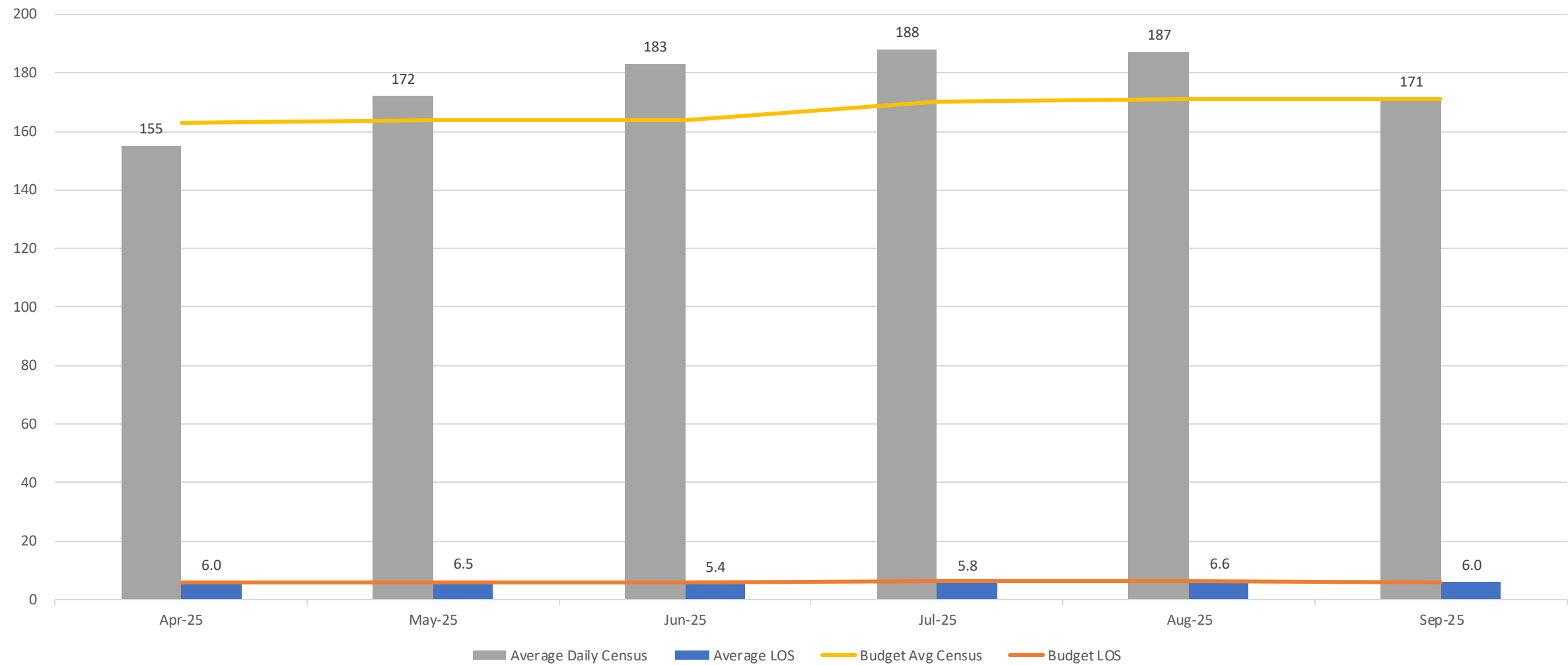




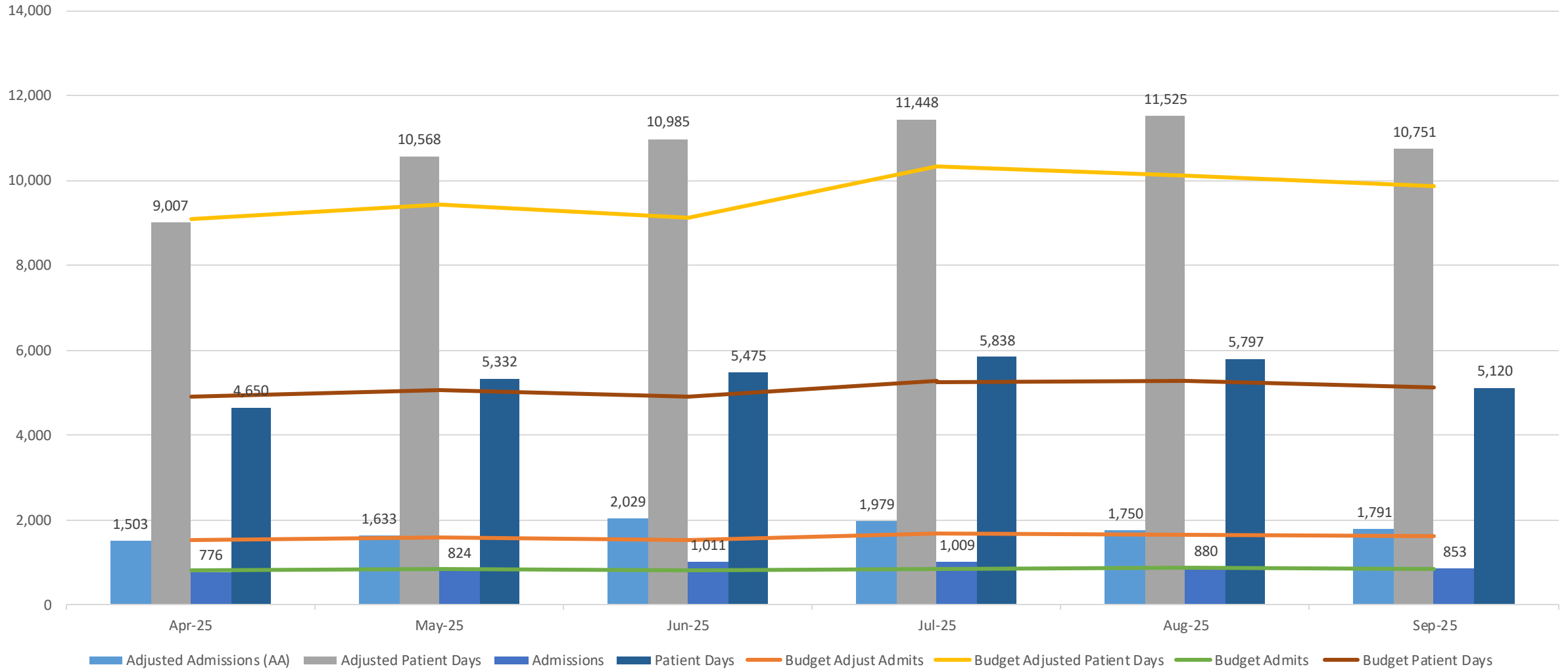
Board of Governors' Report

