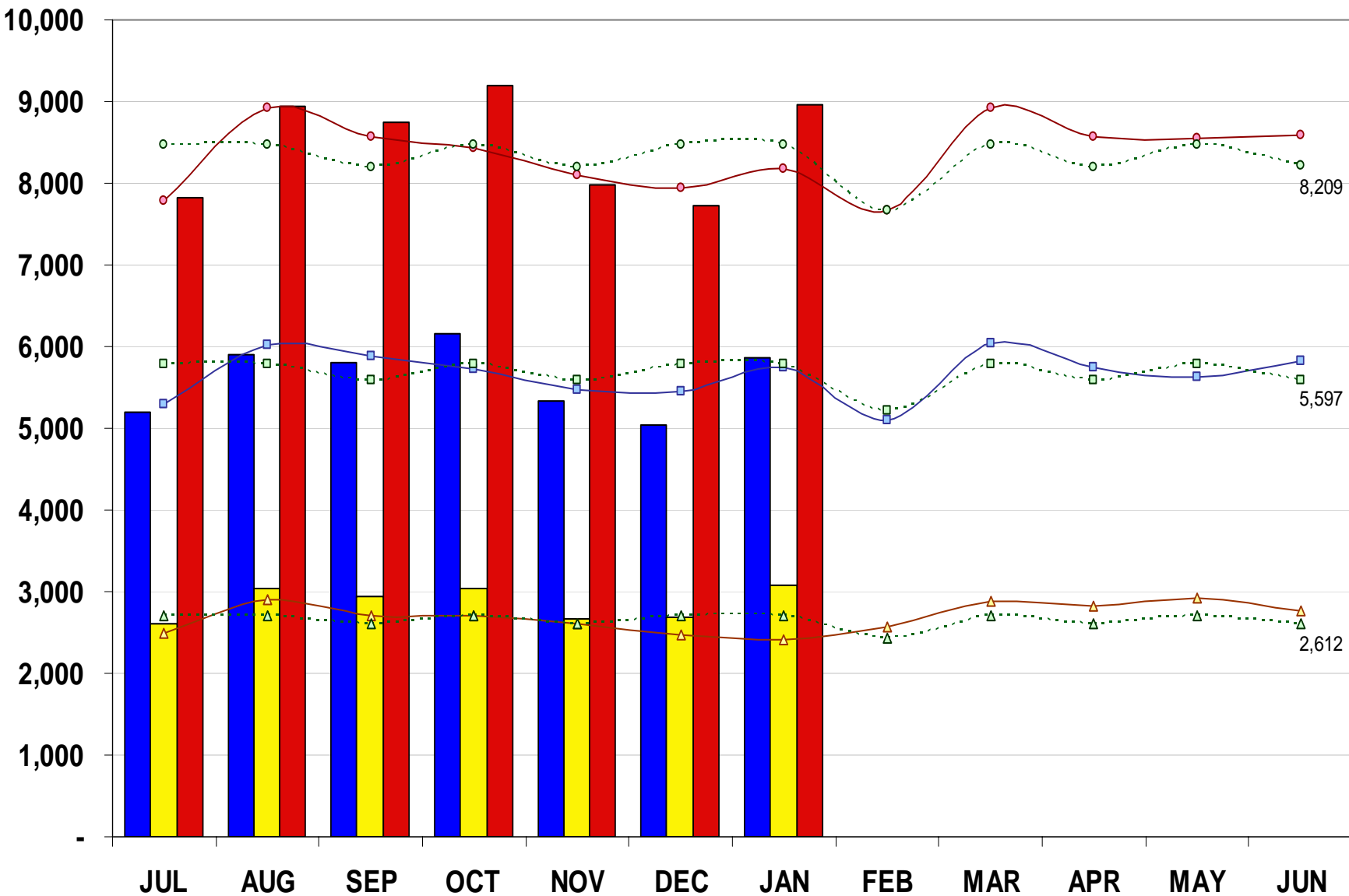


# Outpatient Registration

B16

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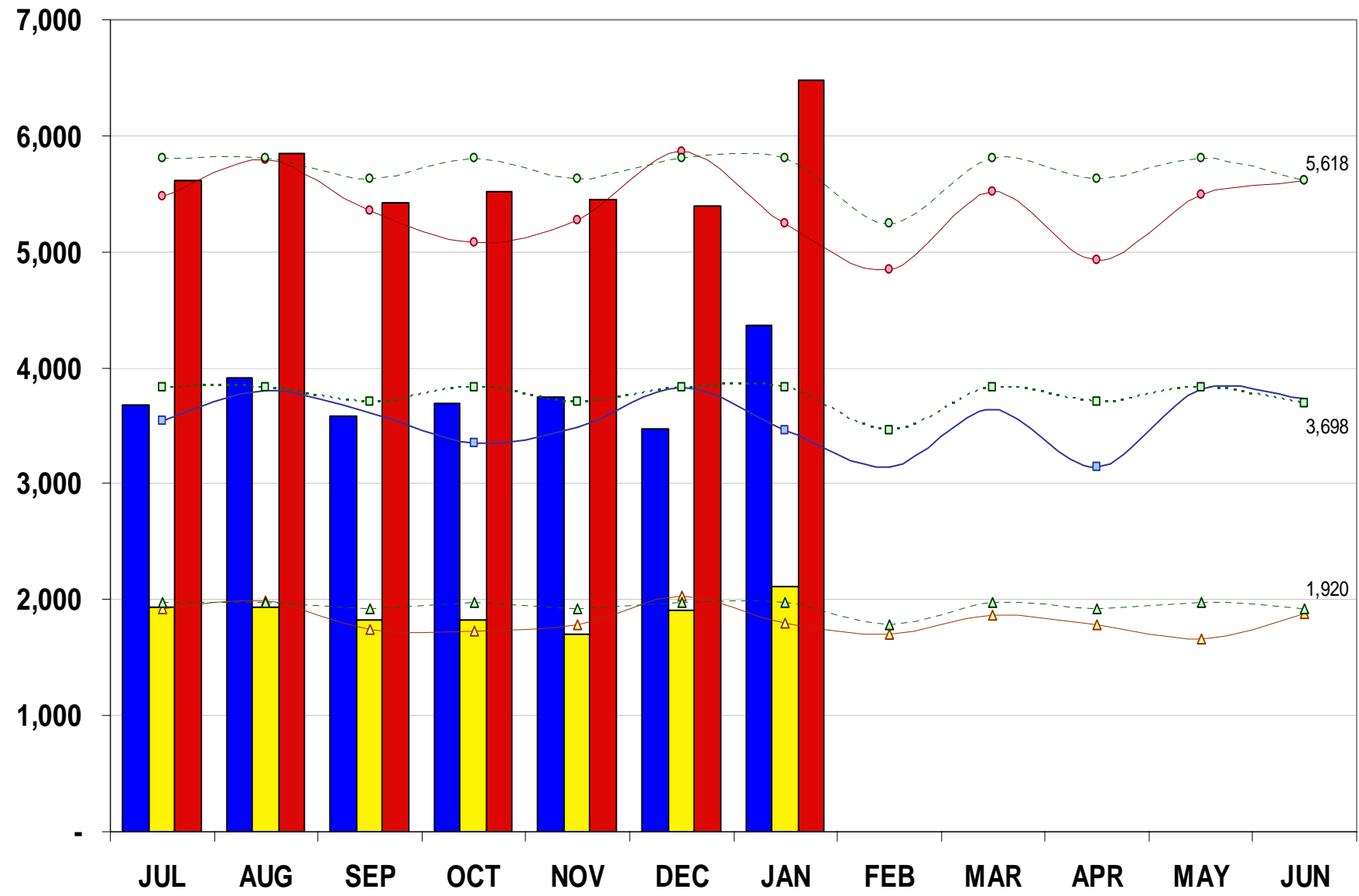


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	5,204	5,900	5,800	6,158	5,326	5,030	5,872	-	-	-	-	-	39,290	40,088
POM	2,615	3,044	2,944	3,033	2,659	2,690	3,086	-	-	-	-	-	20,071	18,705
CON	7,819	8,944	8,744	9,191	7,985	7,720	8,958	-	-	-	-	-	59,361	58,793

# ER Visits includes Trauma

B17

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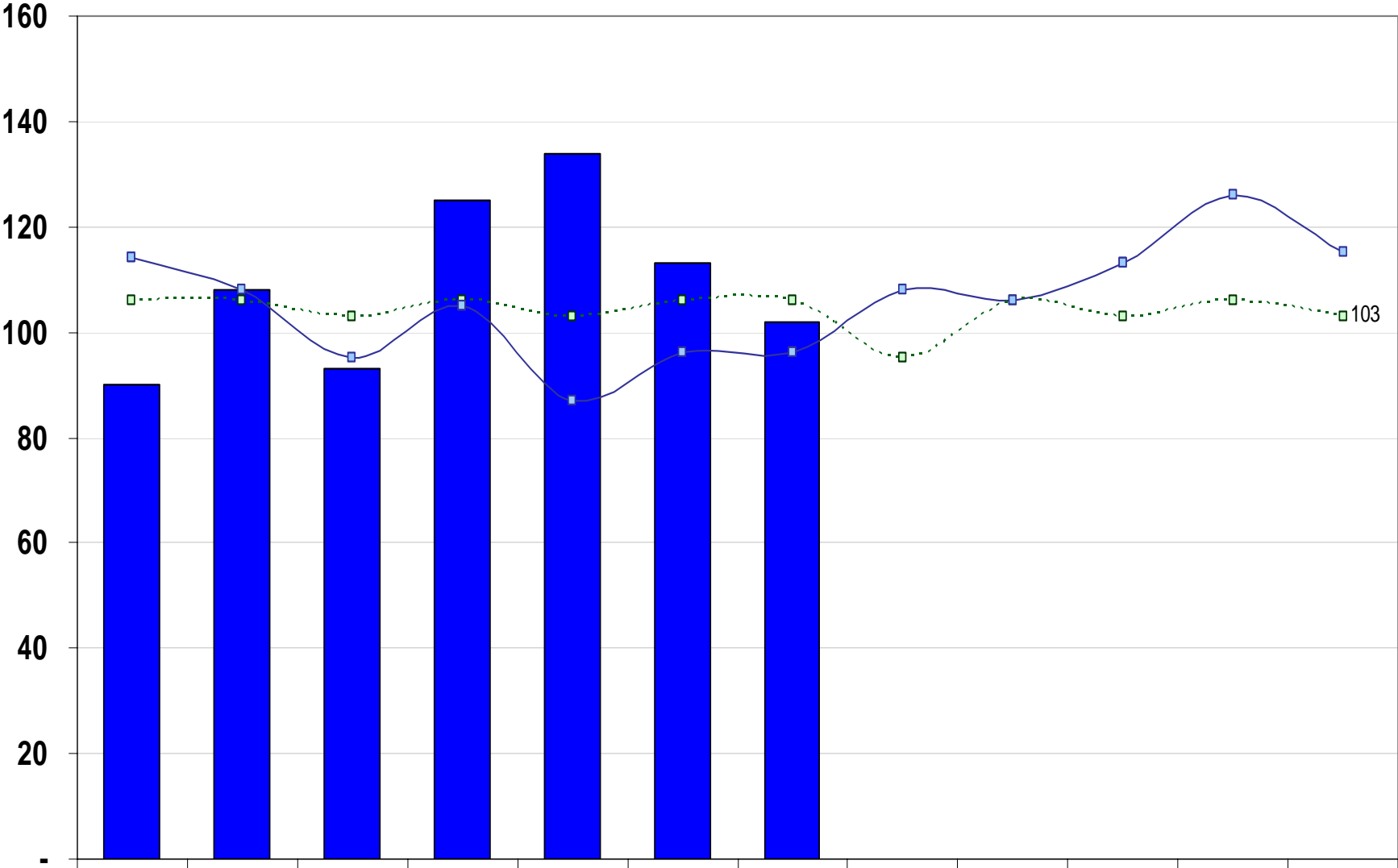


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	3,685	3,916	3,589	3,686	3,751	3,478	4,359	-	-	-	-	-	26,464	26,529
POM	1,930	1,930	1,828	1,828	1,703	1,910	2,120	-	-	-	-	-	13,249	13,748
CON	5,615	5,846	5,417	5,514	5,454	5,388	6,479	-	-	-	-	-	39,713	40,277

