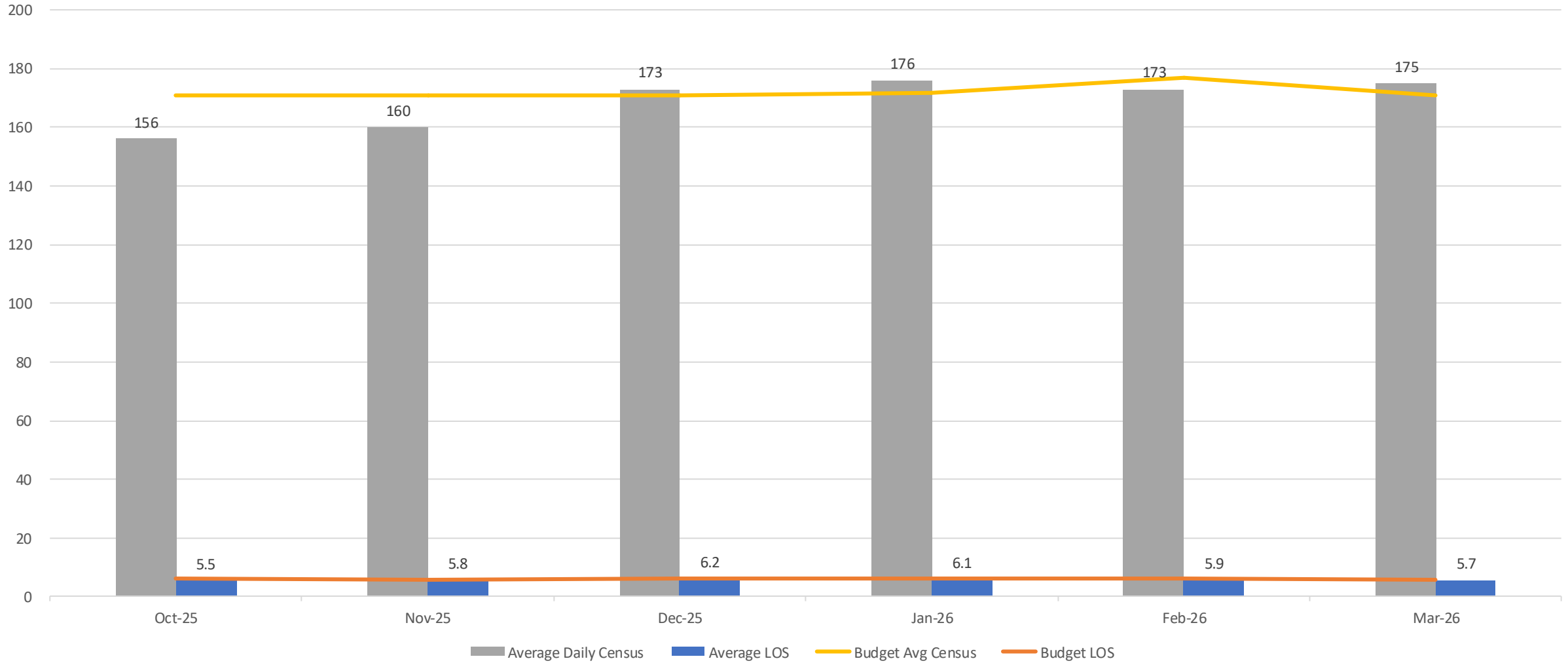




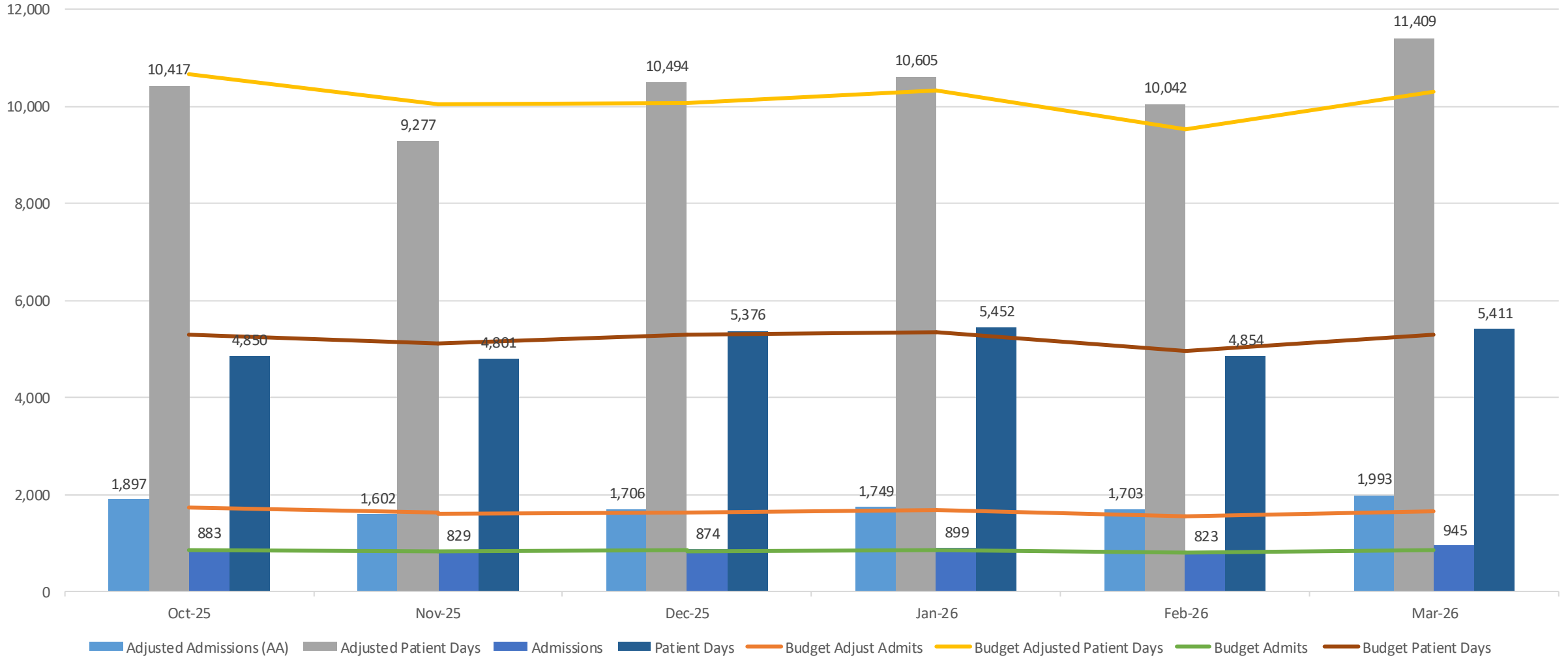
Board of Governors' Report
Kern Medical – March 2026