Kern Medical – September 2025

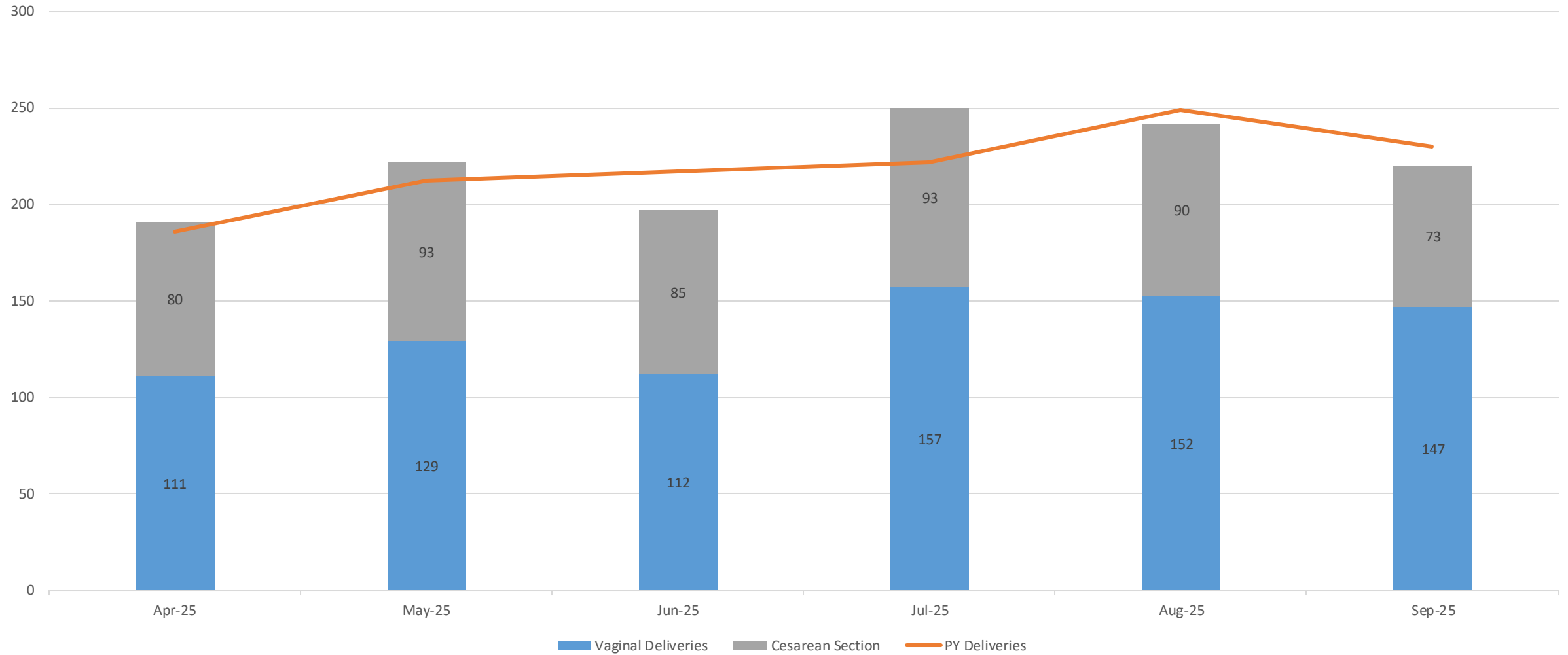
Census & ALOS



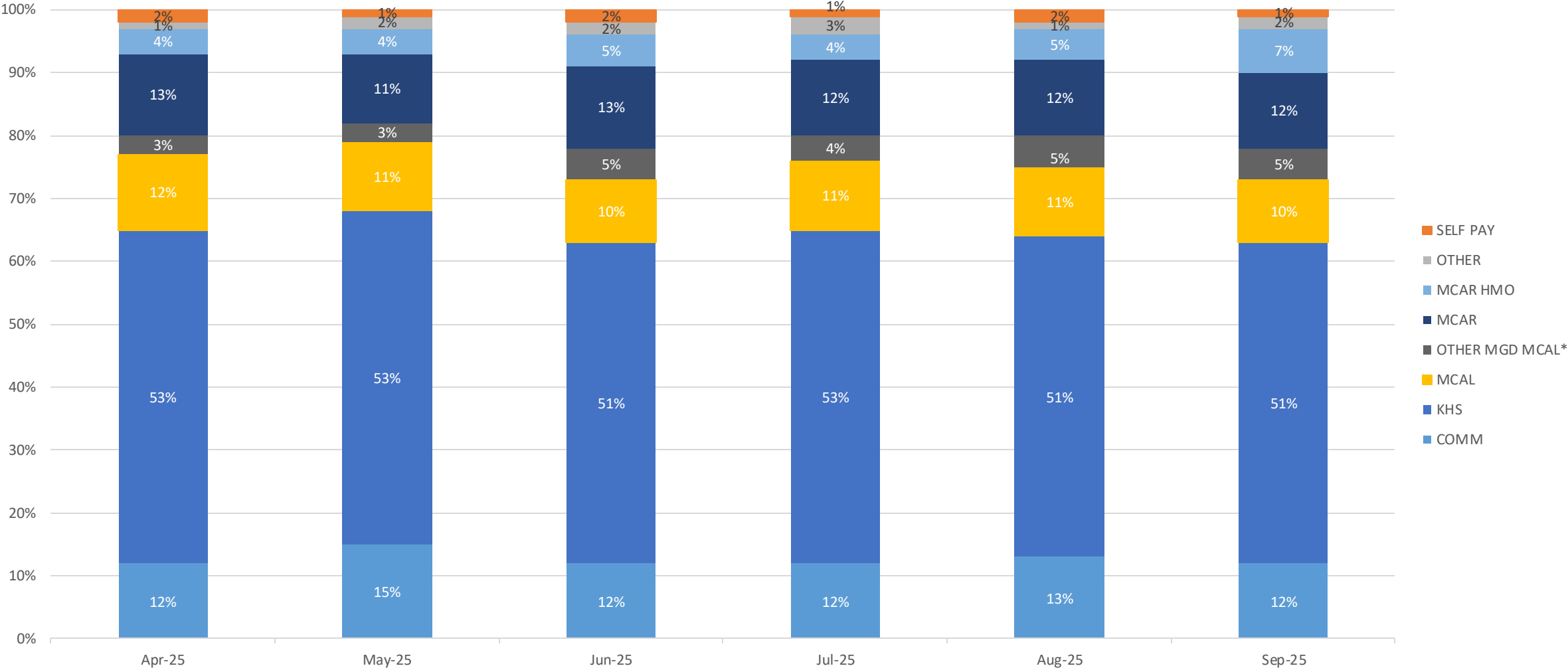