# Trauma Cases (PMC)

B18

FISCAL YEAR 2007

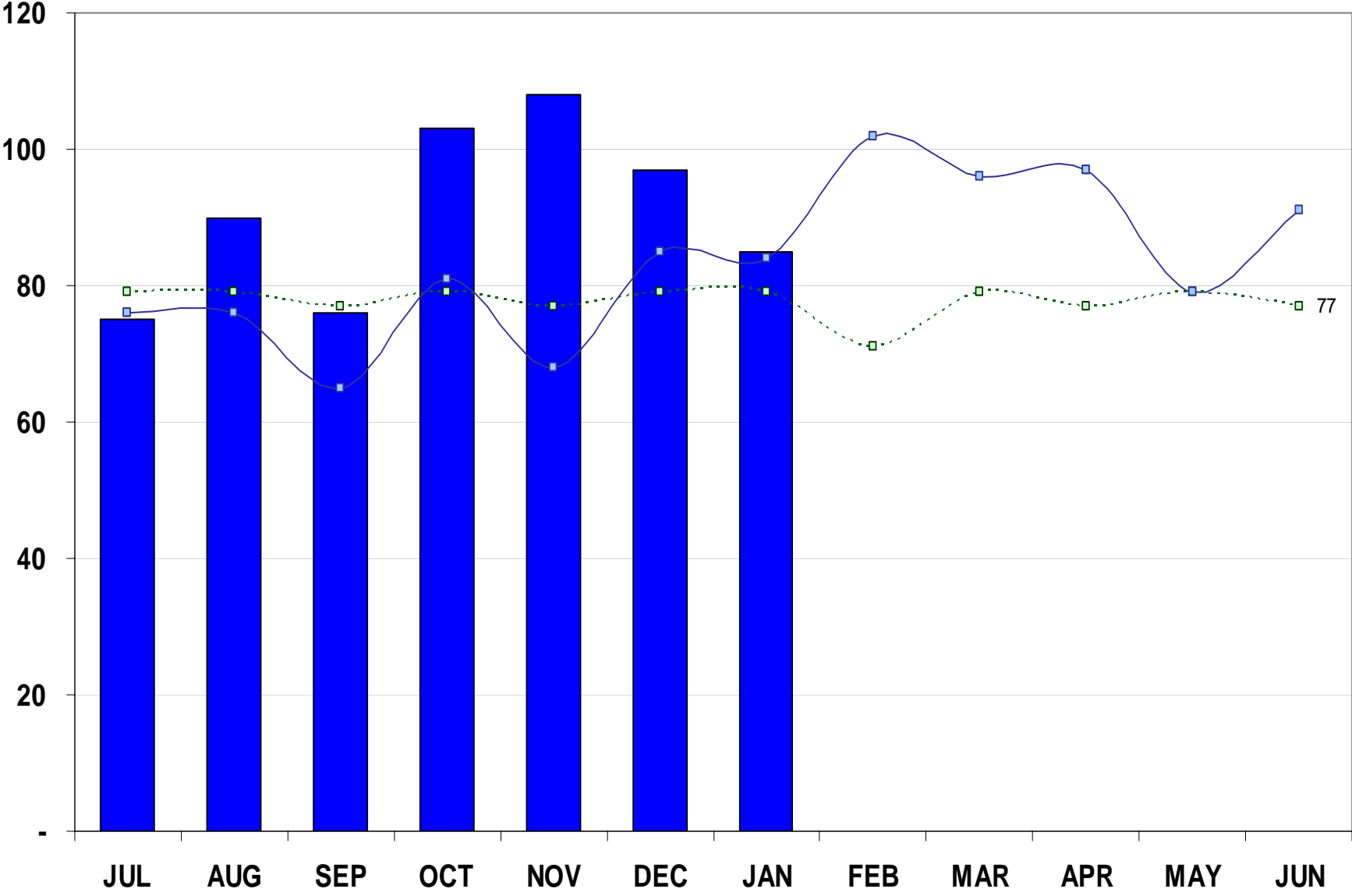


	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	90	108	93	125	134	113	102	-	-	-	-	-	765	736

# Trauma Admissions (PMC)

B19

FISCAL YEAR 2007



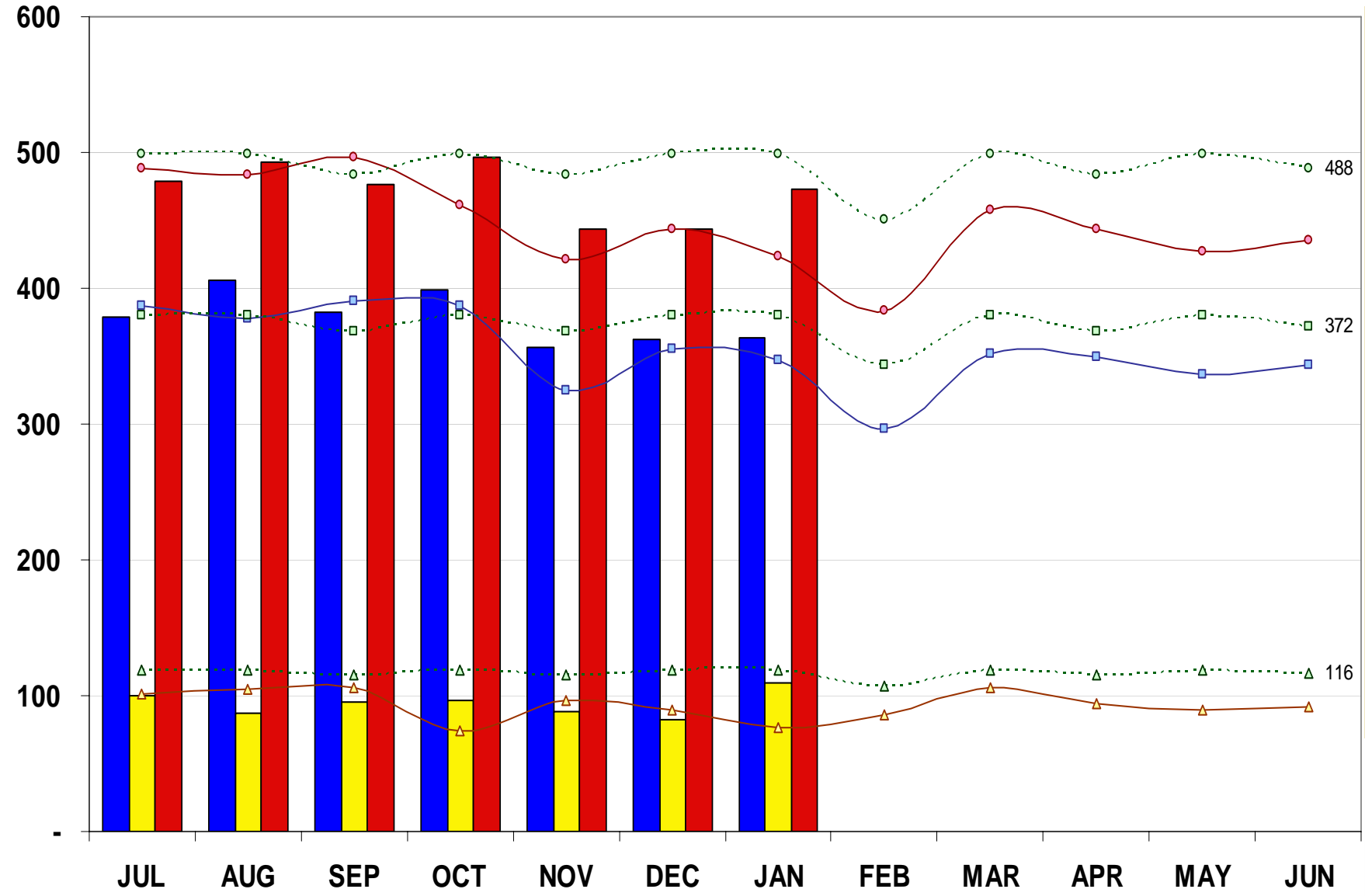
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	75	90	76	103	108	97	85	-	-	-	-	-	634	549

# Deliveries

B20

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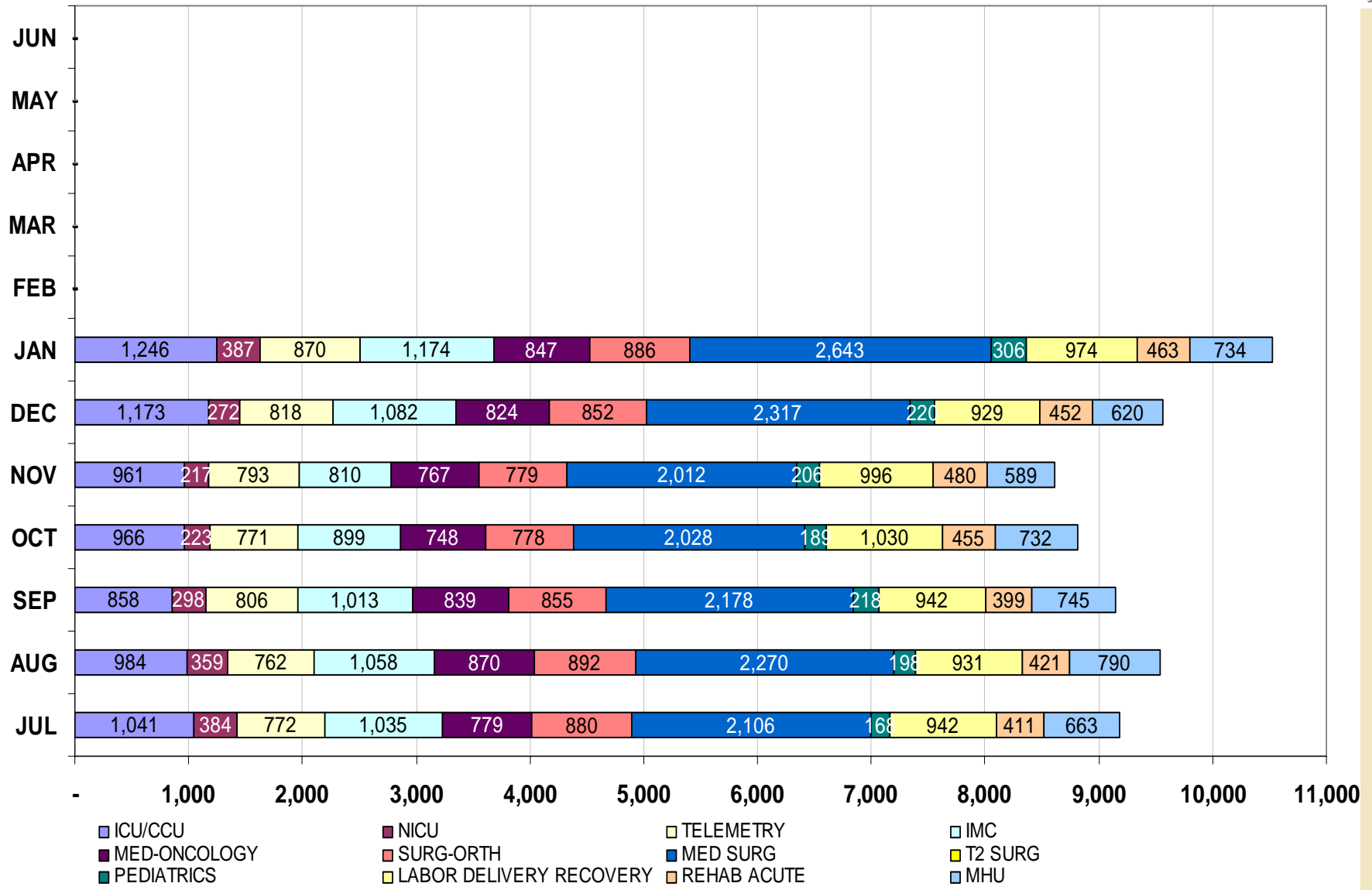


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMc	379	406	382	399	356	362	363	-	-	-	-	-	2,647	2,636
POM	100	87	95	97	88	82	110	-	-	-	-	-	659	825
CON	479	493	477	496	444	444	473	-	-	-	-	-	3,306	3,461

# Patient Days

B21

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	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	YTD	Bud YTD
PMC	6,919	7,102	6,822	6,547	6,607	7,153	7,939	-	-	-	-	-	49,089	51,294
POM	2,261	2,433	2,329	2,272	2,003	2,406	2,591	-	-	-	-	-	16,295	17,520
CON	9,180	9,535	9,151	8,819	8,610	9,559	10,530	-	-	-	-	-	65,384	68,814

**PALOMAR POMERDO HEALTH**  
**SUMMARY OF KEY INDICATORS AND RESULTS**  
**FYTD January 2007**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2006</u>
<b><u>ADMISSIONS - Acute:</u></b>				
Palomar Medical Center	12,981	12,900	81	12,603
Pomerado Hospital	3,976	4,606	(630)	4,023
<b>Total:</b>	<u>16,957</u>	<u>17,506</u>	<u>(549)</u>	<u>16,626</u>
<b><u>ADMISSIONS - SNF:</u></b>				
Palomar Medical Center	360	456	(96)	367
Pomerado Hospital	328	369	(41)	341
<b>Total:</b>	<u>688</u>	<u>825</u>	<u>(137)</u>	<u>708</u>
<b><u>PATIENT DAYS - Acute:</u></b>				
Palomar Medical Center	49,089	51,294	(2,205)	50,164
Pomerado Hospital	16,295	17,520	(1,225)	16,023
<b>Total:</b>	<u>65,384</u>	<u>68,814</u>	<u>(3,430)</u>	<u>66,187</u>
<b><u>PATIENT DAYS- SNF:</u></b>				
Palomar Medical Center	18,844	19,051	(207)	18,139
Pomerado Hospital	26,513	26,660	(147)	26,651
<b>Total:</b>	<u>45,357</u>	<u>45,711</u>	<u>(354)</u>	<u>44,790</u>