Census & ALOS



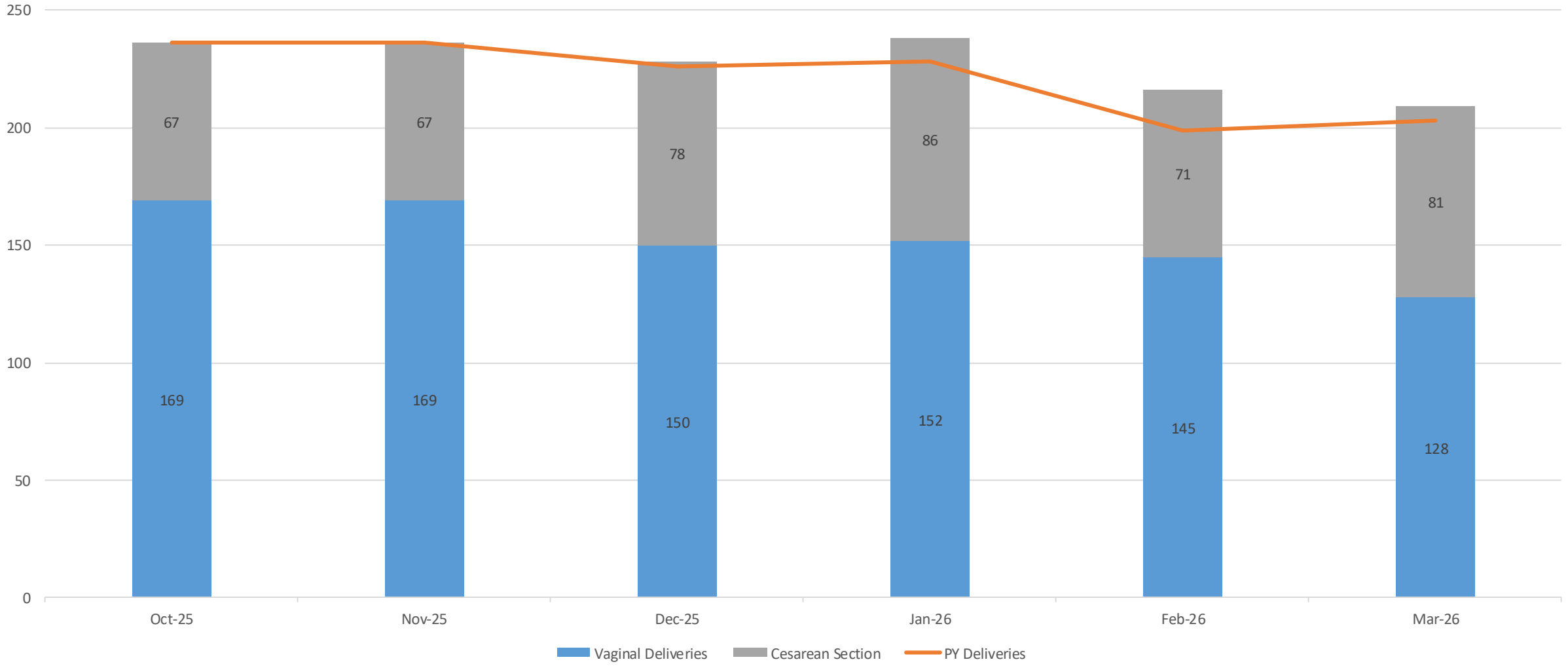
Slide 2

Hospital Volumes



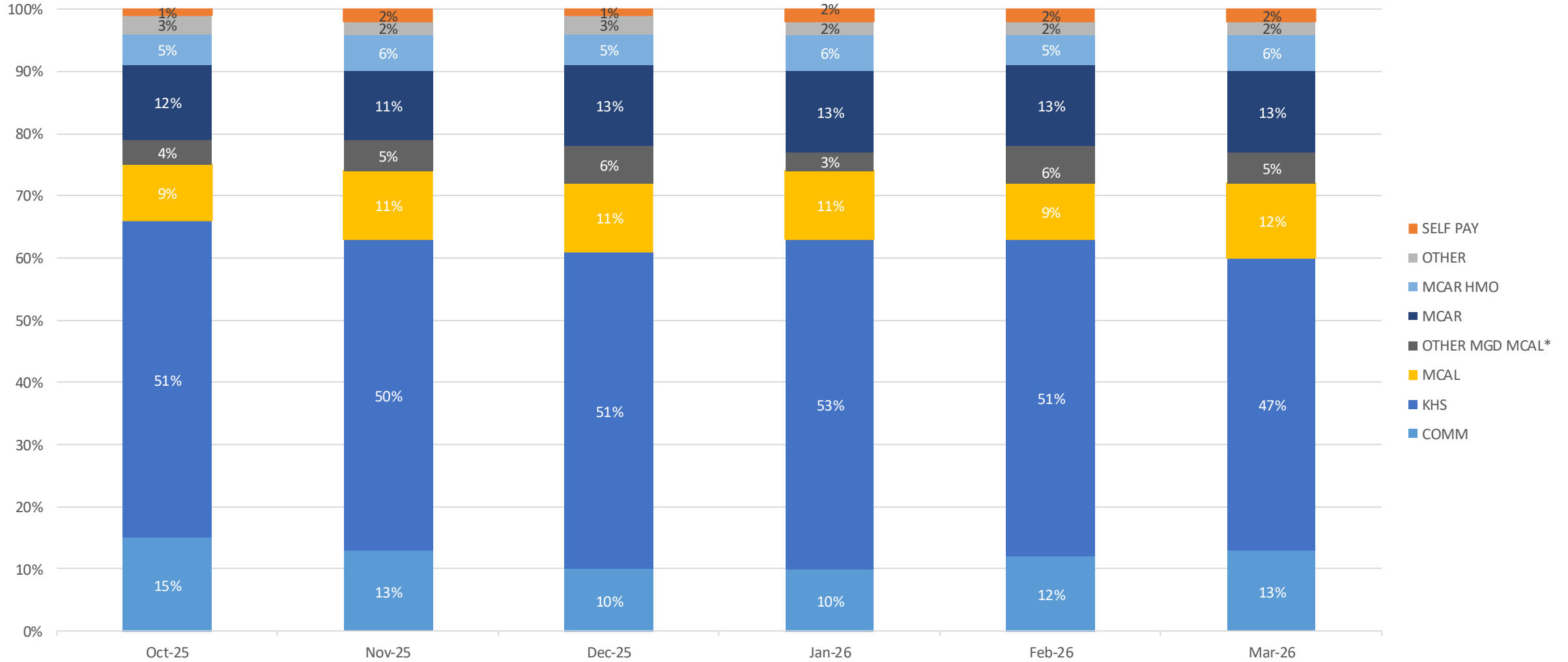
Slide 3

Deliveries



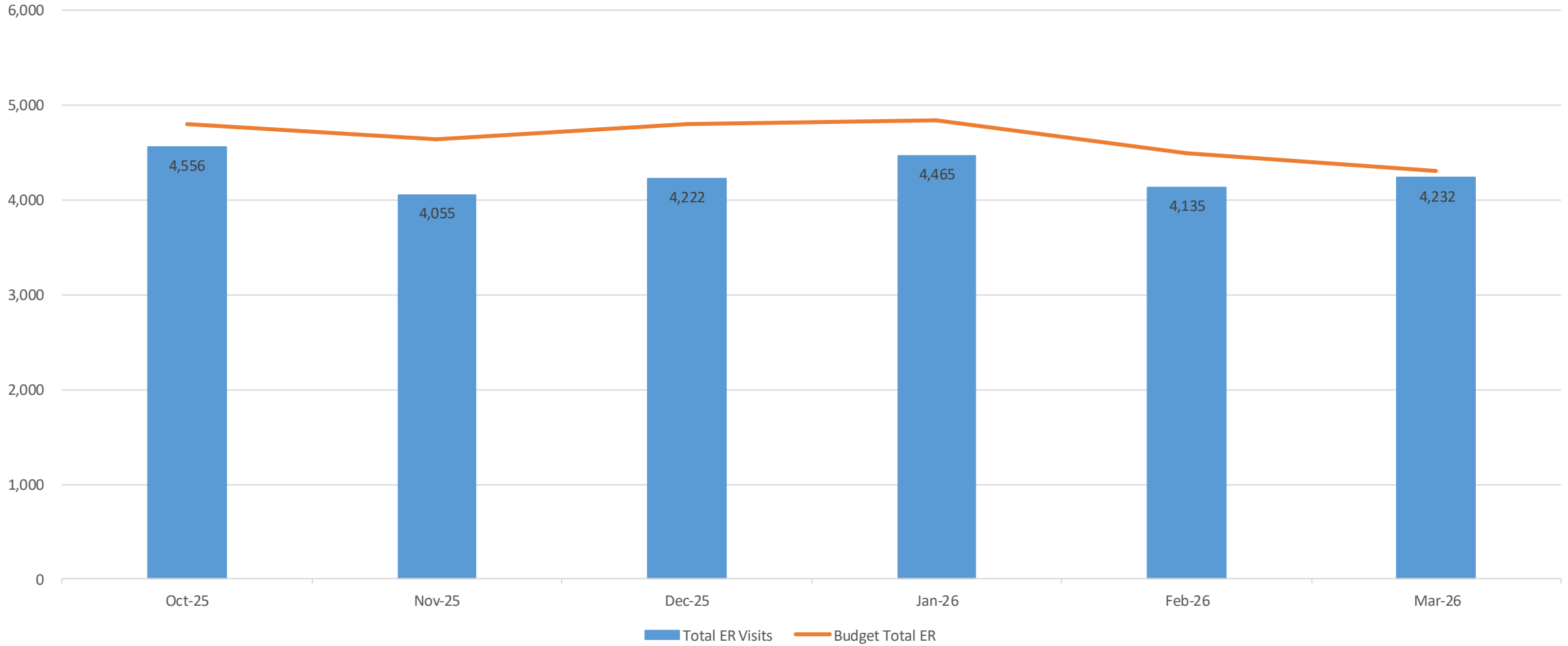
Slide 4