Hospital Volumes



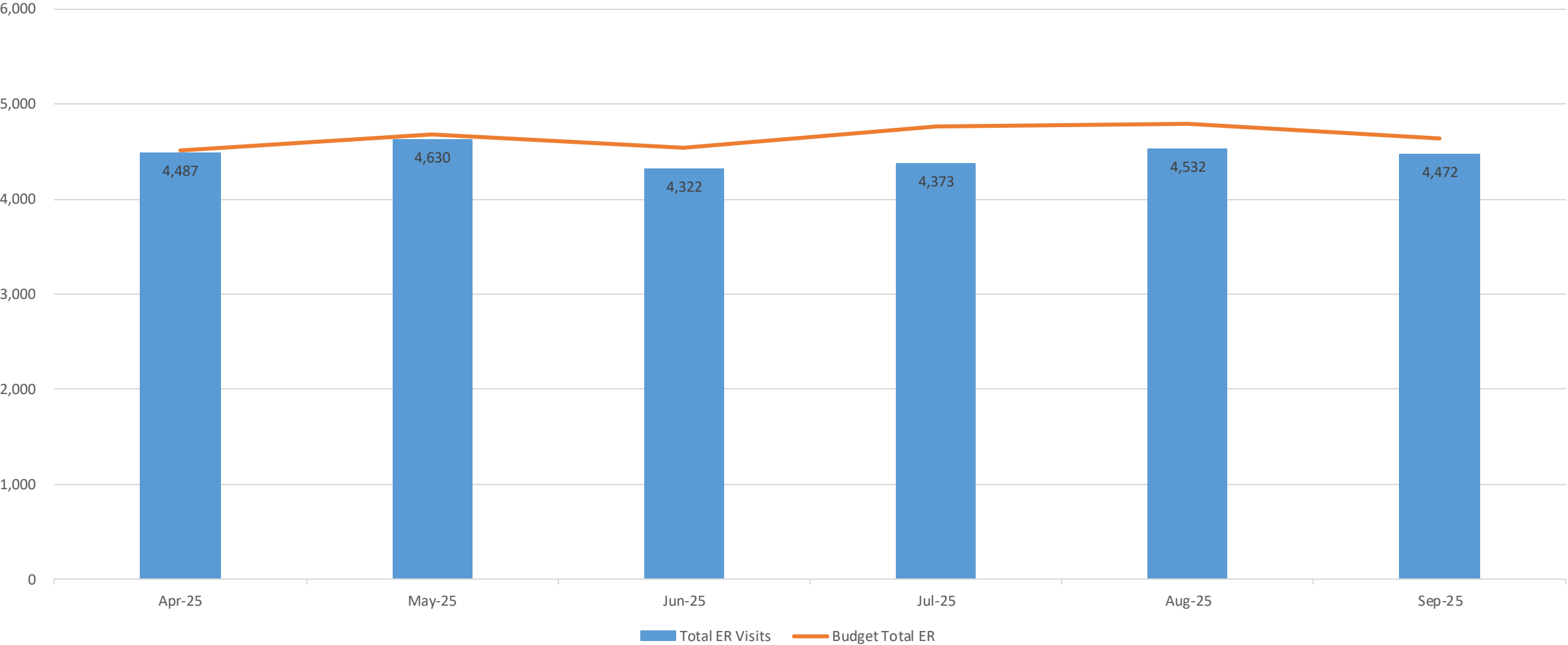
Deliveries



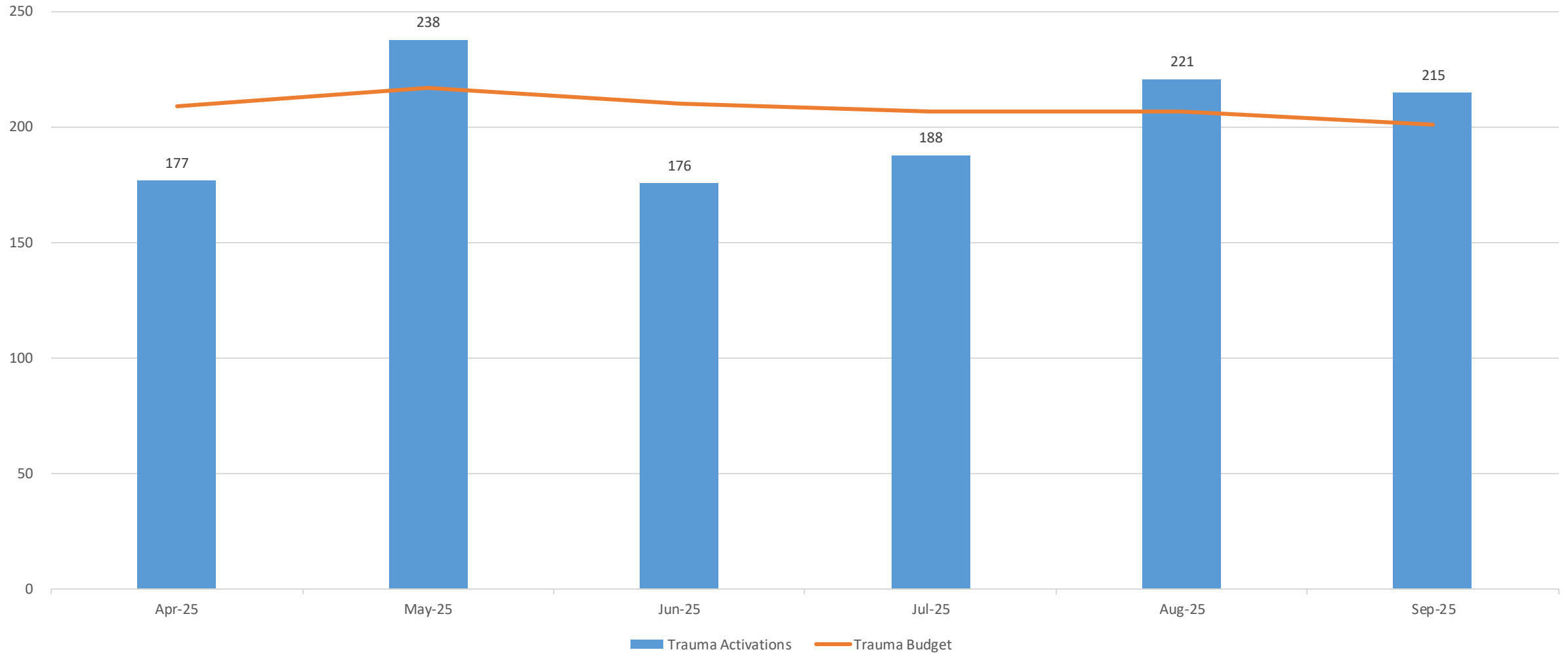