**PALOMAR POMERDO HEALTH**  
**SUMMARY OF KEY INDICATORS AND RESULTS**  
**FYTD January 2007**

	<u><b>ACTUAL</b></u>	<u><b>BUDGET</b></u>	<u><b>VARIANCE</b></u>	<u><b>FY 2006</b></u>
<b><u>WEIGHTED PATIENT DAYS:</u></b>				
Palomar Medical Center	62,335	63,828	(1,493)	62,229
Pomerado Hospital	25,853	26,472	(619)	24,436
Other Activities	1,792	2,165	(373)	1,268
<b>Total:</b>	<u><u>89,980</u></u>	<u><u>92,465</u></u>	<u><u>(2,485)</u></u>	<u><u>87,933</u></u>
<b><u>AVERAGE LENGTH OF STAY- Acute:</u></b>				
Palomar Medical Center	3.74	4.02	(0.28)	4.05
Pomerado Hospital	4.10	3.96	0.14	3.96
<b>Total:</b>	<u><u>3.82</u></u>	<u><u>4.00</u></u>	<u><u>(0.18)</u></u>	<u><u>4.03</u></u>
<b><u>AVERAGE LENGTH OF STAY - SNF:</u></b>				
Palomar Medical Center	53.69	40.53	13.16	47.99
Pomerado Hospital	82.08	73.65	8.43	79.79
<b>Total:</b>	<u><u>67.30</u></u>	<u><u>54.94</u></u>	<u><u>12.36</u></u>	<u><u>62.91</u></u>



**PALOMAR POMERADO HEALTH**  
**SUMMARY OF KEY INDICATORS AND RESULTS**  
**FYTD January 2007**

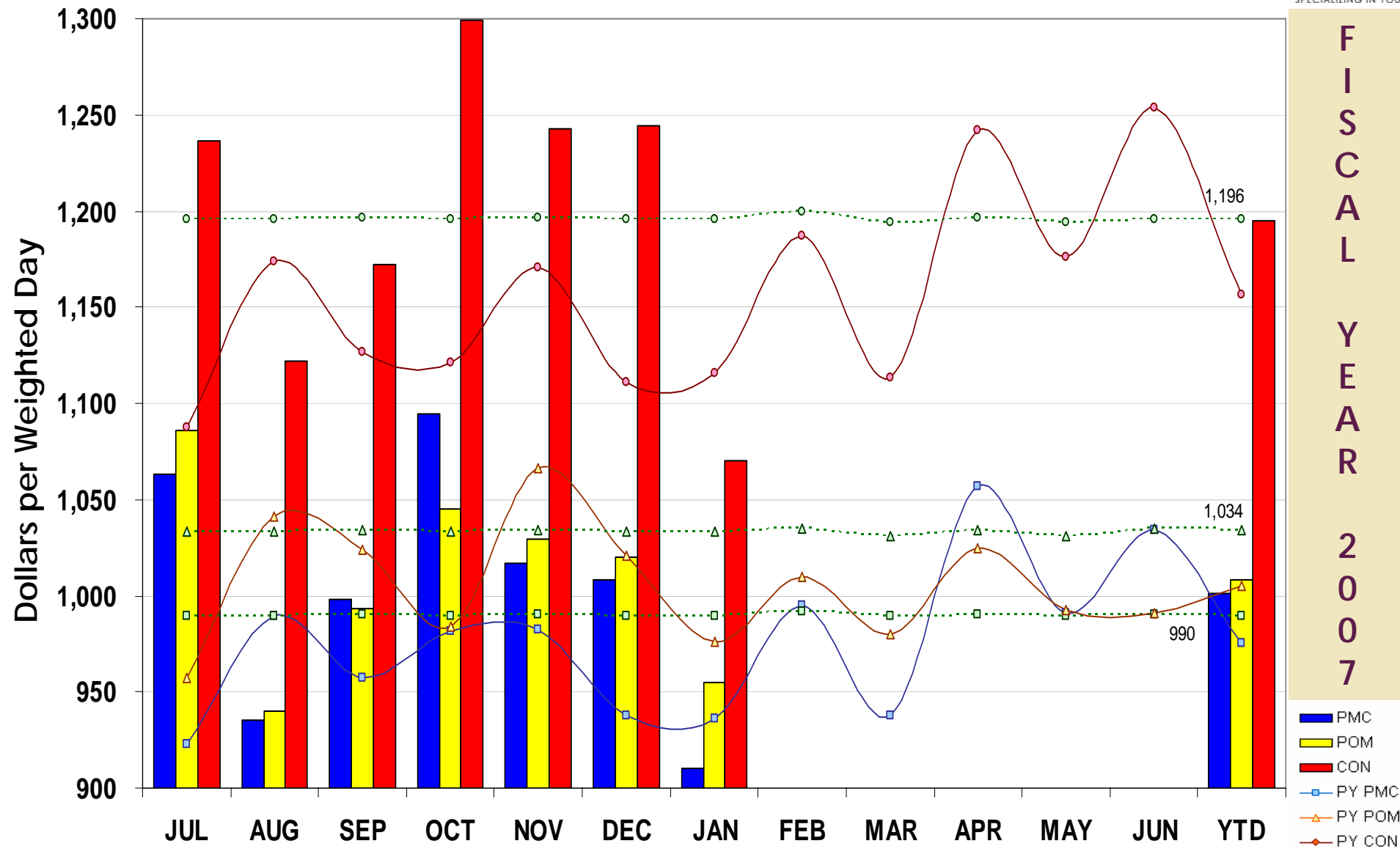
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>FY 2006</u>
<b><u>EMERGENCY ROOM VISITS &amp; TRAUMA CASES:</u></b>				
Palomar Medical Center	26,464	26,529	(65)	25,074
Pomerado Hospital	13,249	13,748	(499)	12,998
<b>Total:</b>	<u>39,713</u>	<u>40,277</u>	<u>(564)</u>	<u>38,072</u>
<b><u>EMERGENCY &amp; TRAUMA ADMISSIONS:</u></b>				
Palomar Medical Center	6,439	6,684	(245)	6,377
Pomerado Hospital	2,186	2,407	(221)	2,294
<b>Total:</b>	<u>8,625</u>	<u>9,091</u>	<u>(466)</u>	<u>8,671</u>
<b><u>SURGERIES:</u></b>				
Palomar Medical Center	4,640	4,700	(60)	4,600
Pomerado Hospital	2,159	2,519	(360)	2,261
<b>Total:</b>	<u>6,799</u>	<u>7,219</u>	<u>(420)</u>	<u>6,861</u>
<b><u>BIRTHS:</u></b>				
Palomar Medical Center	2,647	2,636	11	2,570
Pomerado Hospital	659	825	(166)	647
<b>Total:</b>	<u>3,306</u>	<u>3,461</u>	<u>(155)</u>	<u>3,217</u>

# Salaries per Weighted Patient Days

B25

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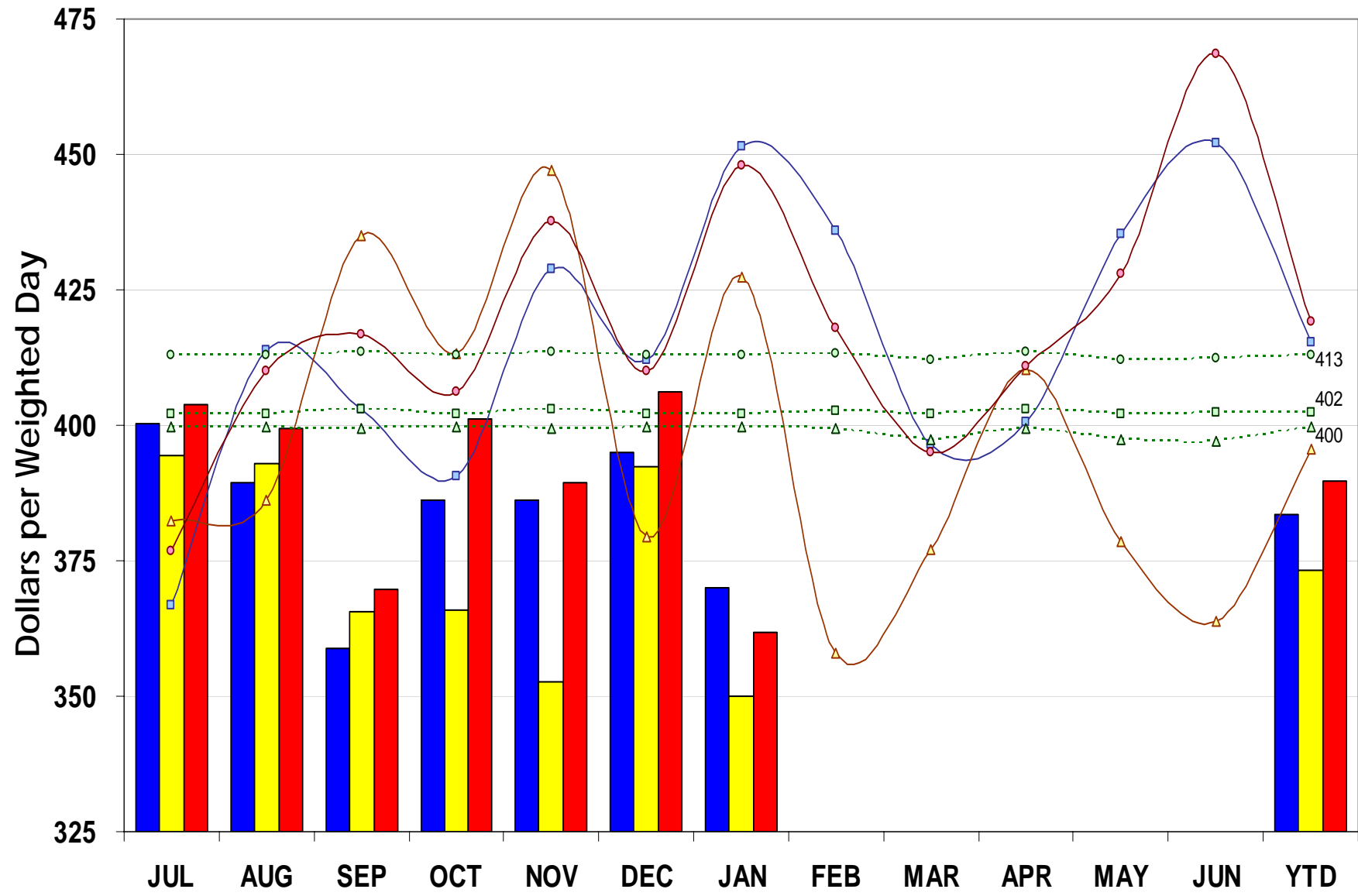


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	1,063	935	998	1,095	1,017	1,008	910	-	-	-	-	-	1,001	990
POM	1,086	940	993	1,045	1,030	1,020	955	-	-	-	-	-	1,008	1,034
CON	1,236	1,122	1,172	1,299	1,243	1,244	1,070	-	-	-	-	-	1,195	1,196

# Supplies per Weighted Patient Days

B26

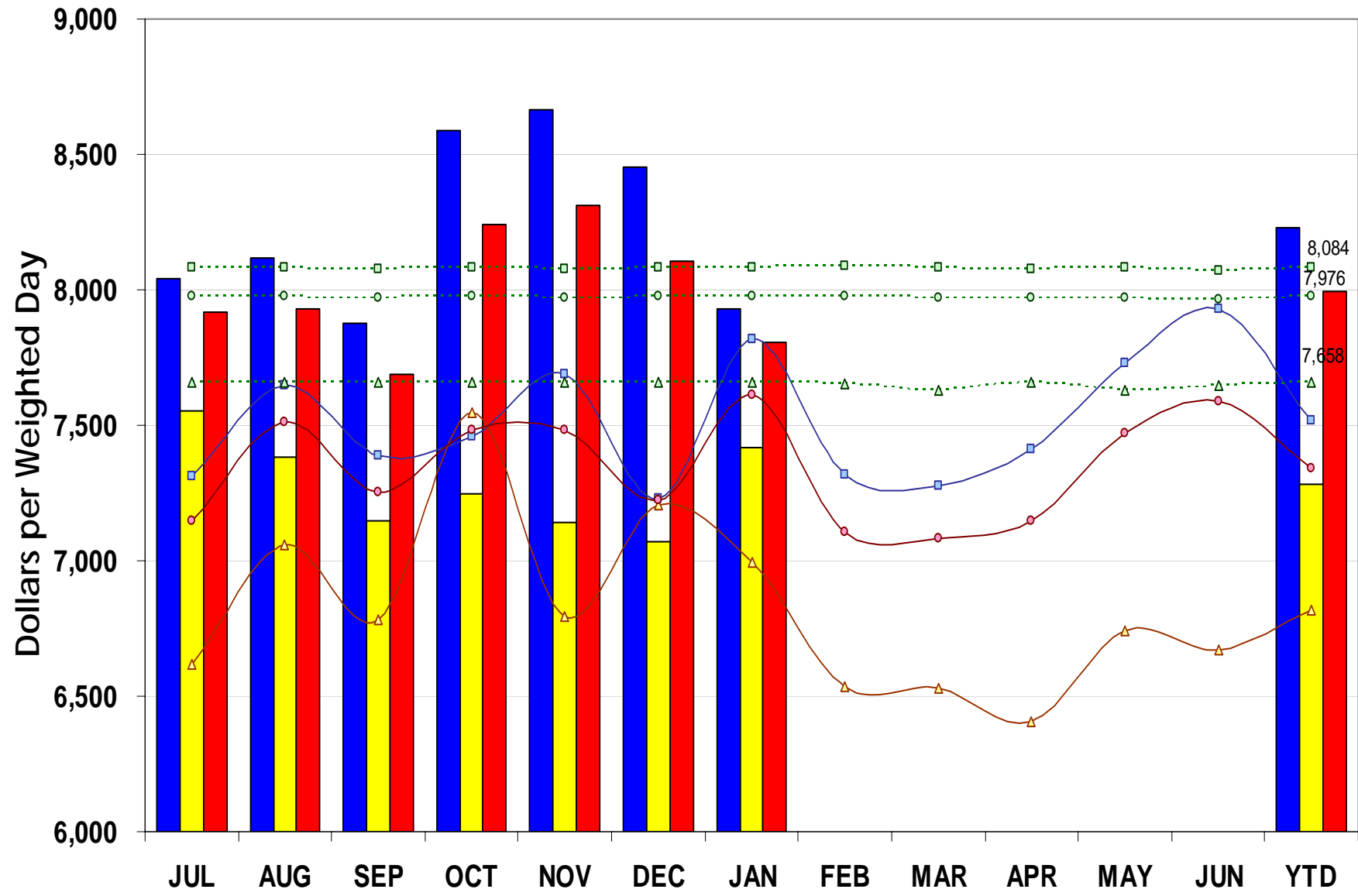
FISCAL YEAR 2007



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	400	389	359	386	386	395	370	-	-	-	-	-	383	402
POM	394	393	365	366	353	392	350	-	-	-	-	-	373	400
CON	404	399	370	401	389	406	362	-	-	-	-	-	390	413