PAYER MIX



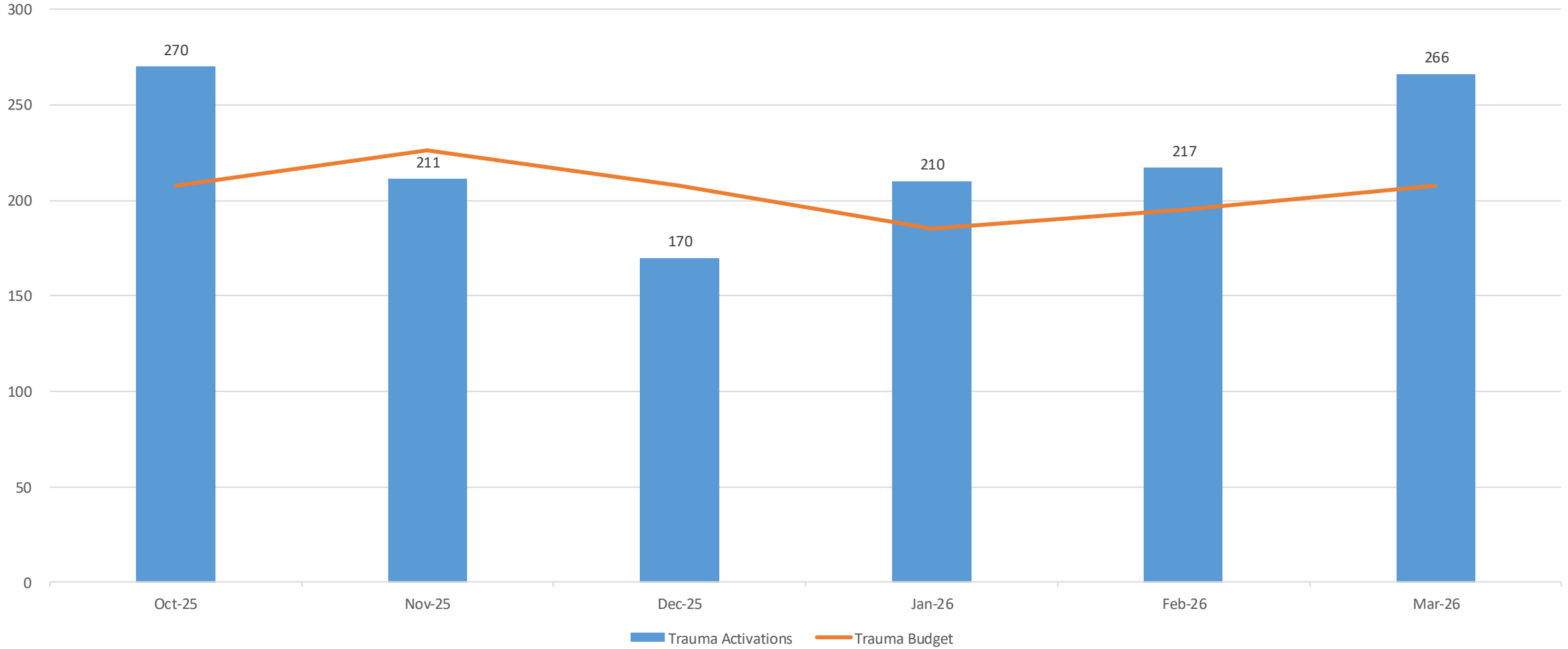
Slide 5

Emergency Room Volume



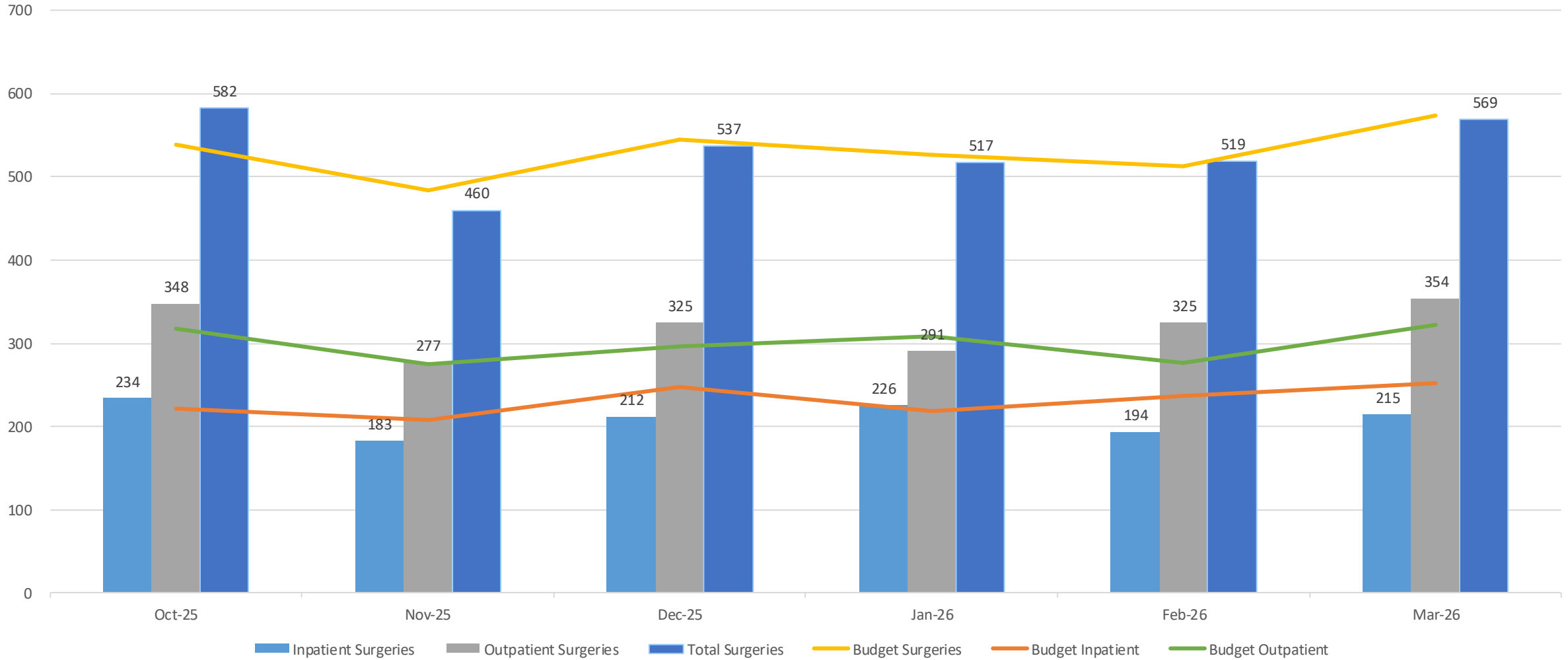
Slide 6

Trauma Activations



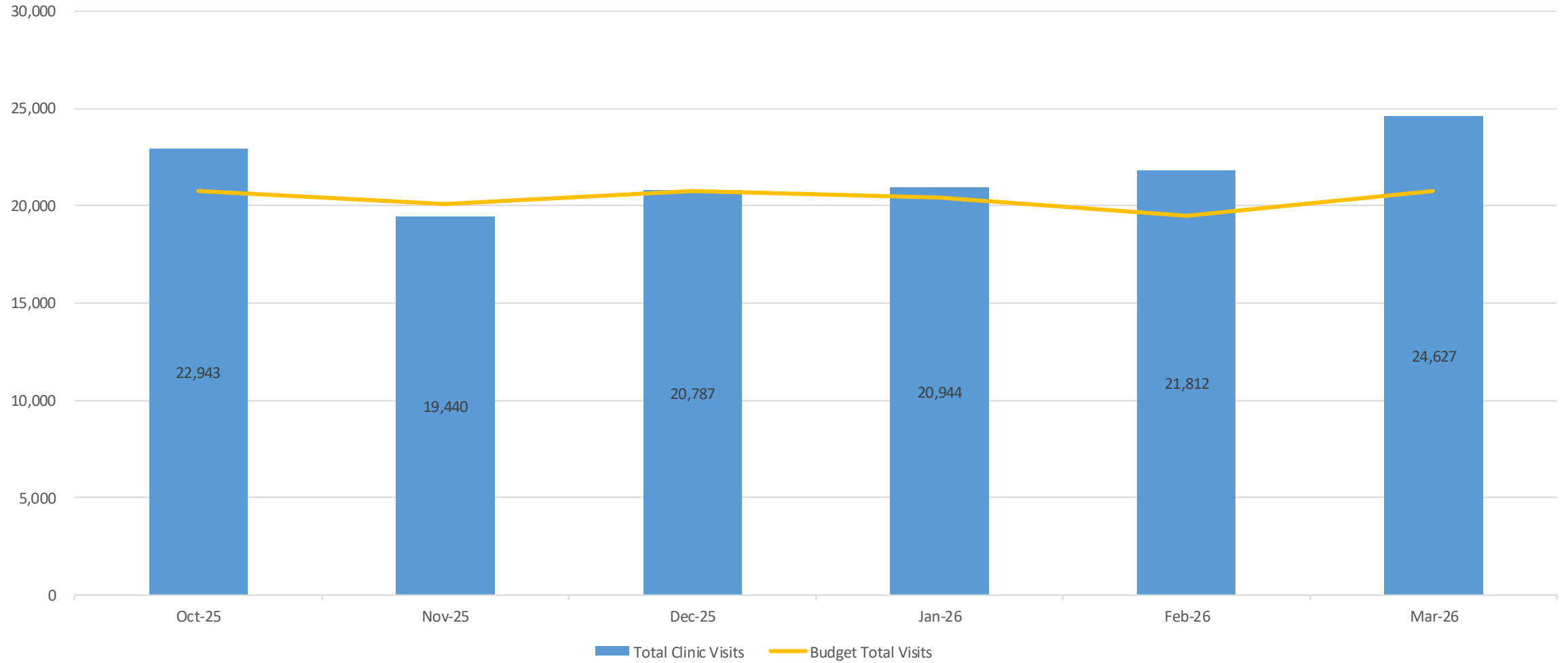
Slide 7