PAYER MIX



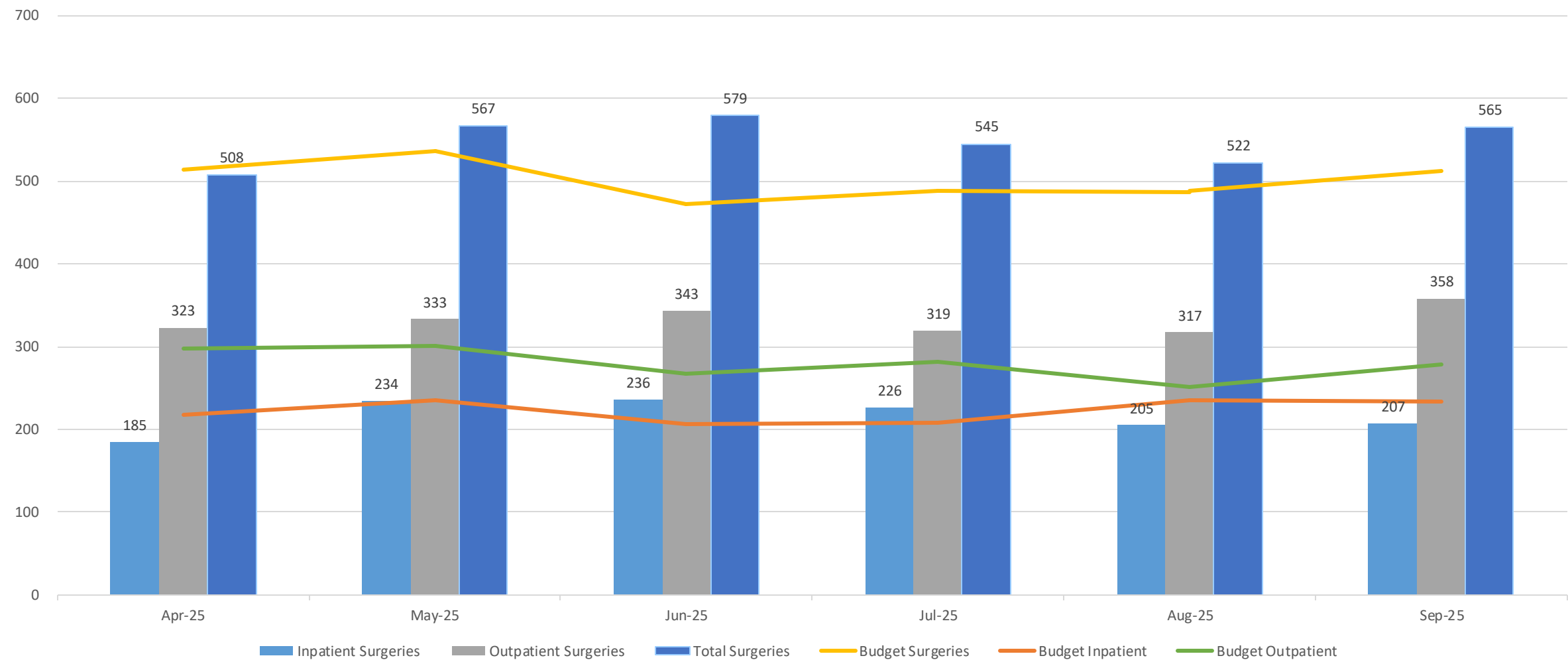
Emergency Room Volume



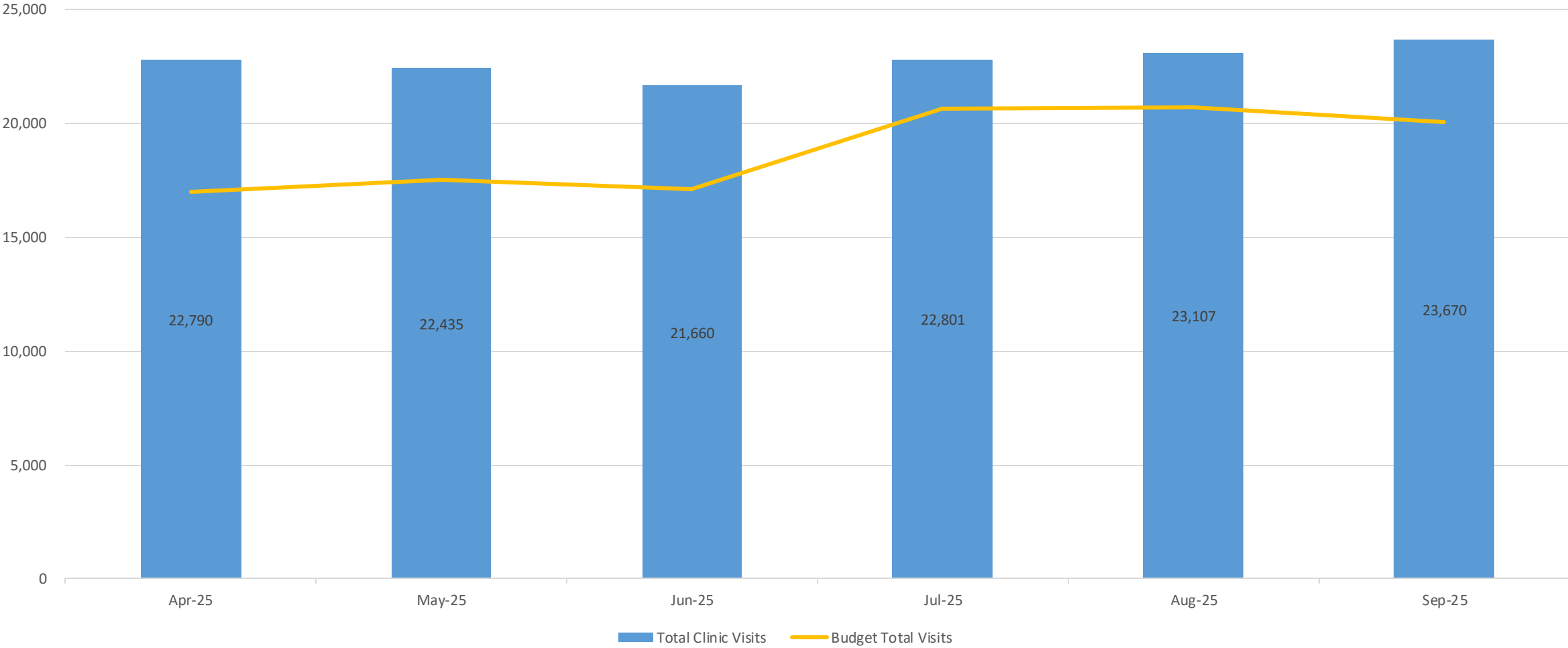