# Gross Patient Revenue per Weighted Patient Days <sup>B27</sup>

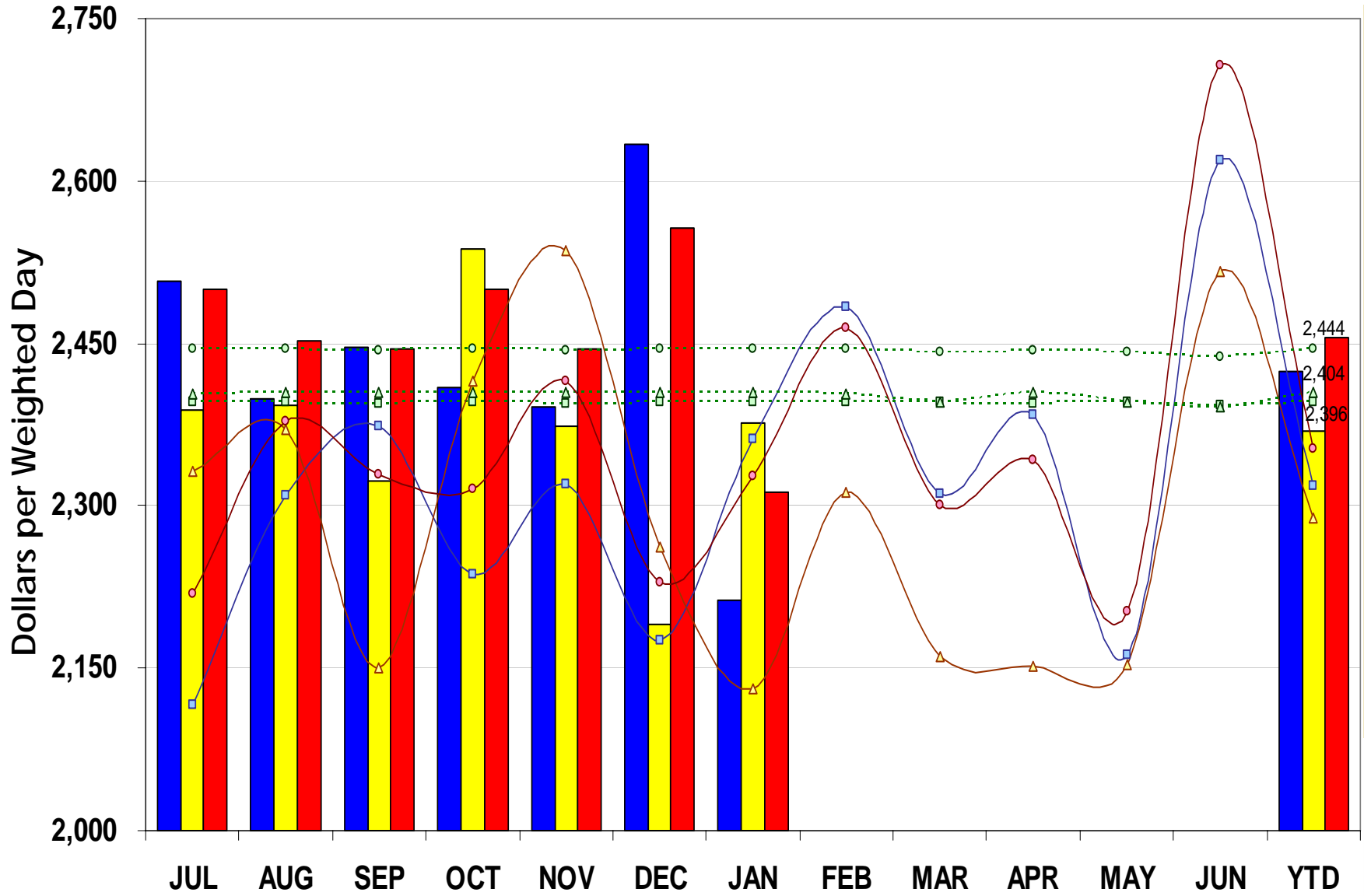
FISCAL YEAR 2007



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	8,041	8,120	7,875	8,587	8,665	8,455	7,929	-	-	-	-	-	8,229	8,084
POM	7,552	7,379	7,149	7,247	7,142	7,068	7,418	-	-	-	-	-	7,282	7,658
CON	7,921	7,932	7,690	8,242	8,311	8,106	7,803	-	-	-	-	-	7,992	7,976

# Net Patient Revenue per Weighted Patient Days B28

FISCAL YEAR 2007

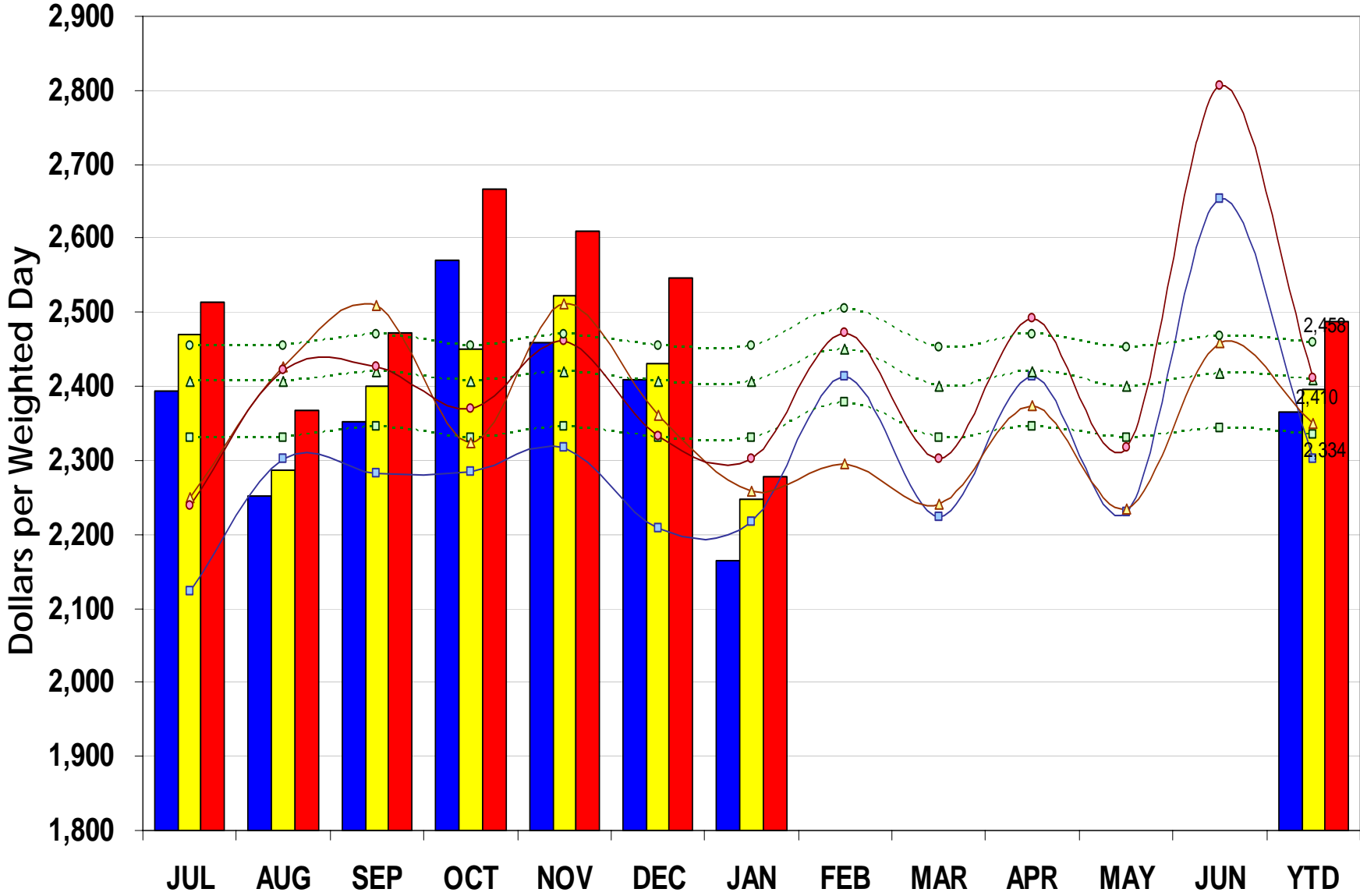


	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMc	2,508	2,398	2,446	2,410	2,391	2,634	2,213	-	-	-	-	-	2,424	2,396
POM	2,389	2,393	2,323	2,537	2,373	2,191	2,376	-	-	-	-	-	2,369	2,404
CON	2,500	2,453	2,445	2,500	2,445	2,556	2,312	-	-	-	-	-	2,456	2,444

# Total Expenses per Weighted Patient Days

B29

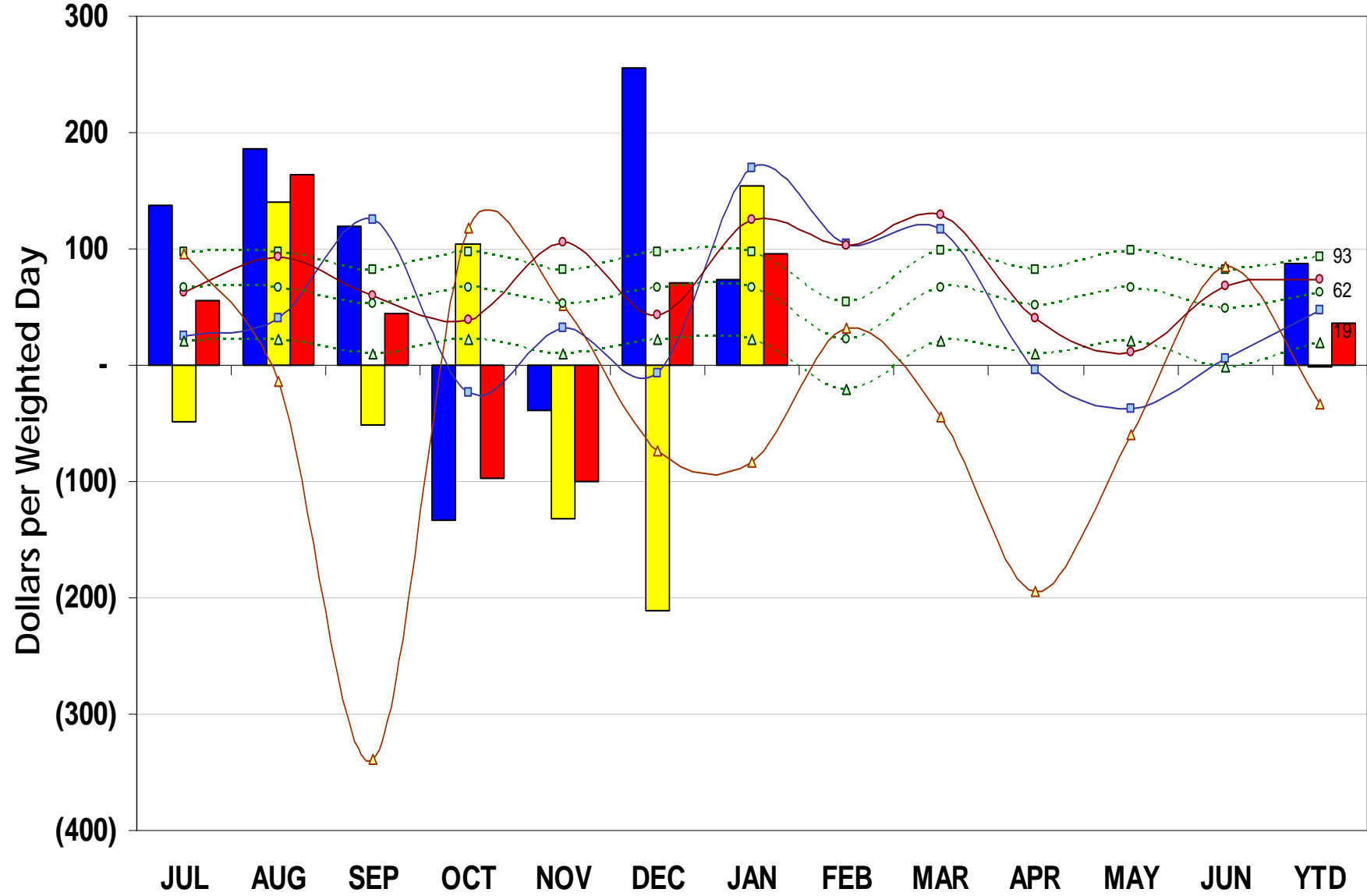
FISCAL YEAR 2007



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	2,395	2,252	2,352	2,571	2,459	2,408	2,164	-	-	-	-	-	2,365	2,334
POM	2,469	2,287	2,400	2,451	2,522	2,430	2,247	-	-	-	-	-	2,397	2,410
CON	2,514	2,367	2,473	2,665	2,610	2,546	2,278	-	-	-	-	-	2,487	2,458