Surgical Volume

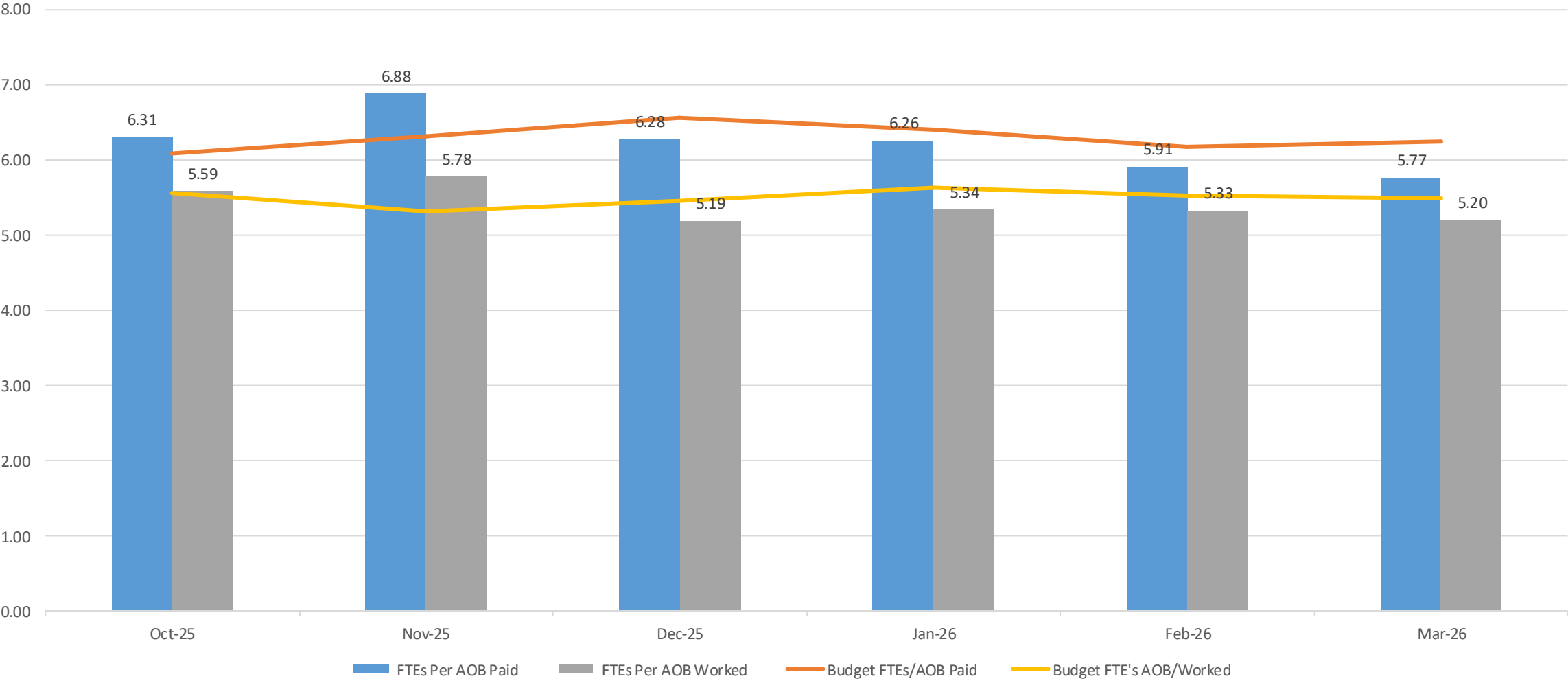


Slide 8

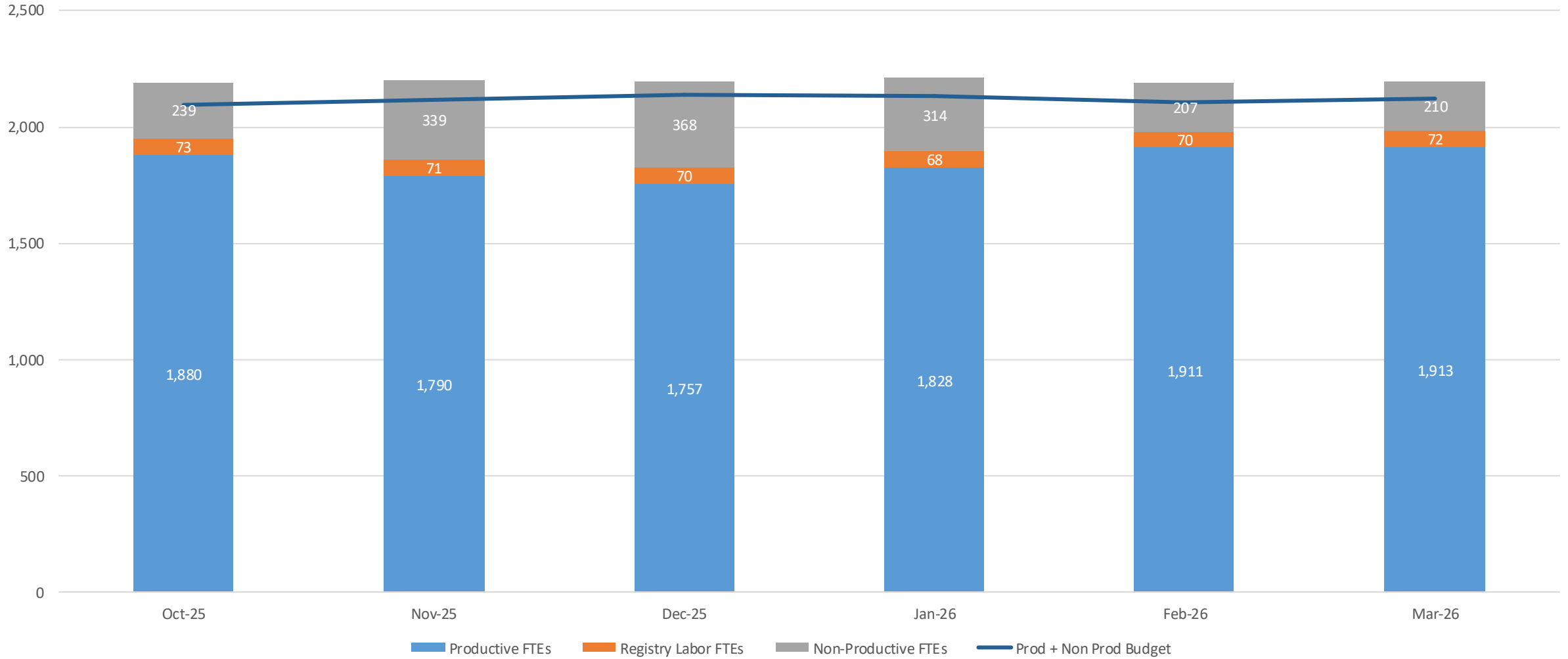
Clinic Visits



Labor Metrics

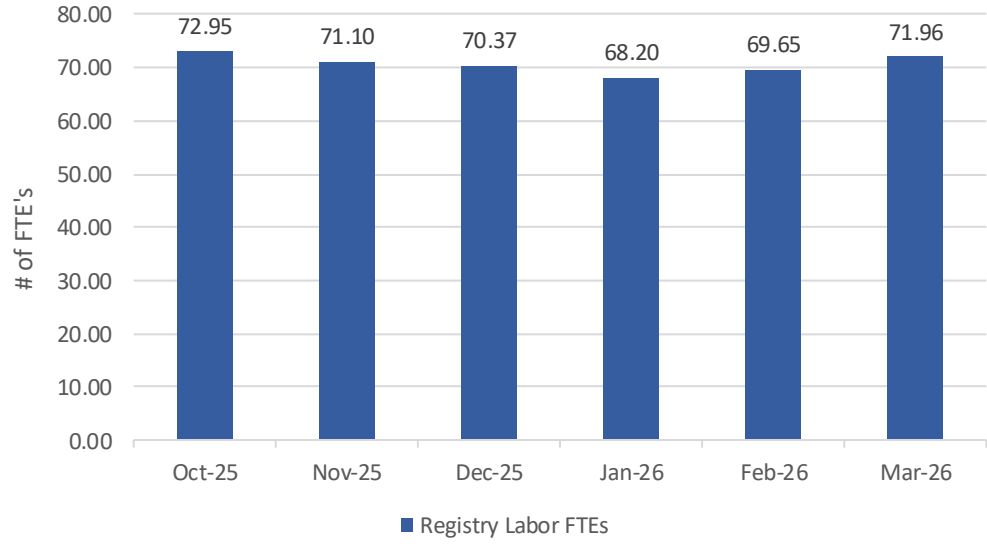


Productivity