Trauma Activations



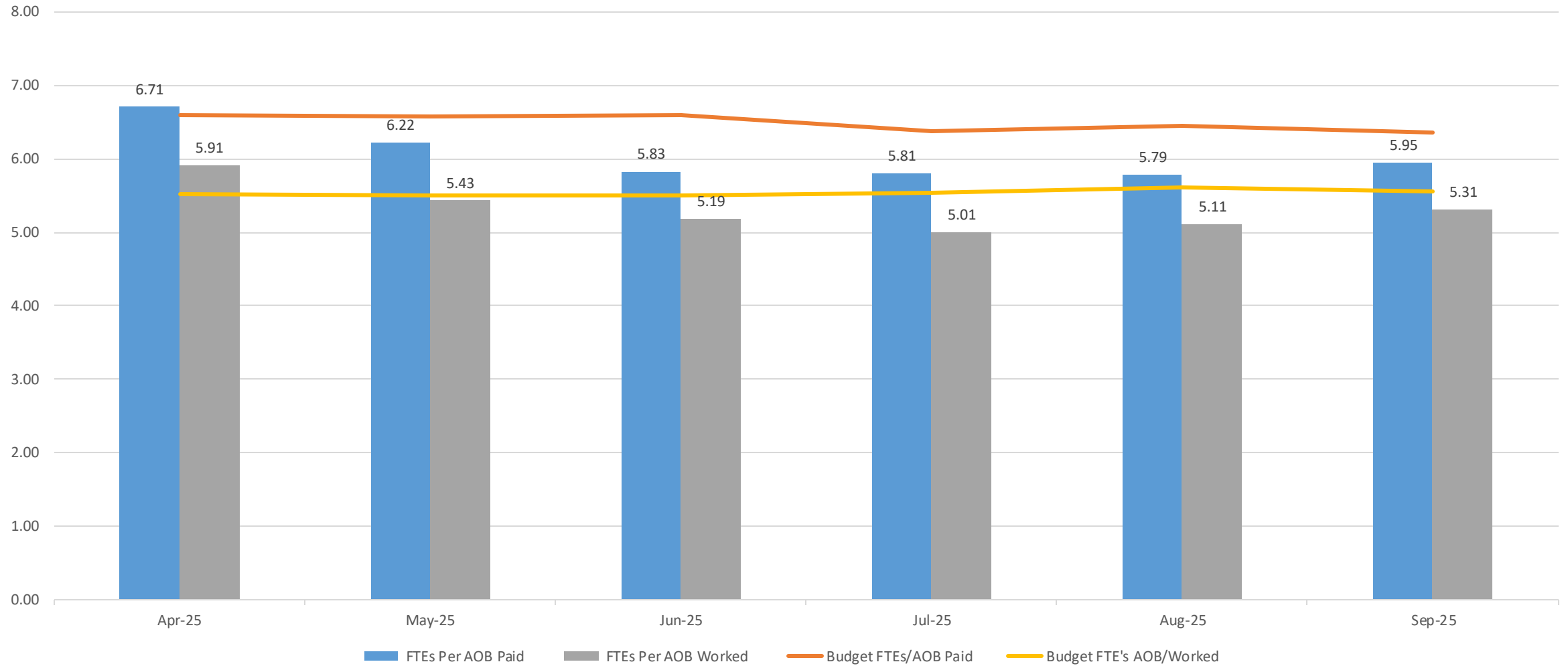
Surgical Volume



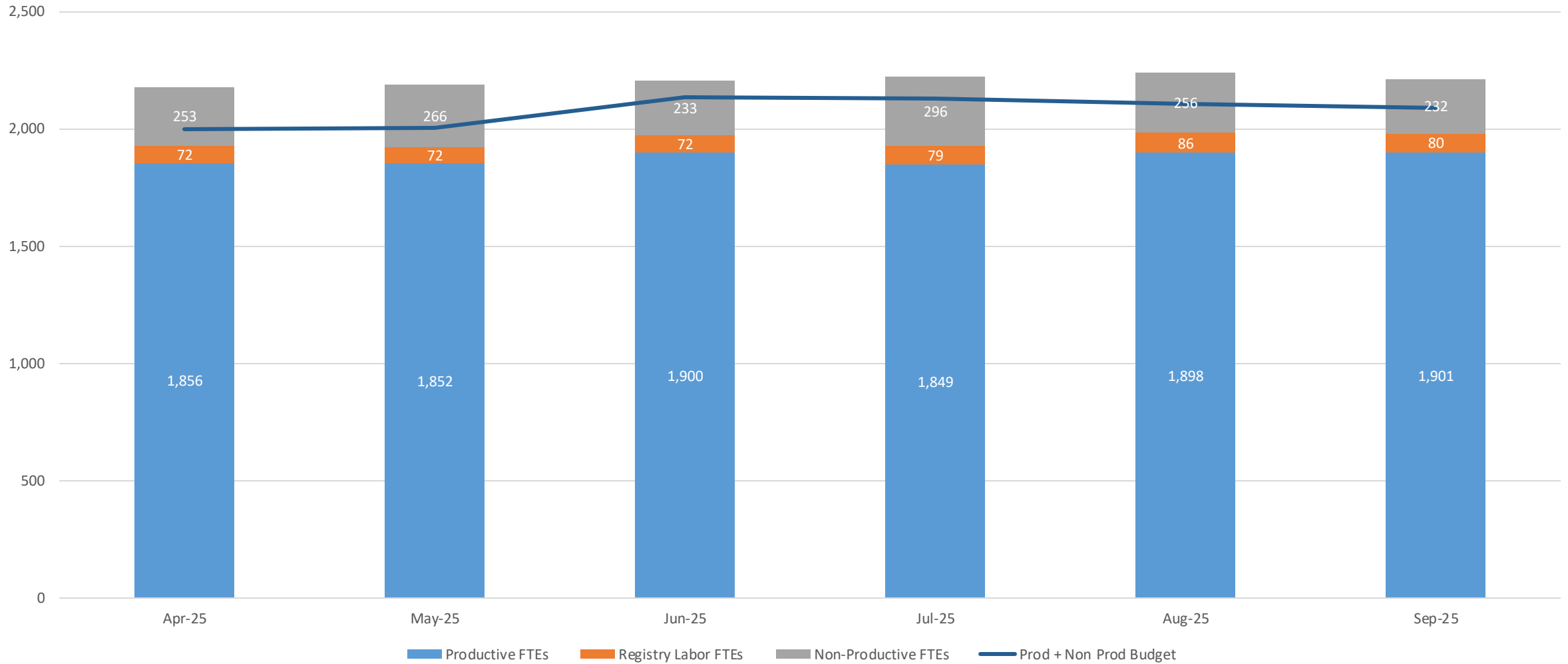