# Net Operating Income per Weighted Patient Days<sup>B30</sup>

FISCAL YEAR 2007



	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>YTD</u>	<u>Bud YTD</u>
PMC	137	186	120	(133)	(39)	255	73	-	-	-	-	-	88	93
POM	(48)	140	(52)	105	(132)	(211)	155	-	-	-	-	-	(2)	19
CON	56	164	45	(98)	(100)	71	95	-	-	-	-	-	36	62

**PALOMAR POMERADO HEALTH**  
**Key Variance Explanations for January 2007**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Weighted Patient Days</b>	14,443	13,331	1,112
<b>Gross Patient Revenue:</b>	112,702,867	106,338,260	6,364,607
Due to higher volumes			
<b>Contractuals:</b>	79,663,327	73,812,302	(5,851,025)
Due to higher-than-budgeted revenues			
<b>Net Capitation:</b>	357,500	63,927	293,573
<b>Other Operating Revenue:</b>	875,290	1,007,597	(132,307)
PPH Foundation			(36,021)
PMC Auxiliary			(15,000)
Welcome Home Baby			(30,353)
PPNC Health Development			(49,723)
VHA Rebate check			22,554
Corporate Health			(13,994)



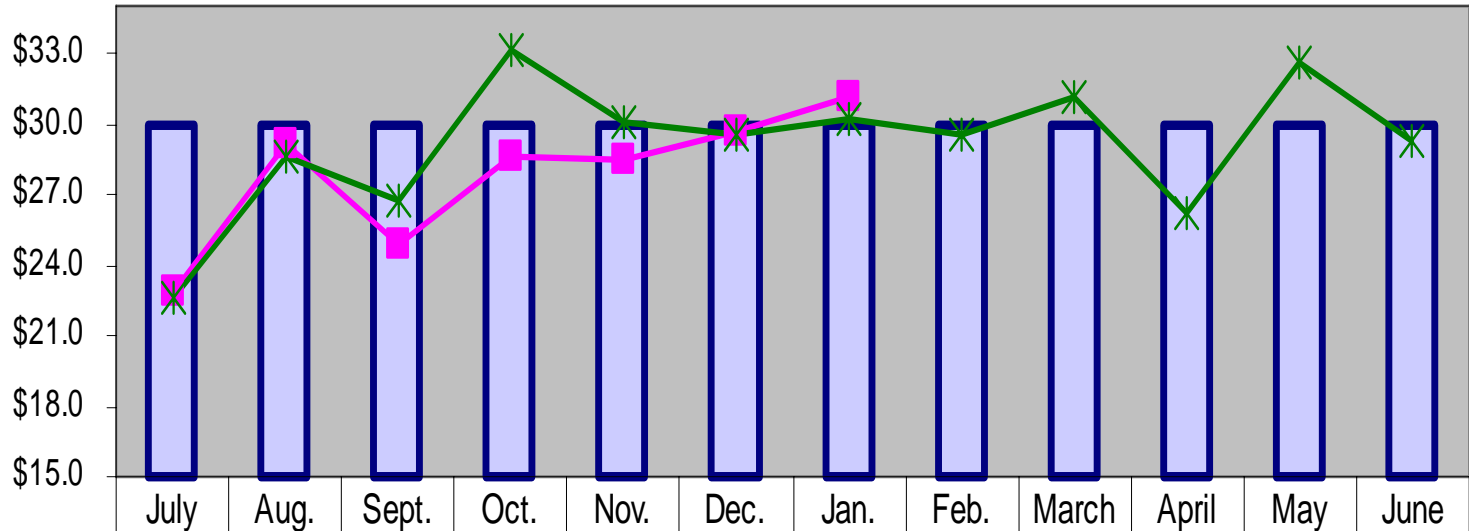
**PALOMAR POMERADO HEALTH**  
**Key Variance Explanations for January 2007 (Cont'd)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Salaries &amp; Wages:</b>	<b>14,675,777</b>	<b>15,256,595</b>	<b>580,818</b>
Volume Variance			1,820,440
Severance			(212,250)
Holiday Pay			(326,599)
Overtime, callback, productivity due to volume			(700,773)
<b>Benefits:</b>	<b>4,181,695</b>	<b>3,774,533</b>	<b>(407,162)</b>
FICA			(145,893)
Health and Dental			(70,212)
Pension			(81,111)
Other (LTD and STD)			(107,778)
<b>Contract Labor:</b>	<b>781,512</b>	<b>678,883</b>	<b>(102,629)</b>
Due to higher volumes			
<b>Professional Fees:</b>	<b>2,263,969</b>	<b>1,815,681</b>	<b>(448,288)</b>
Legal Fees			(44,522)
Admin Consulting			(126,413)
Pomerado ED calls			(70,015)
Cerner Upgrade			(58,000)
IT Strategic Plan Engagement - 4 months invoices			(75,000)
Rehabcare Therapist fees			(69,139)

**PALOMAR POMERADO HEALTH**  
**Key Variance Explanations for January 2007 (Cont'd)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<b>Supplies:</b>	5,226,986	5,503,090	276,104
<b>Purchased Services:</b>	2,339,242	2,164,495	(174,747)
IT Recovery Mgmt fees			(38,700)
Collection service fees			(49,000)
Environmental Services			(43,864)
Admitting Outstation fees			(18,702)
<b>Depreciation:</b>	1,555,220	1,573,192	17,972
Additional CIP's			(60,948)
Escondido Surgery Center			(34,868)
Fully depreciated assets			113,789
<b>Other Direct Expenses:</b>	1,873,169	1,949,210	76,041
Utilities			78,522
<b>Net Income From Operations</b>	<b>\$1,374,760</b>	<b>\$881,803</b>	<b>\$492,957</b>

### PBS Monthly Collections in Millions



FY07 Goal	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9	\$29.9
Pr. Yr Actual	\$22.6	\$28.7	\$26.8	\$33.1	\$30.1	\$29.5	\$30.2	\$29.6	\$31.2	\$26.2	\$32.6	\$29.2
Curr. Yr Actual	\$22.8	\$29.1	\$24.9	\$28.6	\$28.5	\$29.7	\$31.1					

**Palomar Pomerado Health  
Consolidated Balance Sheet  
As of January 31, 2007**

	<b>Current Month</b>	<b>Prior Month</b>	<b>Prior Fiscal Year End</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash on Hand	\$9,323,415	\$9,466,896	\$2,001,279
Cash Marketable Securities	94,393,348	93,801,600	110,035,151
<b>Total Cash &amp; Cash Equivalents</b>	<b>103,716,763</b>	<b>103,268,496</b>	<b>112,036,430</b>
<b>Patient Accounts Receivable</b>	<b>188,311,276</b>	<b>180,168,464</b>	<b>149,045,009</b>
Allowance on Accounts	-97,229,458	-90,047,561	-78,078,378
<b>Net Accounts Receivable</b>	<b>91,081,818</b>	<b>90,120,903</b>	<b>70,966,631</b>
Inventories	7,047,273	6,845,712	6,937,645
Prepaid Expenses	1,930,867	2,003,952	2,293,992
Other	8,624,406	11,047,582	3,868,903
<b>Total Current Assets</b>	<b>212,401,127</b>	<b>213,286,645</b>	<b>196,103,601</b>
<b>Non-Current Assets</b>			
Restricted Assets	203,610,330	43,771,163	66,734,609
Restricted by Donor	293,315	292,686	288,265
Board Designated	-2,050,389	908,525	9,267,526
<b>Total Restricted Assets</b>	<b>201,853,256</b>	<b>44,972,374</b>	<b>76,290,400</b>
Property Plant & Equipment	337,908,826	337,296,249	343,335,572
Accumulated Depreciation	-222,093,169	-221,875,604	-220,455,460
Construction in Process	119,217,880	115,795,783	85,858,842
<b>Net Property Plant &amp; Equipment</b>	<b>235,033,537</b>	<b>231,216,428</b>	<b>208,738,954</b>
Investment in Related Companies	1,473,658	1,437,209	268,203
Deferred Financing Costs	5,560,540	4,074,620	3,354,469
Other Non-Current Assets	2,514,807	2,514,807	2,594,765
<b>Total Non-Current Assets</b>	<b>446,435,798</b>	<b>284,215,438</b>	<b>291,246,791</b>
<b>Total Assets</b>	<b>\$658,836,925</b>	<b>\$497,502,083</b>	<b>\$487,350,392</b>

	<b>Current Month</b>	<b>Prior Month</b>	<b>Prior Fiscal Year End</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$17,326,326	\$20,061,931	\$23,154,953
Accrued Payroll	16,569,063	17,073,781	13,504,395
Accrued PTO	11,360,431	11,566,244	11,133,368
Accrued Interest Payable	2,865,061	2,045,907	2,265,274
Current Portion of Bonds	13,220,000	12,305,000	12,745,000
Est Third Party Settlements	-380,548	-1,310,255	-995,051
Other Current Liabilities	17,251,798	17,465,564	9,482,924
<b>Total Current Liabilities</b>	<b>78,212,131</b>	<b>79,208,172</b>	<b>71,290,863</b>
<b>Long Term Liabilities</b>			
Bonds & Contracts Payable	298,312,485	139,142,626	151,347,395
<b>Fund Balance</b>			
Unrestricted	284,069,382	277,950,073	255,156,342
Restricted for Other Purpose	293,315	292,686	288,265
Board Designated	-2,050,389	908,525	9,267,526
<b>Total Long Term Liabilities</b>	<b>282,312,308</b>	<b>279,151,284</b>	<b>264,712,133</b>
<b>Total Liabilities / Fund Balance</b>	<b>\$658,836,925</b>	<b>\$497,502,083</b>	<b>\$487,350,392</b>

# PALOMAR POMERADO HEALTH

**PALOMAR  
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**PALOMAR POMERADO HEALTH  
CONSOLIDATED  
Year-to-Date as of January FY 2007**

	Month Activity			Variance		\$/Wtg Pt Day		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
<b>Statistics:</b>								
Admissions - Acute	16,957	17,506	(549)					
Admissions - SNF	688	825	(137)					
Patient Days - Acute	65,384	68,814	(3,430)					
Patient Days - SNF	45,357	45,711	(354)					
ALOS - Acute	3.82	4.00	(0.18)					
ALOS - SNF	67.30	54.94	12.36					
Weighted Pt Days	89,980	92,465	(2,485)					
<b>Revenue:</b>								
Gross Revenue	\$ 719,196,488	\$ 737,453,276	\$ (18,256,788) U	\$ (19,819,082)	\$ 1,562,294	\$ 7,992.85	\$ 7,975.49	\$ 17.36
Deductions from Rev	(498,246,892)	(511,443,907)	13,197,015 F	13,745,072	(548,057)	(5,537.31)	(5,531.22)	(6.09)
Net Patient Revenue	220,949,595	226,009,369	(5,059,773) U	(6,074,009)	1,014,236	2,455.54	2,444.27	11.27
Other Oper Revenue	6,094,062	7,053,179	(959,117) U	(189,554)	(769,563)	67.73	76.28	(8.55)
<b>Total Net Revenue</b>	<b>227,043,657</b>	<b>233,062,548</b>	<b>(6,018,890) U</b>	<b>(6,263,564)</b>	<b>244,674</b>	<b>2,523.27</b>	<b>2,520.55</b>	<b>2.72</b>
<b>Expenses:</b>								
Salaries, Wages & Contr Labor	107,475,457	110,550,830	3,075,373 F	2,971,057	104,316	1,194.44	1,195.60	1.16
Benefits	27,102,330	26,283,981	(818,349) U	706,383	(1,524,732)	301.20	284.26	(16.95)
Supplies	35,056,585	38,184,032	3,127,447 F	1,026,197	2,101,250	389.60	412.96	23.35
Prof Fees & Purch Svc	29,988,719	27,706,220	(2,282,499) U	744,606	(3,027,105)	333.28	299.64	(33.64)
Depreciation	11,547,296	10,981,696	(565,600) U	295,133	(860,733)	128.33	118.77	(9.57)
Other	12,591,518	13,584,732	993,214 F	365,090	628,124	139.94	146.92	6.98
<b>Total Expenses</b>	<b>223,761,905</b>	<b>227,291,491</b>	<b>3,529,586 F</b>	<b>6,108,467</b>	<b>(2,578,881)</b>	<b>2,486.80</b>	<b>2,458.14</b>	<b>(28.66)</b>
<b>Net Inc Before Non-Oper Income</b>	<b>3,281,752</b>	<b>5,771,057</b>	<b>(2,489,304) U</b>	<b>(155,097)</b>	<b>(2,334,207)</b>	<b>36.47</b>	<b>62.41</b>	<b>(25.94)</b>
Property Tax Revenue	7,379,162	7,379,162	-	(198,315)	198,315	82.01	79.80	2.20
Non-Operating Income	1,457,701	511,406	946,295 F	(13,744)	960,039	16.20	5.53	10.67
<b>Net Income (Loss)</b>	<b>\$ 12,118,615</b>	<b>\$ 13,661,625</b>	<b>\$ (1,543,009) U</b>	<b>\$ (367,157)</b>	<b>\$ (1,175,852)</b>	<b>\$ 134.68</b>	<b>\$ 147.75</b>	<b>\$ (13.07)</b>
Net Income Margin	5.0%	5.6%	-0.6%					
OEBITDA Margin w/o Prop Tax	6.1%	6.8%	-0.7%					
OEBITDA Margin with Prop Tax	9.2%	9.9%	-0.7%					