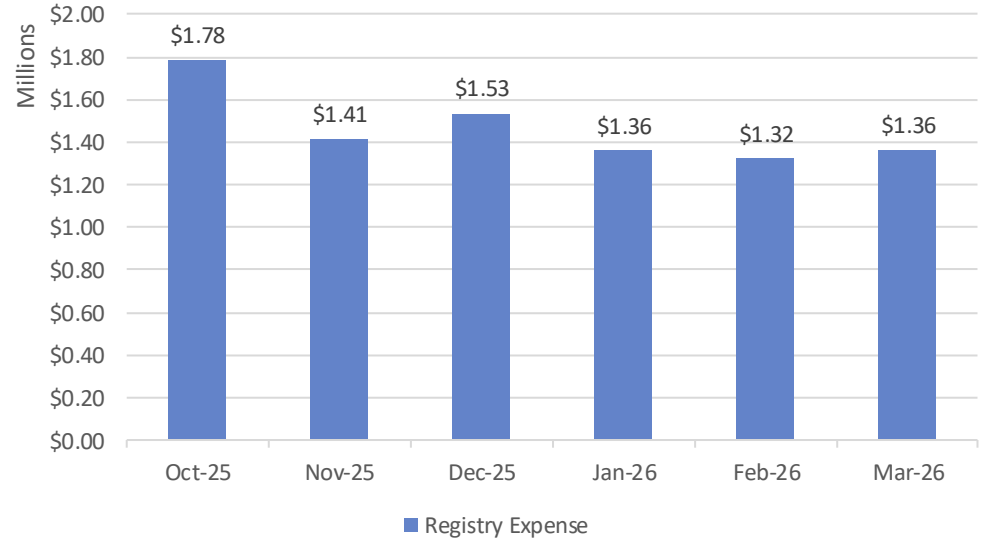


Slide 11

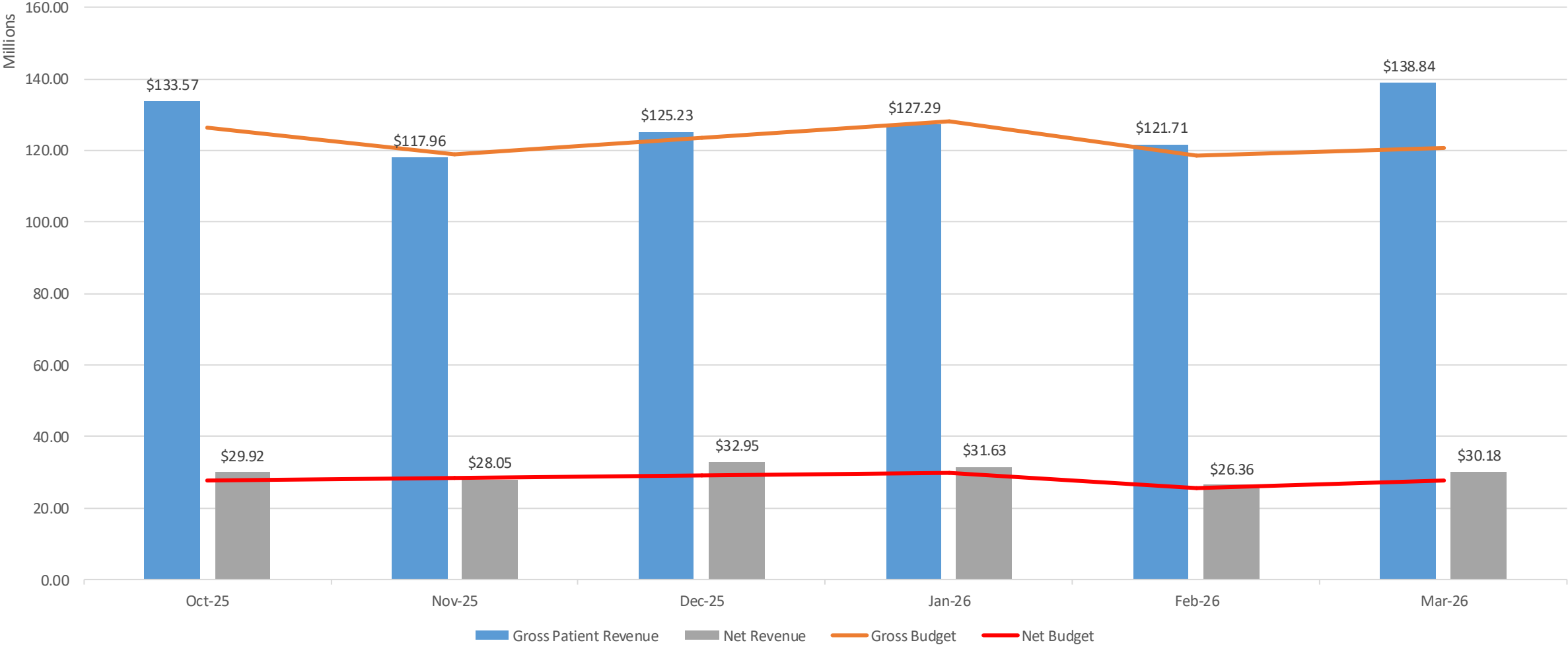
Registry FTE's



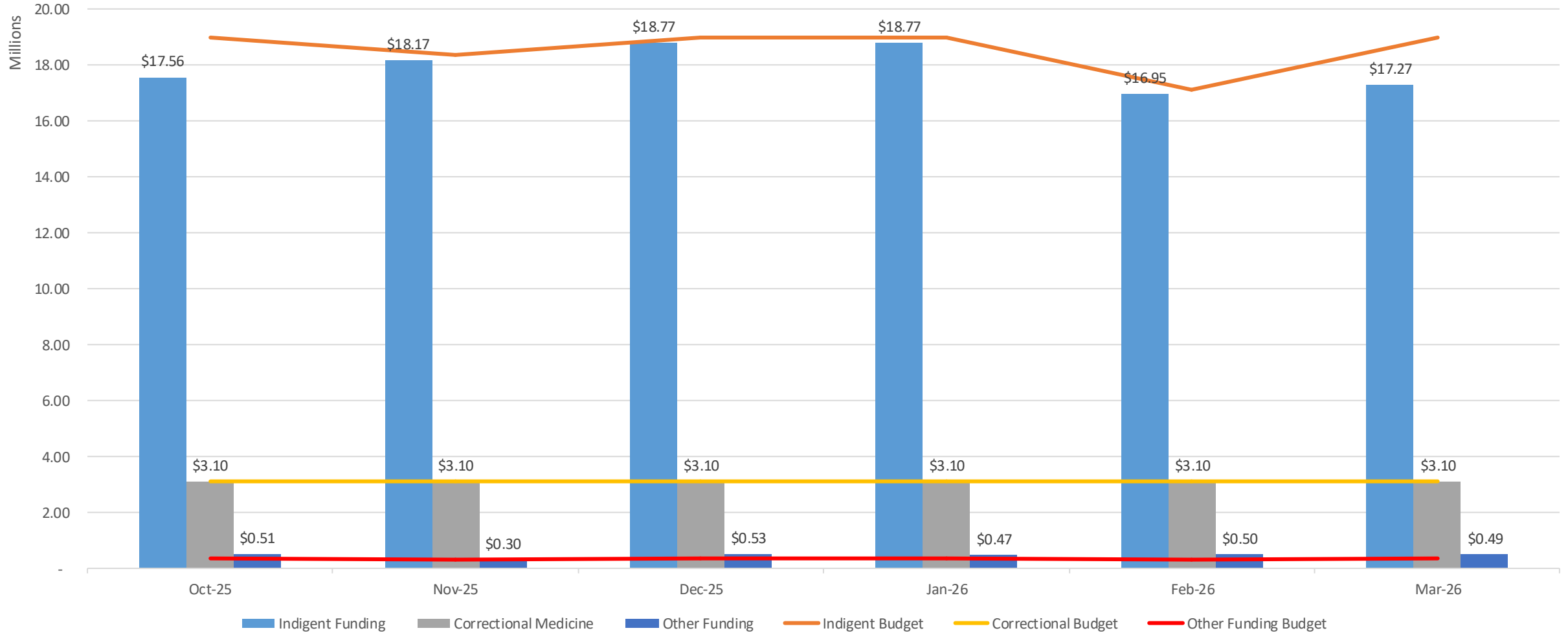
Registry Expense



Patient Revenue

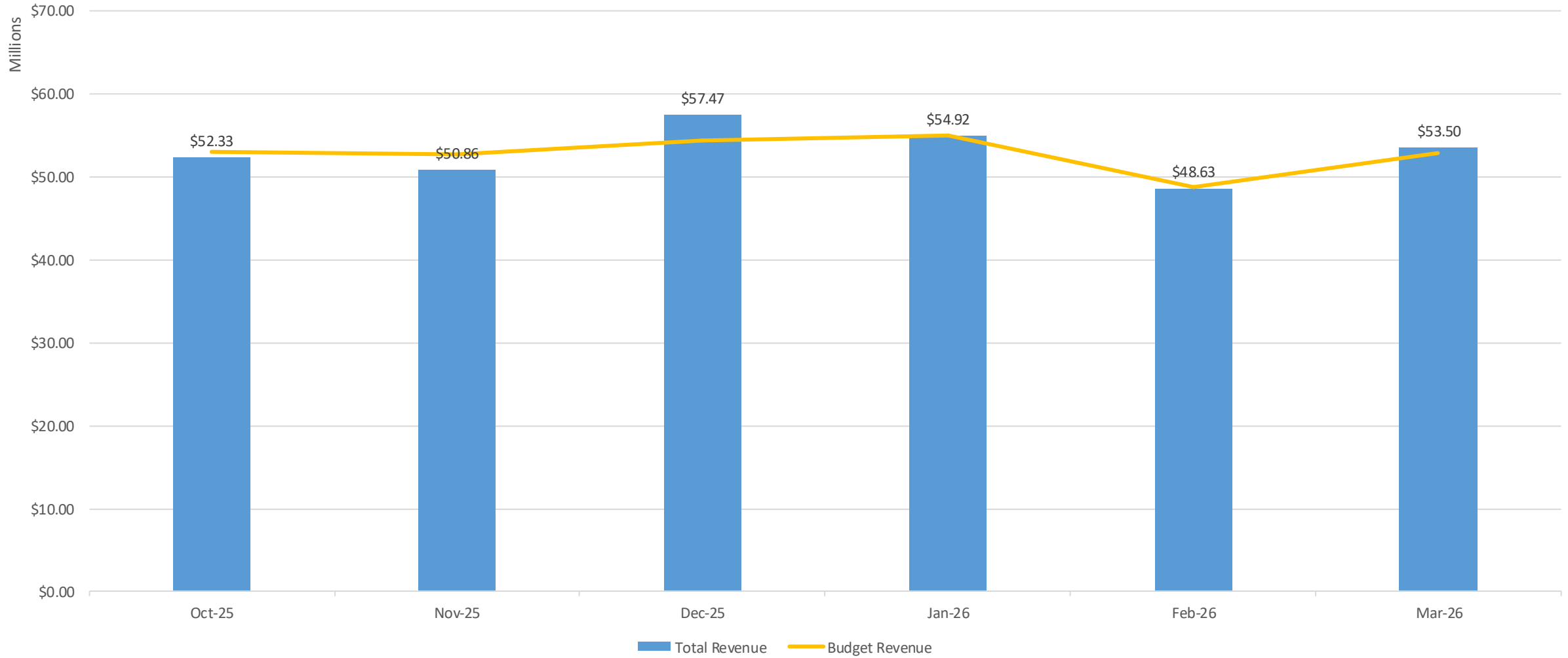