Clinic Visits

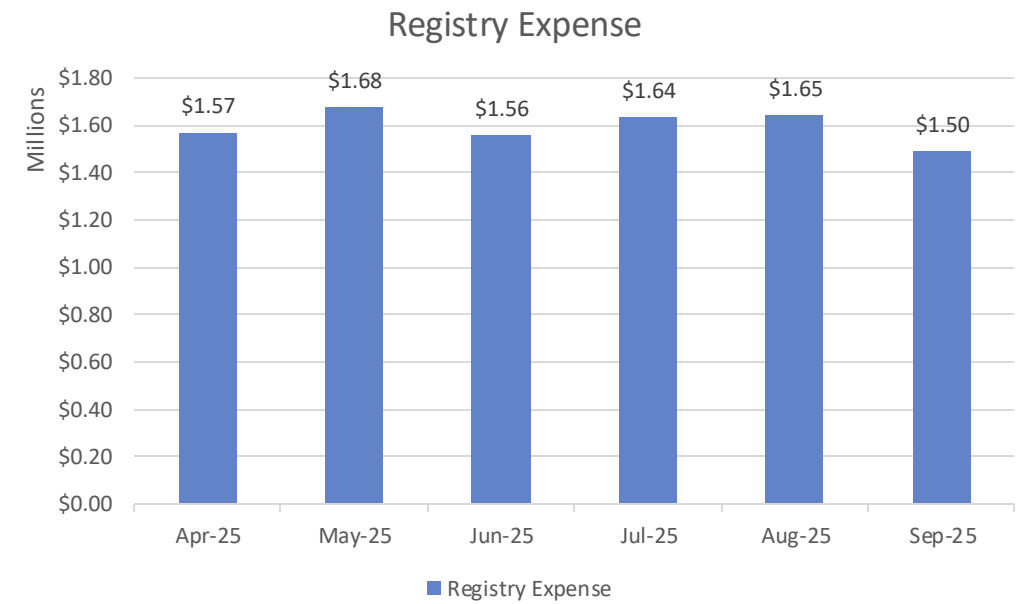
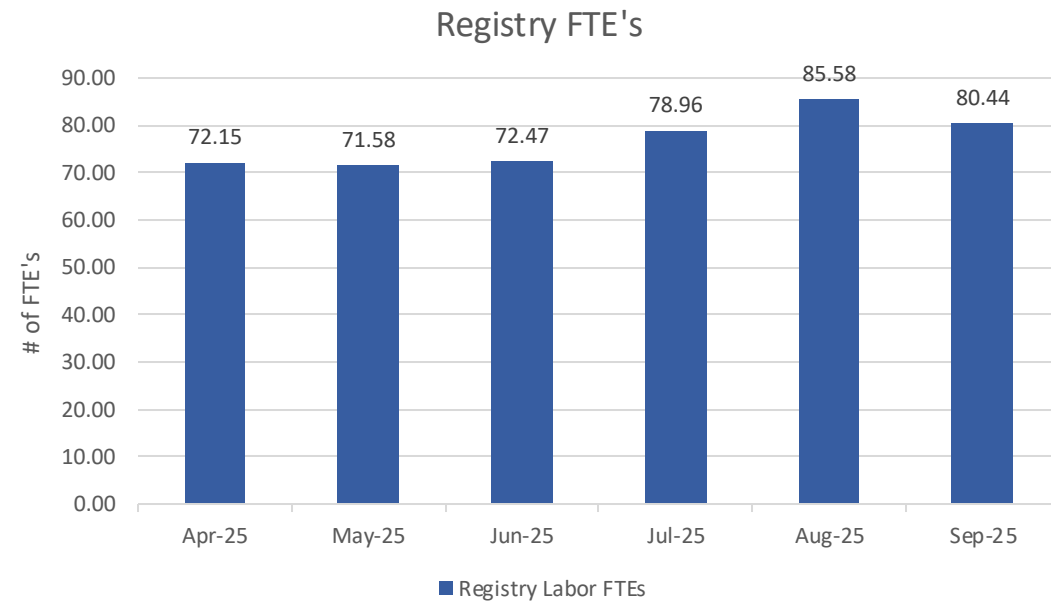