F= Favorable variance  
U= Unfavorable variance

# PALOMAR POMERADO HEALTH

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**PALOMAR POMERADO HEALTH**  
**CONSOLIDATED**  
 Month-to-Date as of January FY 2007

	Month Activity			Variance		\$/Wtg Pt Day		
	Actual	Budget	Variance	Volume	Rate/Eff	Actual	Budget	Variance
<b>Statistics:</b>								
Admissions - Acute	2,481	2,524	(43)					
Admissions - SNF	105	119	(14)					
Patient Days - Acute	10,530	9,922	608					
Patient Days - SNF	6,526	6,591	(65)					
ALOS - Acute	4.11	4.00	0.11					
ALOS - SNF	66.59	54.93	11.66					
Weighted Pt Days	14,443	13,331	1,112					
<b>Revenue:</b>								
Gross Revenue	\$ 112,702,867	\$ 106,338,260	\$ 6,364,607 F	\$ 8,870,163	\$ (2,505,556)	\$ 7,803.29	\$ 7,976.77	\$ (173.48)
Deductions from Rev	(79,305,827)	(73,748,375)	(5,557,452) U	(6,151,691)	594,239	(5,490.95)	(5,532.10)	41.14
Net Patient Revenue	33,397,040	32,589,885	807,155 F	2,718,472	(1,911,317)	2,312.33	2,444.67	(132.34)
Other Oper Revenue	875,290	1,007,597	(132,307) U	84,048	(216,355)	60.60	75.58	(14.98)
<b>Total Net Revenue</b>	<b>34,272,330</b>	<b>33,597,482</b>	<b>674,848 F</b>	<b>2,802,520</b>	<b>(2,127,672)</b>	<b>2,372.94</b>	<b>2,520.25</b>	<b>(147.32)</b>
<b>Expenses:</b>								
Salaries, Wages & Contr Labor	15,457,289	15,935,478	478,189 F	(1,329,251)	1,807,440	1,070.23	1,195.37	125.14
Benefits	4,181,695	3,774,533	(407,162) U	(314,851)	(92,311)	289.53	283.14	(6.39)
Supplies	5,226,986	5,503,090	276,104 F	(459,038)	735,142	361.90	412.80	50.90
Prof Fees & Purch Svc	4,603,211	3,980,176	(623,035) U	(332,005)	(291,030)	318.72	298.57	(20.15)
Depreciation	1,555,220	1,573,192	17,972 F	(131,227)	149,199	107.68	118.01	10.33
Other	1,873,169	1,949,210	76,041 F	(162,593)	238,634	129.69	146.22	16.52
<b>Total Expenses</b>	<b>32,897,570</b>	<b>32,715,679</b>	<b>(181,891) U</b>	<b>(2,728,965)</b>	<b>2,547,074</b>	<b>2,277.75</b>	<b>2,454.11</b>	<b>176.35</b>
<b>Net Inc Before Non-Oper Income</b>	<b>1,374,760</b>	<b>881,803</b>	<b>492,957 F</b>	<b>73,555</b>	<b>419,402</b>	<b>95.19</b>	<b>66.15</b>	<b>29.04</b>
Property Tax Revenue	1,054,166	1,054,166	- -	87,933	(87,933)	72.99	79.08	(6.09)
Non-Operating Income	(78,623)	73,058	(151,681) U	6,094	(157,775)	(5.44)	5.48	(10.92)
<b>Net Income (Loss)</b>	<b>\$ 2,350,303</b>	<b>\$ 2,009,027</b>	<b>\$ 341,276 F</b>	<b>\$ 167,582</b>	<b>\$ 173,694</b>	<b>\$ 162.73</b>	<b>\$ 150.70</b>	<b>\$ 12.03</b>
Net Income Margin	6.5%	5.7%	0.8%					
OEBITDA Margin w/o Prop Tax	8.1%	7.0%	1.1%					
OEBITDA Margin with Prop Tax	11.0%	9.9%	1.1%					

F= Favorable variance  
 U= Unfavorable variance

# PALOMAR POMERADO HEALTH

PALOMAR  
 POMERADO  
 HEALTH  
 SPECIALIZING IN YOU

**PALOMAR POMERADO HEALTH**  
**CONSOLIDATED**  
**MONTHLY TREND - FY 2007**

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	YTD
<b>Statistics:</b>								
Admissions - Acute	2,402	2,464	2,443	2,384	2,323	2,460	2,481	16,957
Admissions - SNF	104	99	90	104	87	99	105	688
Patient Days - Acute	9,180	9,535	9,151	8,819	8,610	9,559	10,530	65,384
Patient Days - SNF	6,635	6,517	6,308	6,590	6,278	6,503	6,526	45,357
LOS - Acute	3.86	3.82	3.70	3.64	3.74	3.88	4.11	3.82
LOS - SNF	72.12	63.27	64.37	69.37	64.72	71.46	66.59	67.30
Weighted Pt Days	12,517	13,150	12,568	12,431	12,042	12,813	14,443	89,980
<b>Revenue:</b>								
Gross Revenue	\$ 99,141,914	\$ 104,303,733	\$ 96,648,451	\$ 102,455,908	\$ 100,077,561	\$ 103,866,051	\$ 112,702,867	\$ 719,196,488
Deductions from Rev	(67,846,129)	(72,046,060)	(65,925,304)	(71,374,464)	(70,633,148)	(71,115,954)	(79,305,827)	(498,246,892)
Net Patient Revenue	31,295,785	32,257,673	30,723,147	31,081,444	29,444,413	32,750,097	33,397,040	220,949,595
Other Oper Revenue	872,741	1,024,339	917,501	836,197	790,479	777,515	875,290	6,094,062
<b>Total Net Revenue</b>	<b>32,168,526</b>	<b>33,282,012</b>	<b>31,640,648</b>	<b>31,917,641</b>	<b>30,234,892</b>	<b>33,527,612</b>	<b>34,272,330</b>	<b>227,043,657</b>
<b>Expenses:</b>								
Salaries, Wages & Contr Labor	15,474,327	14,754,829	14,727,754	16,146,815	14,968,840	15,945,604	15,457,289	107,475,457
Benefits	3,710,570	3,719,161	3,639,220	4,022,437	3,833,574	3,995,671	4,181,695	27,102,330
Supplies	5,053,134	5,252,262	4,645,918	4,986,864	4,688,222	5,203,199	5,226,986	35,056,585
Prof Fees & Purch Svc	3,957,885	4,023,887	4,535,289	4,491,200	4,212,258	4,164,990	4,603,211	29,988,719
Depreciation	1,647,188	1,661,866	1,661,093	1,668,606	1,672,974	1,680,349	1,555,220	11,547,296
Other	1,626,284	1,709,799	1,872,046	1,818,374	2,059,500	1,632,347	1,873,169	12,591,518
<b>Total Expenses</b>	<b>31,469,388</b>	<b>31,121,804</b>	<b>31,081,320</b>	<b>33,134,296</b>	<b>31,435,368</b>	<b>32,622,160</b>	<b>32,897,570</b>	<b>223,761,905</b>
<b>Net Inc Before Non-Oper Income</b>	<b>699,138</b>	<b>2,160,208</b>	<b>559,328</b>	<b>(1,216,655)</b>	<b>(1,200,476)</b>	<b>905,452</b>	<b>1,374,760</b>	<b>3,281,752</b>
Property Tax Revenue	1,054,166	1,054,166	1,054,166	1,054,166	1,054,166	1,054,166	1,054,166	7,379,162
Non-Operating Income	427,875	505,503	338,114	190,429	298,286	(223,879)	(78,623)	1,457,701
<b>Net Income (Loss)</b>	<b>\$ 2,181,179</b>	<b>\$ 3,719,874</b>	<b>\$ 1,951,605</b>	<b>\$ 27,940</b>	<b>\$ 151,976</b>	<b>\$ 1,735,739</b>	<b>\$ 2,350,303</b>	<b>\$ 12,118,615</b>
Net Income Margin	6.5%	10.0%	6.1%	0.1%	0.5%	4.8%	6.5%	5.0%
OEBITDA Margin w/o Prop Tax	6.9%	10.3%	6.9%	1.3%	1.4%	7.1%	8.1%	6.1%
OEBITDA Margin with Prop Tax	10.1%	13.2%	10.2%	4.4%	4.6%	10.0%	11.0%	9.2%

**Palomar Pomerado Health**  
**STATEMENTS OF CASH FLOWS**  
**Fiscal Year 2007**

	<u>January</u>	<u>YTD</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Income (Loss from operations)	1,374,760	3,281,253
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation Expense	1,555,220	11,547,297
Provision for bad debts	2,860,686	21,555,891
Changes in operating assets and liabilities:		
Patient accounts receivable	(3,821,601)	(41,612,729)
Property Tax and other receivables	(775,638)	(3,780,477)
Inventories	(201,561)	(109,628)
Prepaid expenses and Other Non-Current assets	36,636	(794,416)
Accounts payable	(2,735,605)	(13,298,322)
Accrued comp	(710,531)	1,202,412
Estimated settlement amounts due third-party payors	929,707	684,549
Other current liabilities	840,400	5,050,450
Net cash provided by operating activities	<u>(647,527)</u>	<u>(16,273,720)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net (purchases) sales on investments	(157,472,630)	(109,921,053)
Interest (Loss) received on investments	365,848	4,350,965
Investment in affiliates	129,316	1,022,487
Net cash used in investing activities	<u>(156,977,466)</u>	<u>(104,547,601)</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:</b>		
Receipt of G.O. Bond Taxes	1,432,059	6,106,737
Receipt of District Taxes	1,637,440	7,107,482
Net cash used in activities	<u>3,069,499</u>	<u>13,214,219</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition of property plant and equipment	(4,614,880)	(35,166,263)
Proceeds from sale of asset	0	11,400
G.O. Bond Interest paid	0	(1,838,488)
Revenue Bond Interest paid	0	(2,068,283)
Proceeds from issuance of debt	159,026,893	159,026,893
Payments of LT Debt	0	(12,745,000)
Net cash used in activities	<u>154,412,013</u>	<u>107,220,259</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(143,481)</b>	<b>(386,843)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of period</b>	<b><u>9,466,896</u></b>	<b><u>9,710,258</u></b>
<b>CASH AND CASH EQUIVALENTS - End of period</b>	<b><u>9,323,415</u></b>	<b><u>9,323,415</u></b>