Indigent & Correctional Revenue

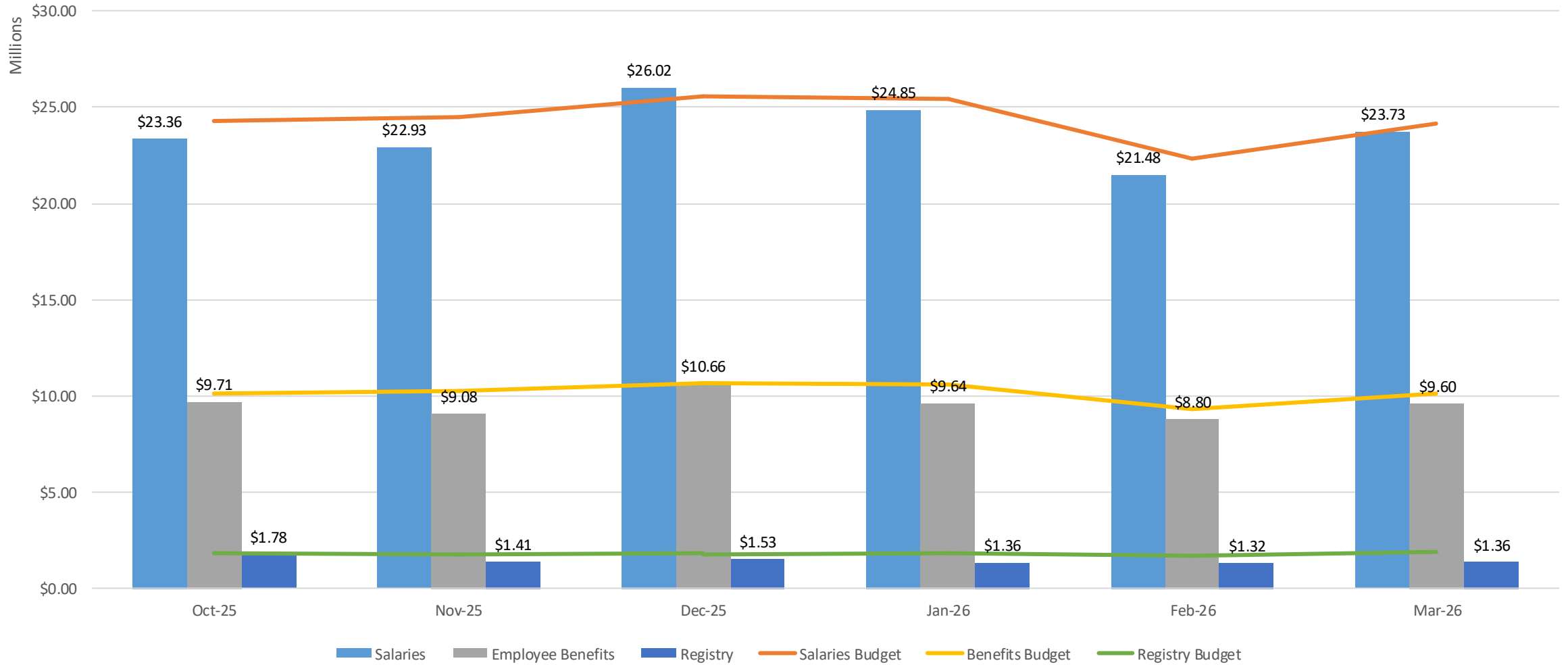


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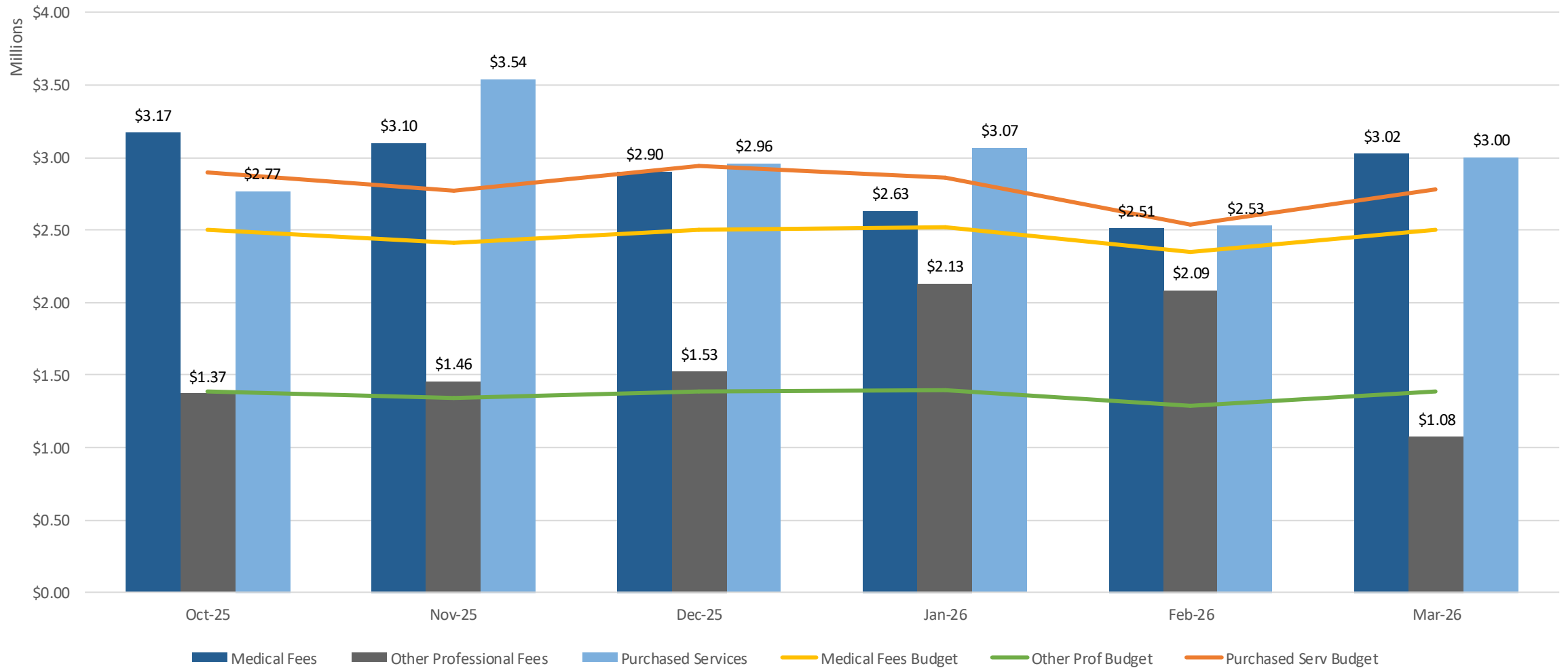
Total Revenue