Labor Metrics

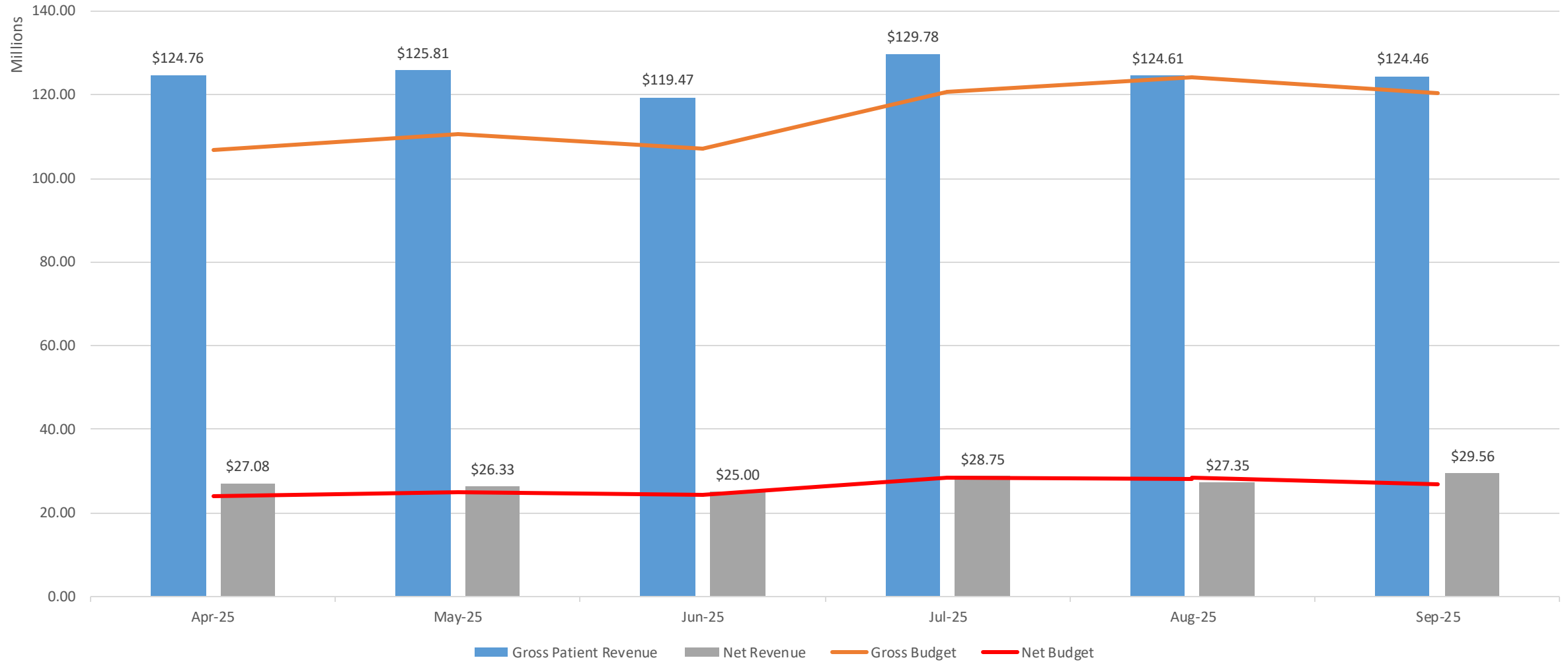


Productivity

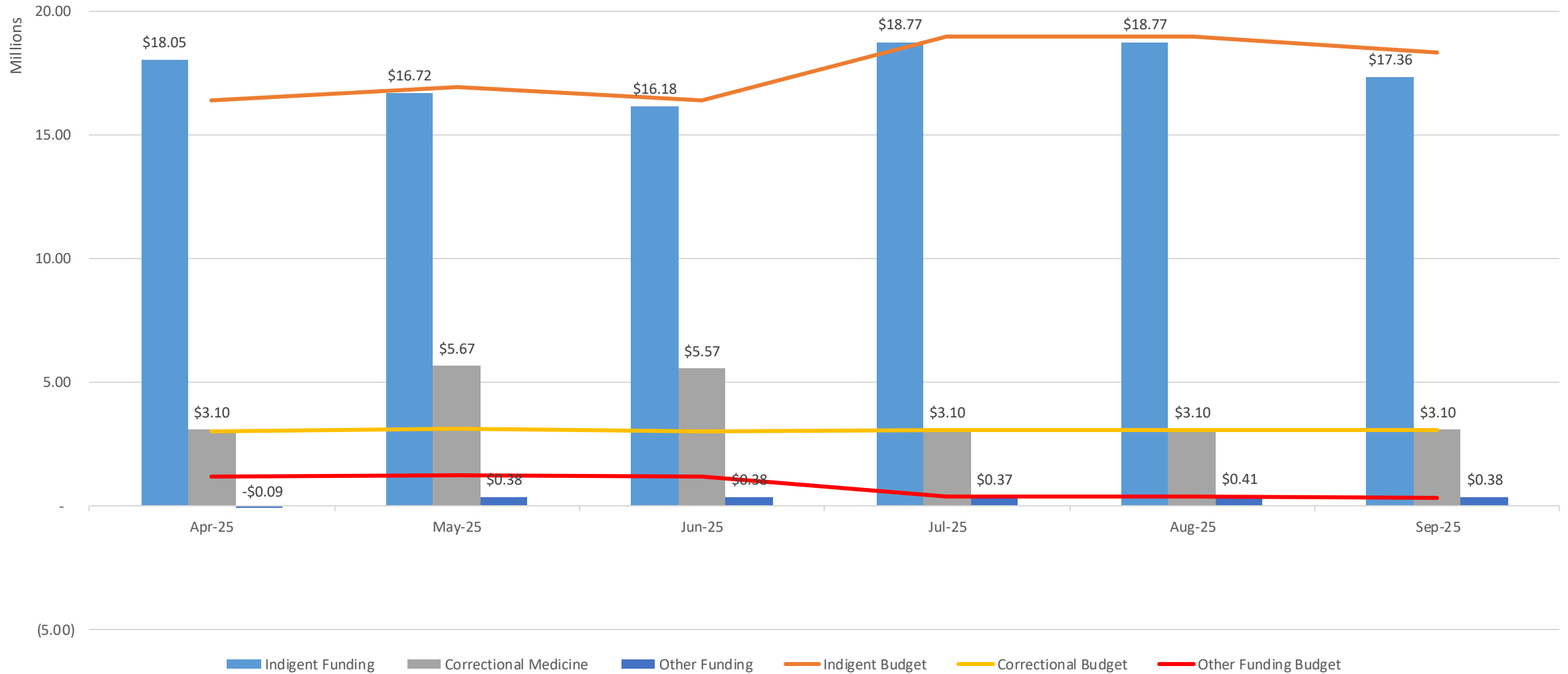




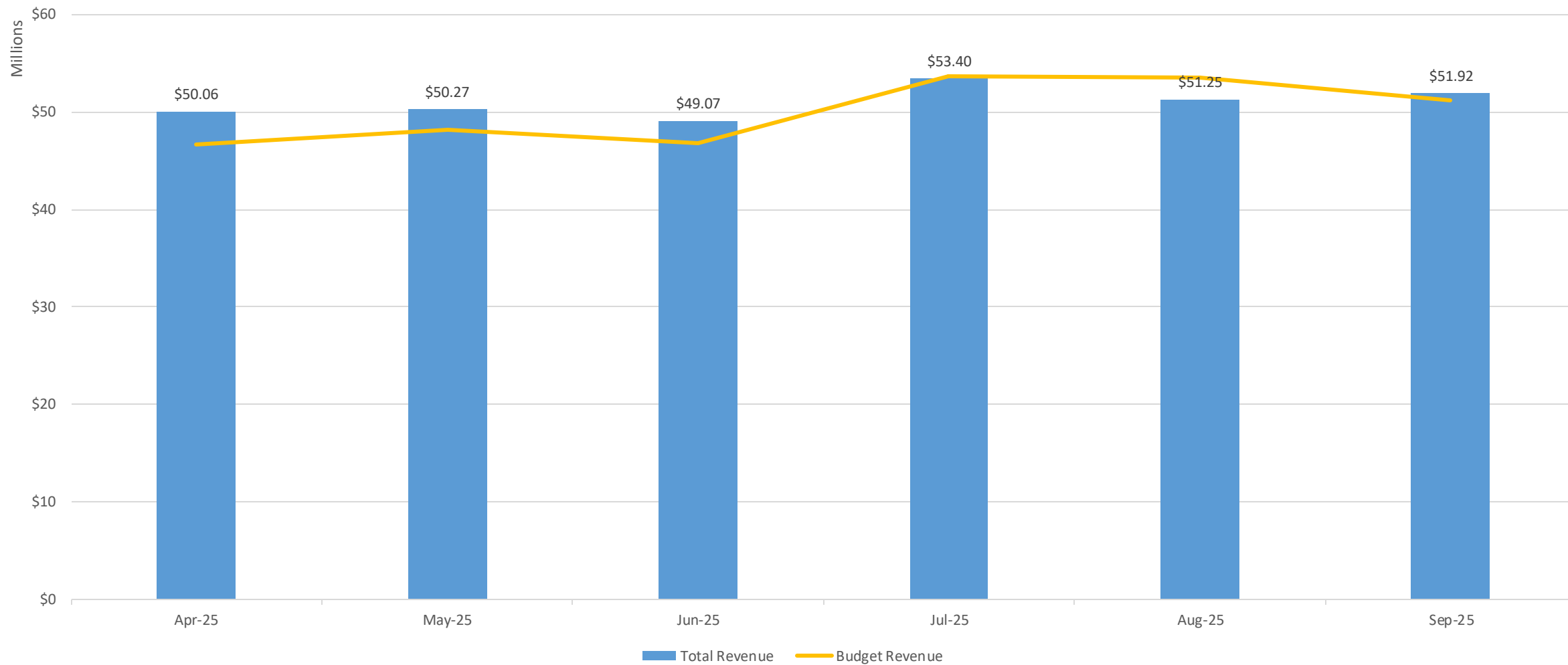