## PALOMAR POMERADO HEALTH BOND COVENANT RATIOS

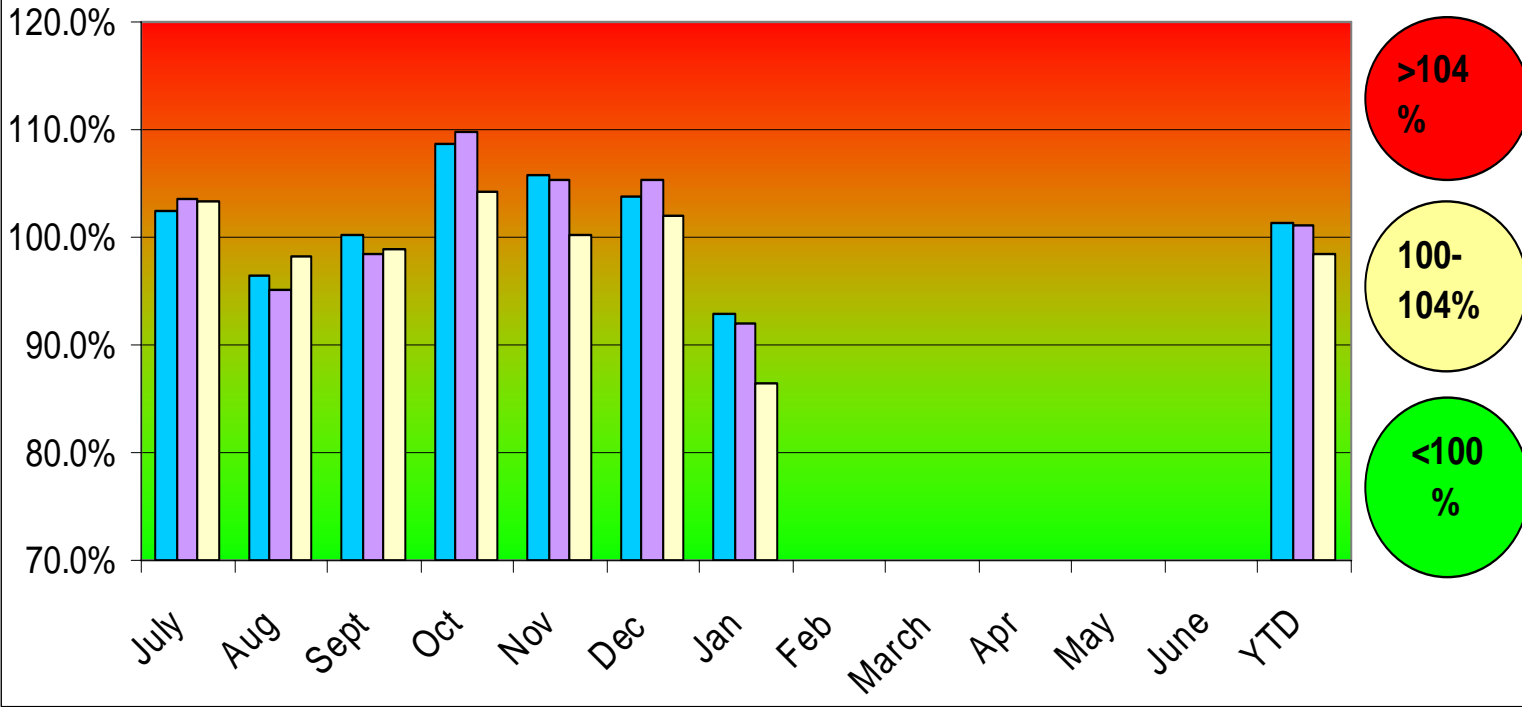
<b>CUSHION RATIO</b>	<b>Jun-05</b>	<b>Jun-06</b>	<b>Jan-07</b>
Cash and Cash Equivalents	109,043,208	112,036,430	97,991,412
Board Designated Reserves	22,388,648	9,267,526	(2,050,389)
Trustee-held Funds	12,026,055	12,170,183	166,983,372
Total	143,457,911	133,474,139	262,924,395
Divided by:			
Max Annual Debt Service (Bond Year 2008)	10,697,594	10,697,594	16,972,692
<b>CUSHION RATIO</b>	<b>13.4</b>	<b>12.5</b>	<b>15.5</b>
<b>REQUIREMENT</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>

<b>DAYS CASH ON HAND</b>	<b>Jun-05</b>	<b>Jun-06</b>	<b>Jan-07</b>
Cash and Cash Equivalents	109,043,208	112,036,430	97,991,412
Board Designated Reserves	22,388,648	9,267,526	(2,050,389)
Total	131,431,856	121,303,956	95,941,023
Divide Total by Average Adjusted Expenses per Day			
Total Expenses	340,338,156	364,120,335	223,761,905
Less: Depreciation	16,394,985	18,737,467	11,547,296
Adjusted Expenses	323,943,171	345,382,868	212,214,609
Number of days in period	365	365	215
Average Adjusted Expenses per Day	887,516	946,254	987,045
<b>DAYS CASH ON HAND</b>	<b>148</b>	<b>128</b>	<b>97</b>
<b>REQUIREMENT</b>	<b>90</b>	<b>90</b>	<b>90</b>
	<b>Achieved</b>	<b>Achieved</b>	<b>Achieved</b>

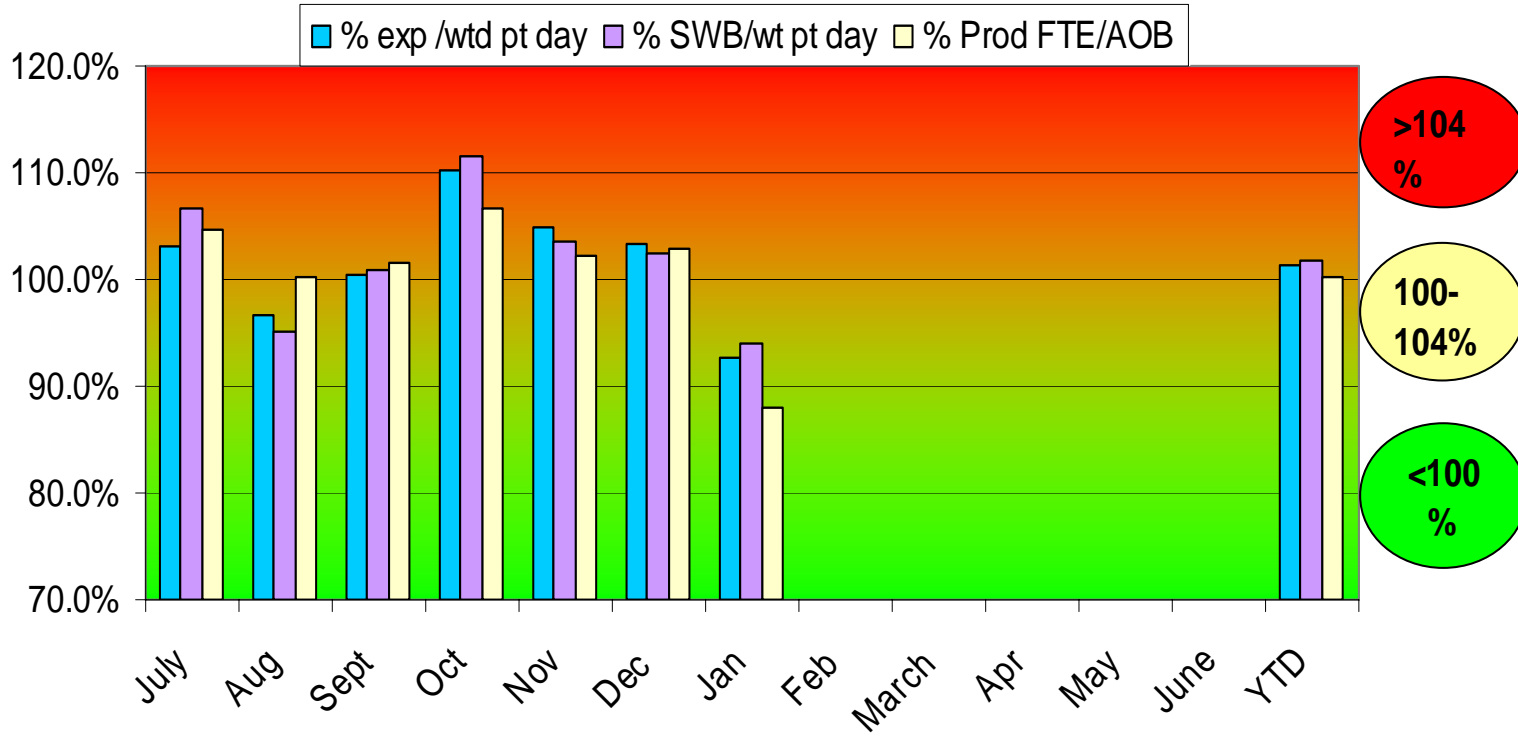
<b>Net Income Available for Debt Service</b>	<b>Jun-05</b>	<b>Jun-06</b>	<b>Jan-07</b>
Excess of revenue over expenses Cur Mo.	1,490,930	1,315,850	2,350,304
Excess of revenues over expenses YTD (General Funds)	17,052,649	11,558,633	12,118,615
ADD:			
Depreciation and Amortization	16,394,985	18,737,467	11,547,296
Interest Expense	5,272,031	4,405,929	2,834,595
Net Income Available for Debt Service	38,719,665	34,702,029	26,500,506
Aggregate Debt Service			
1993 Insured Refunding Revenue Bonds	6,020,301	3,639,772	0
1999 Insured Refunding Revenue Bonds	4,356,844	6,950,508	4,812,047
2006 Certificates of Participation			1,249,526
Aggregate Debt Service	10,377,145	10,590,280	4,812,047
<b>Net Income Available for Debt Service</b>	<b>3.73</b>	<b>3.28</b>	<b>5.51</b>
<b>Required Coverage</b>	<b>1.15</b>	<b>1.15</b>	<b>1.15</b>