Expenses

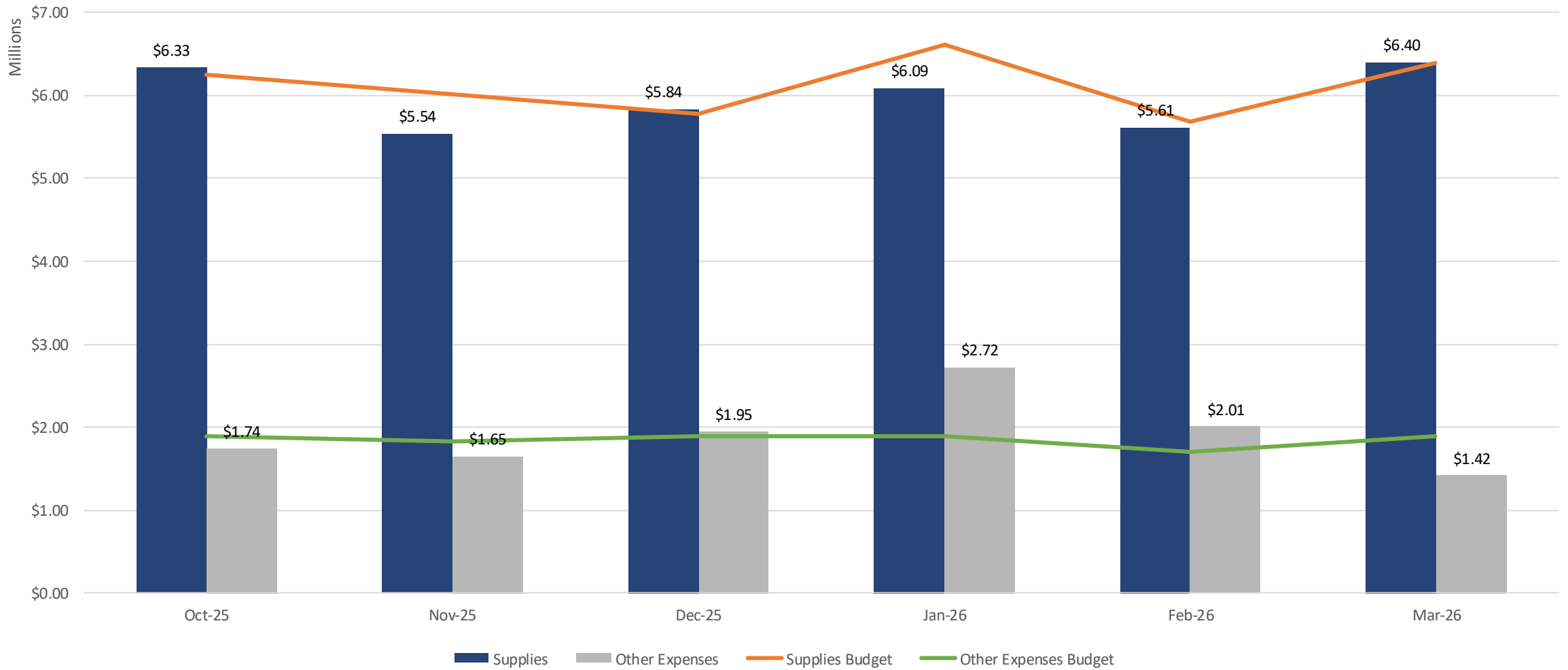


Expenses

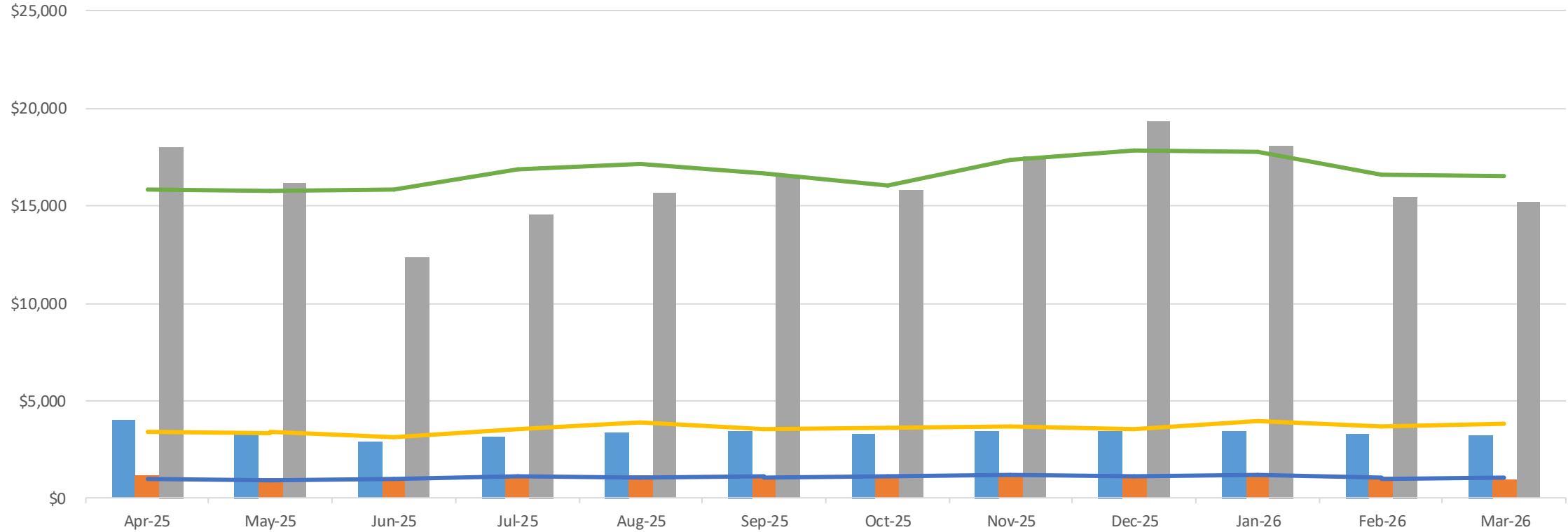


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Expenses

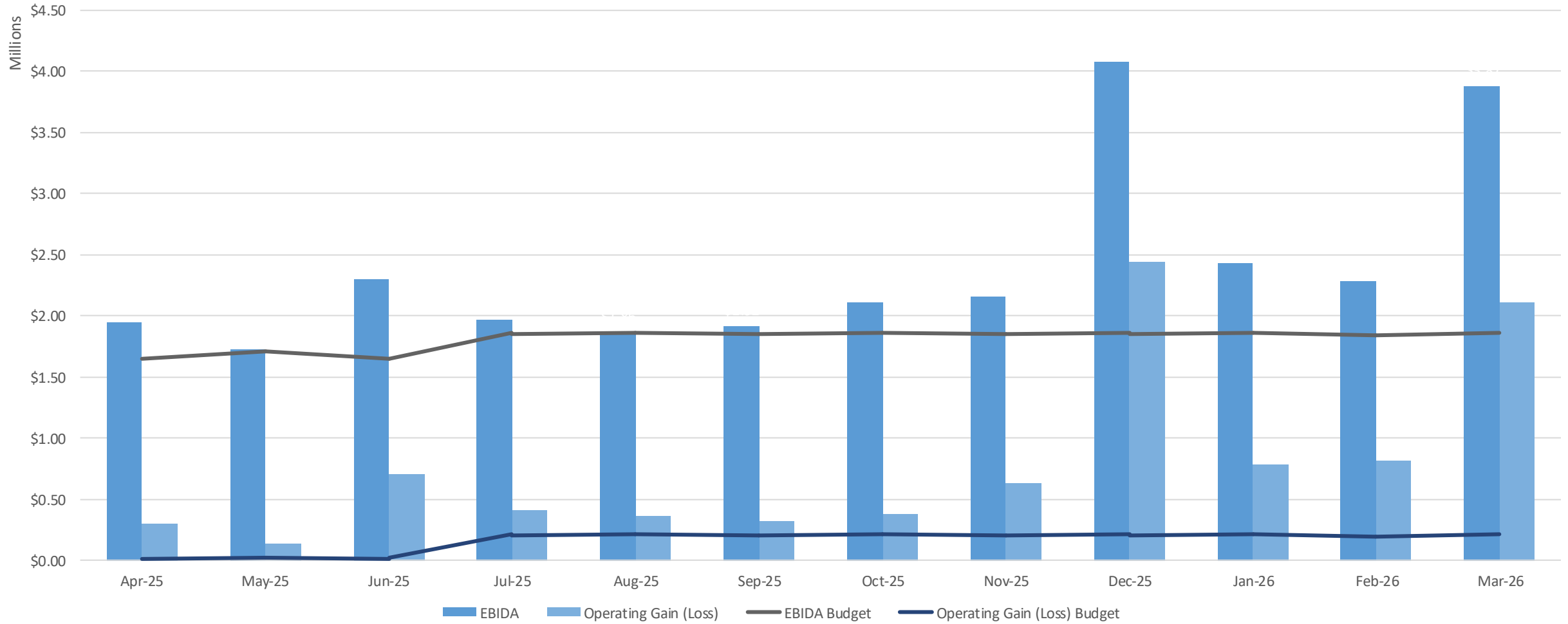


Operating Metrics



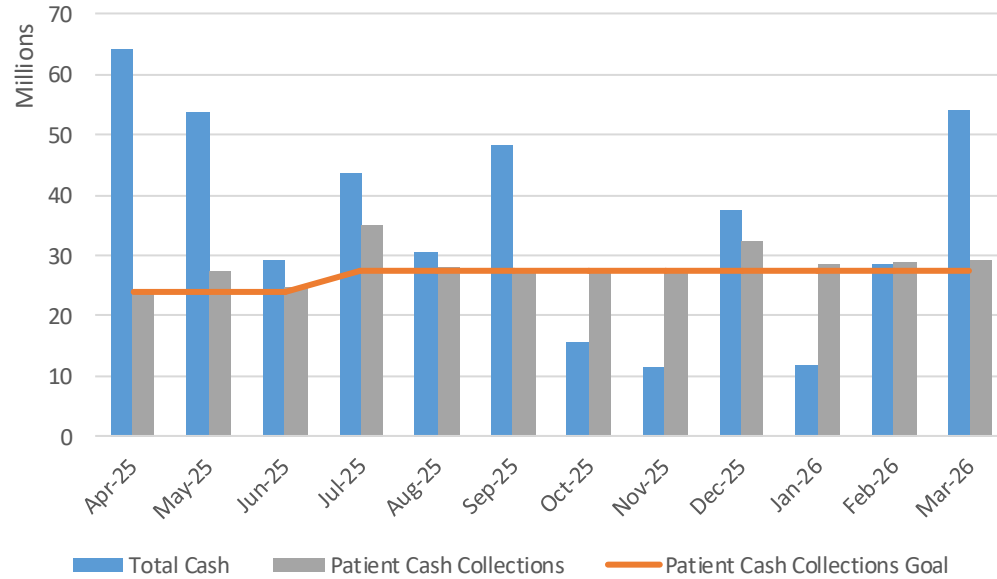
	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Supply Expense per AA	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338	\$3,458	\$3,421	\$3,482	\$3,298	\$3,212
Pharm Cost per AA	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118	\$1,140	\$1,194	\$1,094	\$1,211	\$1,093	\$971
Net Revenue Per AA	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778	\$17,508	\$19,312	\$18,085	\$15,482	\$15,148
Budget Supp/AA	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604	\$3,686	\$3,532	\$3,943	\$3,669	\$3,822
Budget Pharm/AA	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142	\$1,162	\$1,228	\$1,162	\$1,230	\$1,065	\$1,092
Budget Net Rev/AA	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073	\$17,329	\$17,863	\$17,783	\$16,593	\$16,581

EBIDA Rolling Year

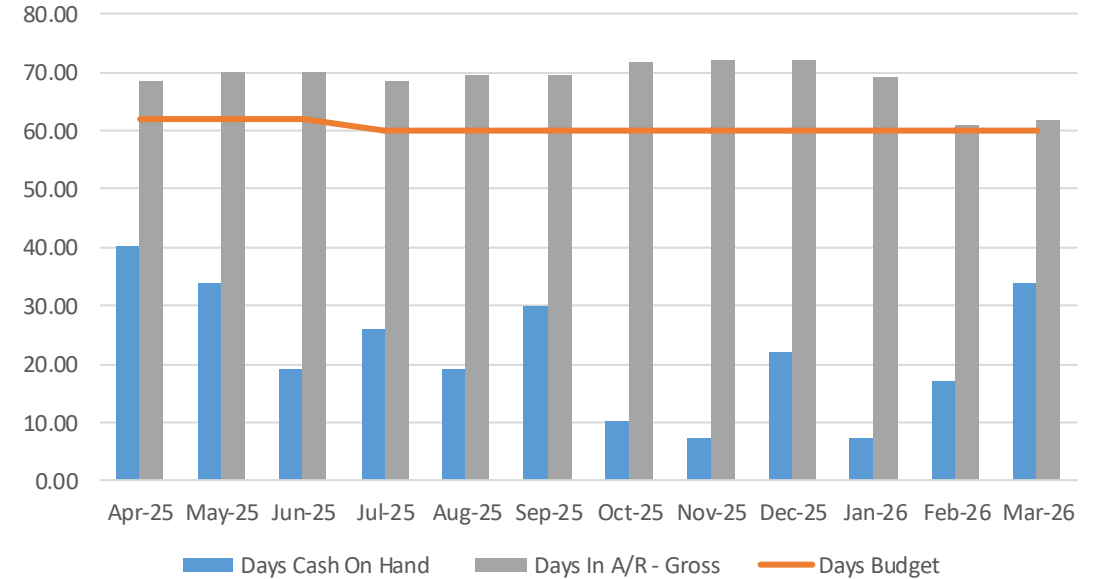


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Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
 March 31, 2026

	JANUARY	FEBRUARY	MARCH	BUDGET MARCH	VARIANCE POS (NEG)	PY MARCH
Gross Patient Revenue	\$ 127,287,097	\$ 121,705,651	\$ 138,835,088	\$ 120,611,594	15.1%	\$ 119,368,535
Contractual Deductions	(95,661,587)	(95,345,216)	(108,651,815)	(92,856,645)	17%	(76,926,554)
Net Revenue	31,625,509	26,360,436	30,183,273	27,754,949	9%	42,441,981
Indigent Funding	18,770,930	16,954,388	17,270,930	18,973,856	(9%)	24,488,108
Correctional Medicine	3,097,714	3,097,713	3,097,714	3,095,522	0.1%	3,097,714
County Contribution	285,211	285,211	285,211	285,211	(0%)	285,211
Incentive Funding	183,817	212,224	208,356	72,378	188%	98,896
Net Patient Revenue	53,963,180	46,909,971	51,045,484	50,181,916	2%	70,411,909
Other Operating Revenue	938,832	1,716,341	2,433,190	2,746,242	(11%)	4,818,721
Other Non-Operating Revenue	15,486	6,802	18,058	12,139	49%	17,265
Total Revenues	54,917,498	48,633,113	53,496,732	52,940,297	1.1%	75,247,895
Expenses						
Salaries	24,850,652	21,479,147	23,734,647	24,142,484	(2%)	23,748,333
Employee Benefits	9,638,359	8,802,854	9,601,619	10,096,387	(5%)	(2,416,372)
Registry	1,355,982	1,320,370	1,361,962	1,887,618	(28%)	1,690,326
Medical Fees	2,631,537	2,510,508	3,024,479	2,499,668	21%	2,403,905
Other Professional Fees	2,131,463	2,087,480	1,077,527	1,383,493	(22%)	1,434,955
Supplies	6,088,466	5,614,647	6,400,198	6,397,709	0%	5,283,963
Purchased Services	3,066,890	2,529,985	3,001,778	2,780,884	8%	2,510,783
Other Expenses	2,724,575	2,005,768	1,419,555	1,890,090	(25%)	8,375,967
Operating Expenses	52,487,925	46,350,760	49,621,765	51,078,333	(3%)	43,031,861
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,429,573	\$ 2,282,353	\$ 3,874,967	\$ 1,861,964	108.1%	\$ 32,216,034
EBIDA Margin	4%	5%	7%	4%	106%	43%
Interest	300,878	295,068	317,786	339,518	(6%)	361,383
Depreciation	696,790	532,429	726,652	657,304	11%	670,467
Amortization	648,952	640,357	717,552	652,001	10%	585,896
Total Expenses	54,134,545	47,818,614	51,383,754	52,727,156	(3%)	44,649,607
Operating Gain (Loss)	\$ 782,953	\$ 814,499	\$ 2,112,978	\$ 213,141	891%	\$ 30,598,288
Operating Margin	1.43%	1.67%	3.95%	0.40%	881.0%	40.7%

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KERN MEDICAL
Year-to-Date Analysis: Revenues & Expenses

March 31, 2026

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 1,143,444,186	\$ 1,101,644,274	4%	\$ 1,046,140,155	9%
Contractual Deductions	(878,690,659)	(849,479,717)	3%	(802,635,642)	9%
Net Revenue	264,753,527	252,164,557	5%	243,504,513	9%
Indigent Funding	162,387,114	167,704,406	(3%)	170,316,442	(5%)
Correctional Medicine	27,879,421	27,859,700	0%	27,879,423	(0%)
County Contribution	2,566,898	2,566,898	(0%)	3,040,135	(16%)
Incentive Funding	1,395,509	639,725	118%	764,678	82%
Net Patient Revenue	458,982,468	450,935,286	2%	445,505,191	3%
Other Operating Revenue	15,120,074	24,273,236	(38%)	27,216,664	(44.45%)
Other Non-Operating Revenue	177,295	107,726	65%	115,923	53%
Total Revenues	474,279,838	475,316,248	(0%)	472,837,778	0%
Expenses					
Salaries	212,340,360	219,149,005	(3%)	203,223,280	4%
Employee Benefits	86,679,332	91,648,114	(5%)	71,654,306	21%
Registry	13,550,003	16,262,810	(17%)	16,948,527	(20%)
Medical Fees	26,323,346	22,182,907	19%	21,948,040	20%
Other Professional Fees	13,881,123	12,269,717	13%	12,710,960	9.2%
Supplies	54,309,311	54,945,596	(1%)	50,253,425	8%
Purchased Services	26,821,679	25,439,694	5%	25,481,271	5%
Other Expenses	17,559,733	16,705,955	5%	22,923,778	(23%)
Operating Expenses	451,464,886	458,603,798	(2%)	425,143,588	6%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 22,814,951	\$ 16,712,450	37%	\$ 47,694,190	(52.2%)
EBIDA Margin	5%	4%	37%	10%	(52%)
Interest	2,558,576	3,036,791	(16%)	3,202,512	(20%)
Depreciation	6,097,953	5,915,732	3%	6,079,867	0%
Amortization	5,757,980	5,868,013	(2%)	5,481,856	5%
Total Expenses	465,879,395	473,424,333	(2%)	439,907,823	6%
Operating Gain (Loss)	\$ 8,400,443	\$ 1,891,915	344%	\$ 32,929,955	(74%)
Operating Margin	1.8%	0.4%	345.0%	7.0%	(75%)

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**KERN MEDICAL
BALANCE SHEET**

	MARCH 2026	MARCH 2025
ASSETS:		
<i>Total Cash</i>	\$ 54,172,991	\$ 56,916,382
Patient Receivables Subtotal	266,457,305	274,289,683
Contractual Subtotal	(207,413,448)	(237,930,515)
<i>Net Patient Receivable</i>	59,043,857	36,359,168
Total Indigent Receivable	248,302,694	244,864,321
Total Other Receivable	24,395,655	8,347,626
Total Prepaid Expenses	5,984,760	8,028,044
Total Inventory	6,011,973	4,833,105
<i>Total Current Assets</i>	397,911,930	359,348,646
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	279,913,069	271,687,978
Total Construction in Progress	20,502,629	14,445,916
<i>Total Property, Plant & Equipment</i>	300,415,697	286,133,894
Total Accumulated Depr & Amortization	(191,957,784)	(179,550,085)
<i>Net Property, Plant, and Equipment</i>	108,457,914	106,583,809
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 619,830,256	\$ 590,465,172

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**KERN MEDICAL
BALANCE SHEET**

	MARCH 2026	MARCH 2025
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 12,230,164	\$ 8,425,627
Total Accrued Compensation	32,480,692	33,956,750
Total Due Government Agencies	3,669,872	4,021,207
Total Other Accrued Liabilities	52,289,327	43,667,863
<i>Total Current Liabilities</i>	100,670,055	90,071,447
Unfunded Pension Liability	331,776,526	344,447,058
Other Long-Term Liabilities	72,366,780	80,733,074
<i>Total Long-Term Liabilities</i>	404,143,306	425,180,132
<i>Total Liabilities</i>	504,813,361	515,251,580
<i>Total Net Position</i>	115,016,894	75,213,593
<i>Total Liabilities and Net Position</i>	\$ 619,830,256	\$ 590,465,172

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date March 2026	Fiscal Year-End June 2025	Fiscal Year-to-Date March 2025	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 263,685,894	\$ 318,273,169	\$ 240,271,546	\$ 292,533,084
Cash received for other operations	202,896,194	262,872,978	194,018,115	233,602,712
Cash paid for salaries and benefits	(295,243,096)	(382,309,780)	(278,810,782)	(339,411,493)
Cash paid for services and supplies	(147,464,041)	(198,862,050)	(147,791,165)	(186,981,598)
Net cash (used in) provided by operating activities	<u>23,874,952</u>	<u>(25,683)</u>	<u>7,687,713</u>	<u>(257,296)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash (provided to) received from various County funds	-	381,436	-	-
Interest paid - pension obligation bond	-	(2,539,472)	-	420,331
Principal paid - pension obligation bond	-	(1,062,281)	-	(1,062,281)
Interest paid - line of credit	-	(783,152)	-	-
Line of credit payment	10,000,000	-	10,000,000	-
Net cash provided by (used in) noncapital financing activities	<u>10,000,000</u>	<u>(4,003,469)</u>	<u>10,000,000</u>	<u>(641,950)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(11,073,449)	(13,228,131)	(8,300,517)	(18,896,864)
Payments on right-of-usage lease liability	3,189,472	(3,802,269)	(2,196,872)	3,896,089
Interest paid - right-of-usage lease liability	(338)	-	(6,336)	31,211
Payments on SBITA liability	(558,157)	(817,100)	(569,521)	(752,150)
Interest paid - SBITA	(418)	-	(443)	2,013
Net cash used by capital and related financing activities	<u>(8,442,889)</u>	<u>(17,847,500)</u>	<u>(11,073,688)</u>	<u>(15,719,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	185,478	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	25,432,062	(21,691,174)	6,614,025	(16,618,946)
CASH AND CASH EQUIVALENTS, beginning of year	28,740,929	50,432,103	50,302,358	66,921,303
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 54,172,991</u>	<u>\$ 28,740,929</u>	<u>\$ 56,916,382</u>	<u>\$ 50,302,358</u>

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