### PPH Total Consolidated Financial Indicators BSC-FY07

■ % exp /wtd pt day   ■ % SWB/wt pt day   ■ % Prod FTE/AOB

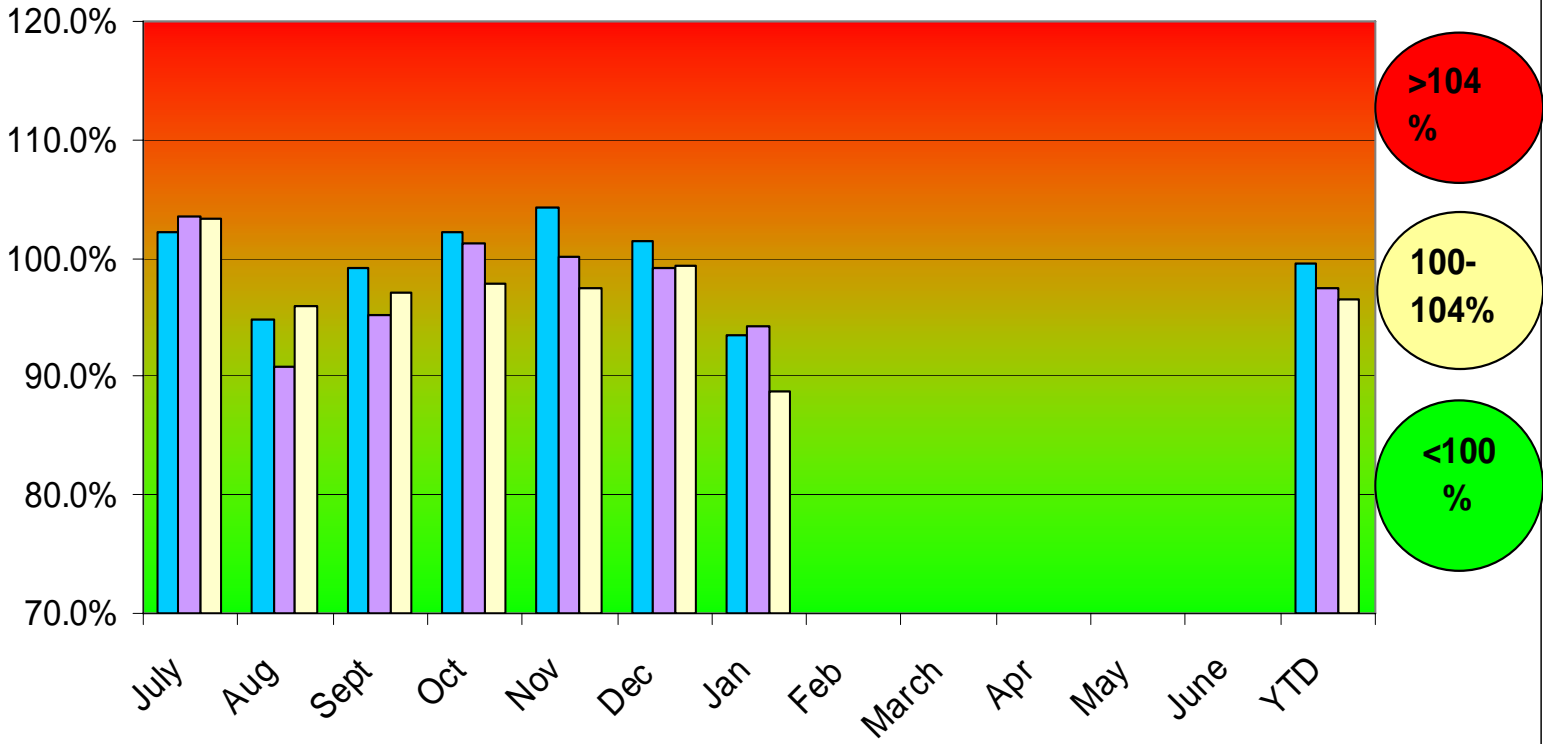


### PPH North Consolidated Financial Indicators BSC-FY07

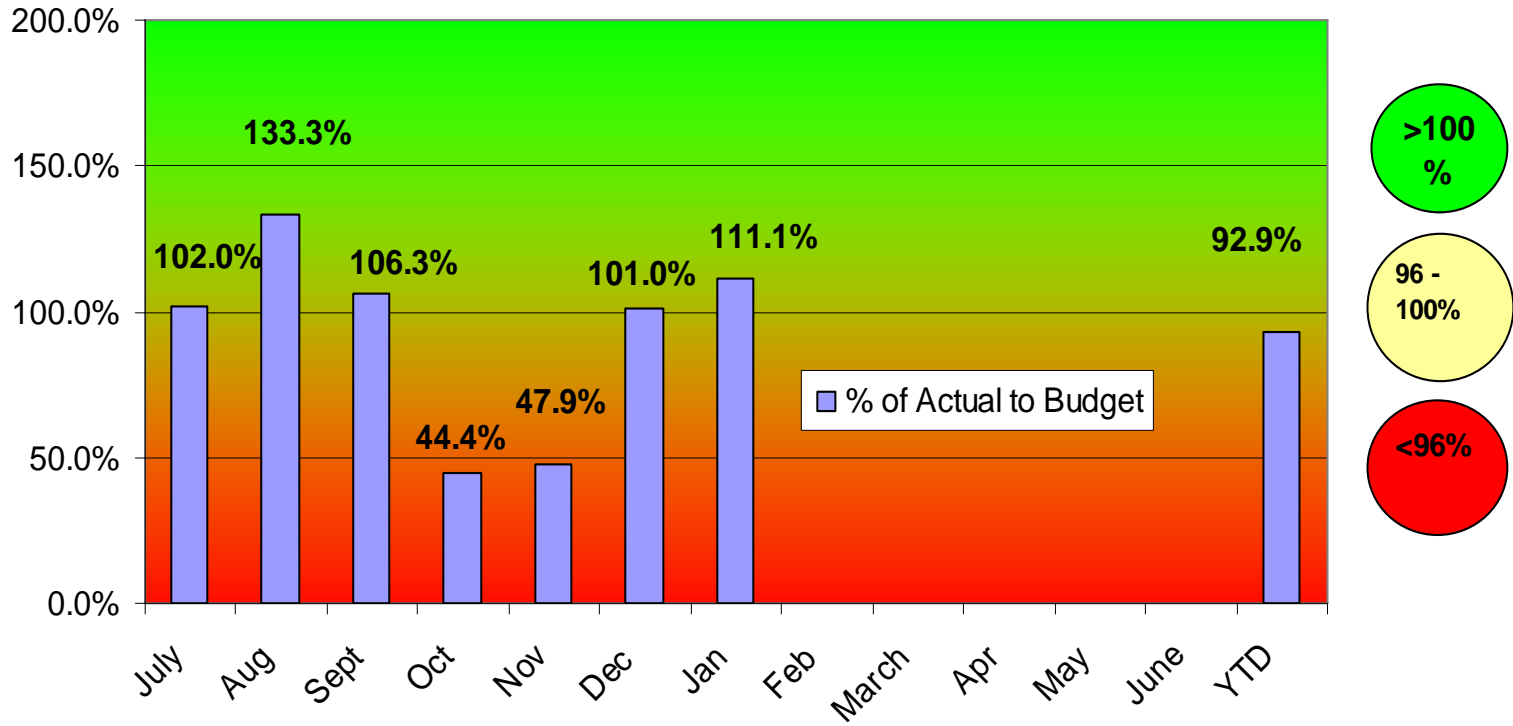


### PPH South Consolidated Financial Indicators BSC-FY07

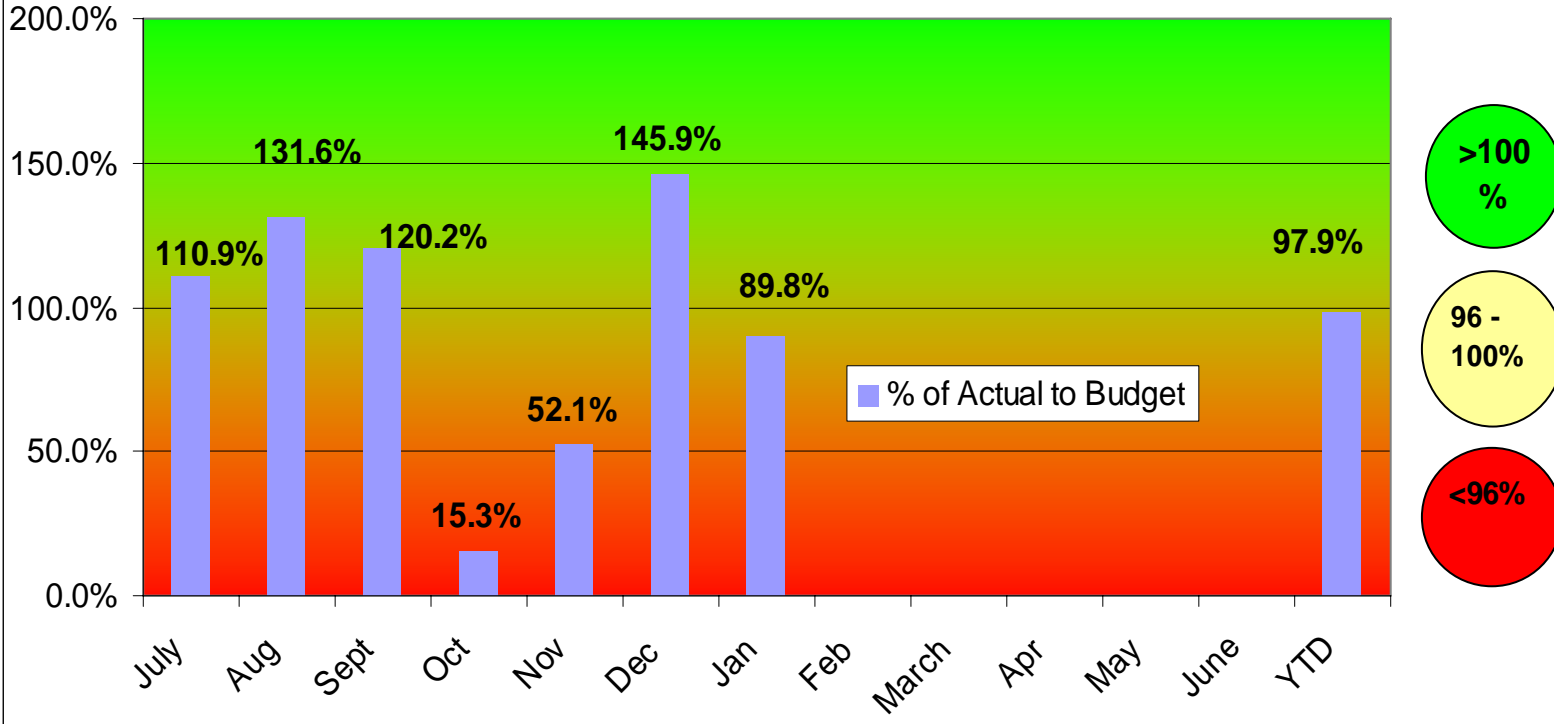
■ % exp /wtd pt day   ■ % SWB/wt pt day   ■ % Prod FTE/AOB



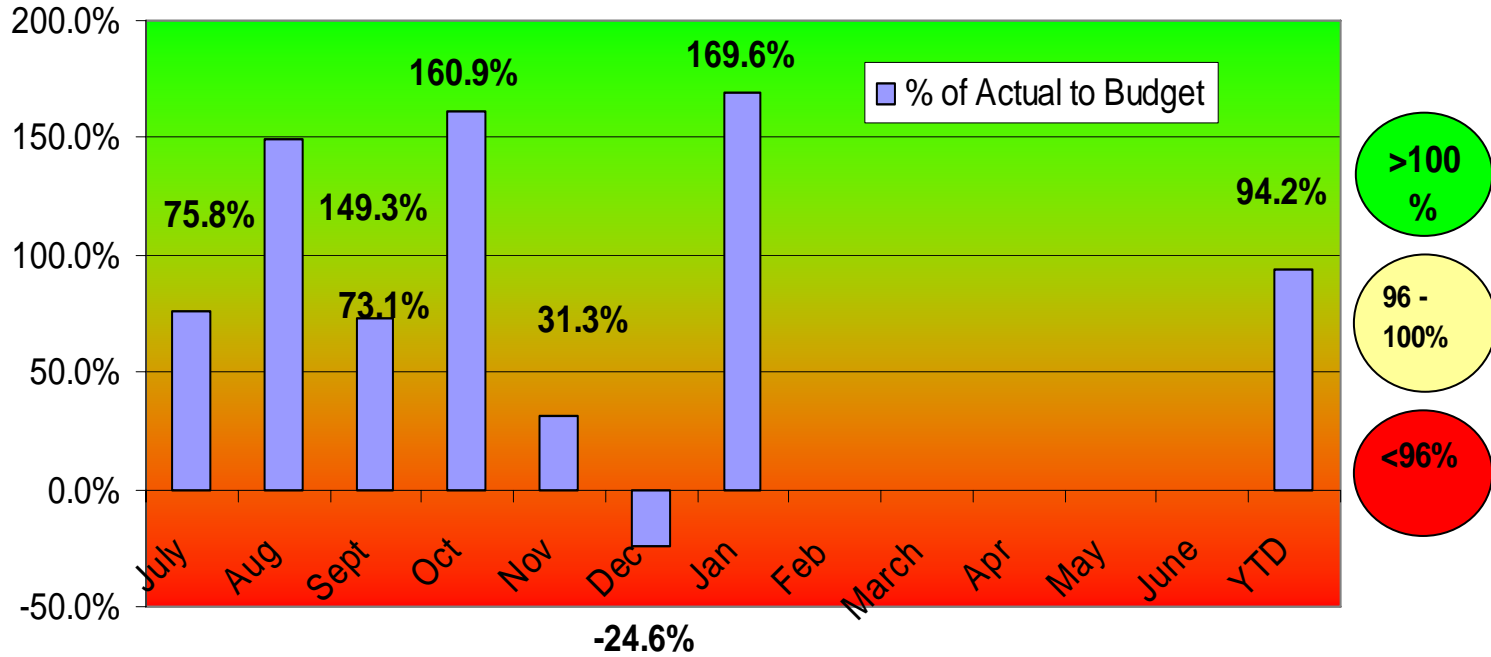
### PPH Total Consolidated OEBITDA w/ Prop Taxes -FY07



### PPH North Consolidated OEBITDA w/ Prop Taxes - FY07



### PPH South Consolidated OEBITDA w/ Prop Taxes - FY07



# PPH Weekly Flash Report

February 07	Feb 2-8	Feb 9-15	MTD Total	MTD Budget	% Variance
ADC (Acute)	322	309	315	320	(1.44)
PMC	239	234	237	239	(0.84)
POM	83	75	79	81	(3.20)
PCCC	93	87	90	89	1.65
VP	124	126	125	124	1.09
<b>Patient Days (Acute)</b>	<b>2253</b>	<b>2163</b>	<b>4,416</b>	<b>4,481</b>	<b>(1.44)</b>
PMC	1675	1637	3,312	3,340	(0.84)
POM	578	526	1,104	1,141	(3.20)
PCCC	649	612	1,261	1,241	1.65
VP	870	885	1,755	1,736	1.09
<b>Discharges</b>	<b>530</b>	<b>493</b>	<b>1,023</b>	<b>1,140</b>	<b>(10.26)</b>
PMC	391	386	777	840	(7.50)
POM	139	107	246	300	(18.00)
<b>Number of Surgeries</b>	<b>240</b>	<b>222</b>	<b>462</b>	<b>471</b>	<b>(1.81)</b>
PMC	163	145	308	307	0.49
POM	77	77	154	164	(6.10)
<b>Number of Births</b>	<b>89</b>	<b>79</b>	<b>168</b>	<b>225</b>	<b>(25.33)</b>
PMC	75	70	145	172	(15.45)
POM	14	9	23	54	(57.01)
<b>Outpatient Visits (inc.)</b>	<b>2035</b>	<b>1966</b>	<b>4,001</b>	<b>3,829</b>	<b>4.51</b>
PMC	1273	1247	2,520	2,611	(3.47)
POM	762	719	1,481	1,218	21.59
<b>ER Visits</b>	<b>1815</b>	<b>1807</b>	<b>3,622</b>	<b>3,214</b>	<b>12.69</b>
PMC	1265	1251	2,516	2,162	16.37
POM	550	556	1,106	1,052	5.13
<b>Trauma Visits</b>	<b>15</b>	<b>31</b>	<b>46</b>	<b>48</b>	<b>(3.16)</b>
IP	10	25	35	36	(1.41)
OP	5	6	11	12	(8.33)



## PPH Weekly Flash Report

February 07	Feb 2-8	Feb 9-15			MTD Total	MTD Budget	% Variance
Gross IP Revenue	19,078,315	18,488,883			37,567,198	37,454,713	0.30
Gross OP Revenue	5,296,567	5,178,823			10,475,390	10,569,115	(0.89)
Cash Collection	7,186,610	8,449,143			15,635,753	18,871,647	(17.15)
Days cash on hand	104	106			106	80	
Productive Hrs (PP16)	212,088				212,088	221,042	4.05
PMC - North	122,429				122,429	127,878	4.26
POM - South	53,947				53,947	56,051	3.75
Others	35,712				35,712	37,113	3.77
Productive \$ (PP16)	6,505,750				6,505,750	6,652,724	2.21
PMC - North	3,772,787				3,772,787	3,852,275	2.06
POM - South	1,576,285				1,576,285	1,631,633	3.39
Others	1,156,678				1,156,678	1,168,816	1.04