Patient Revenue



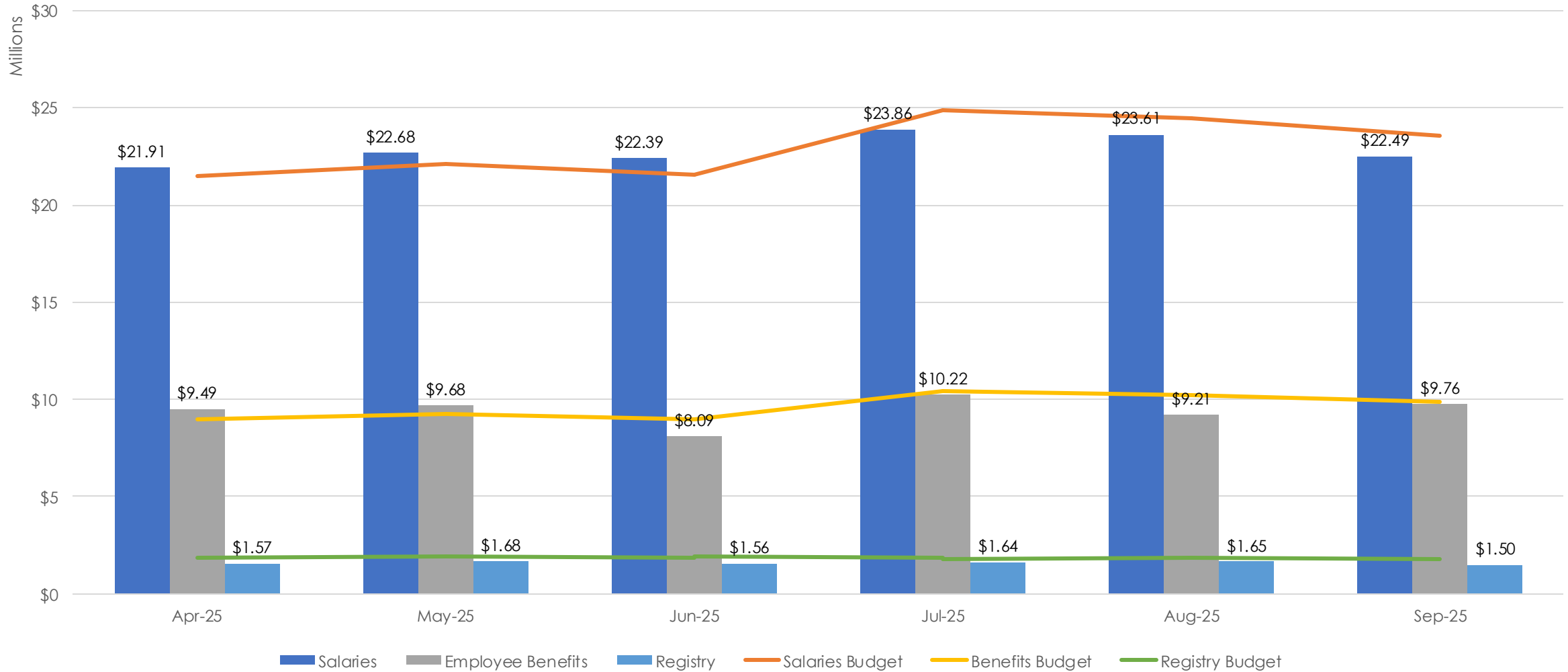
Indigent & Correctional Revenue



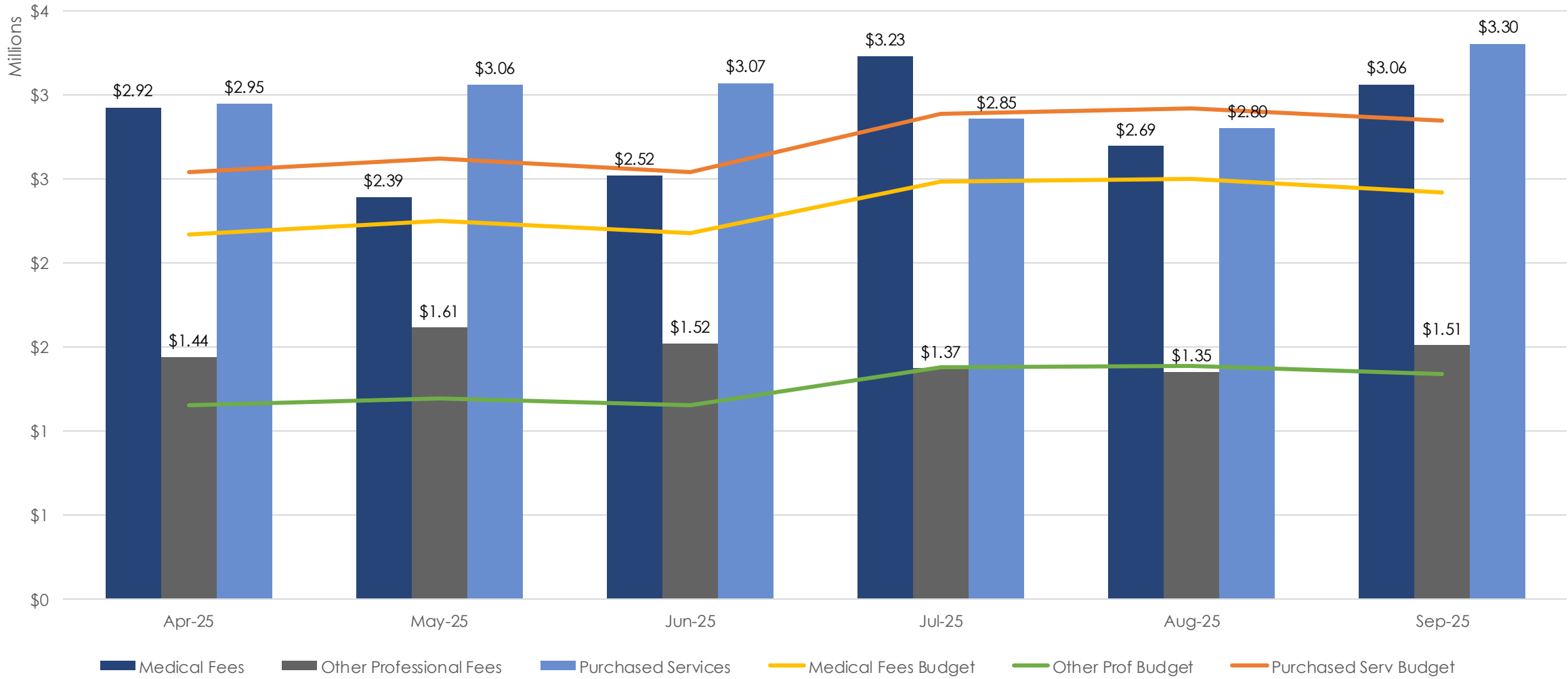
Total Revenue



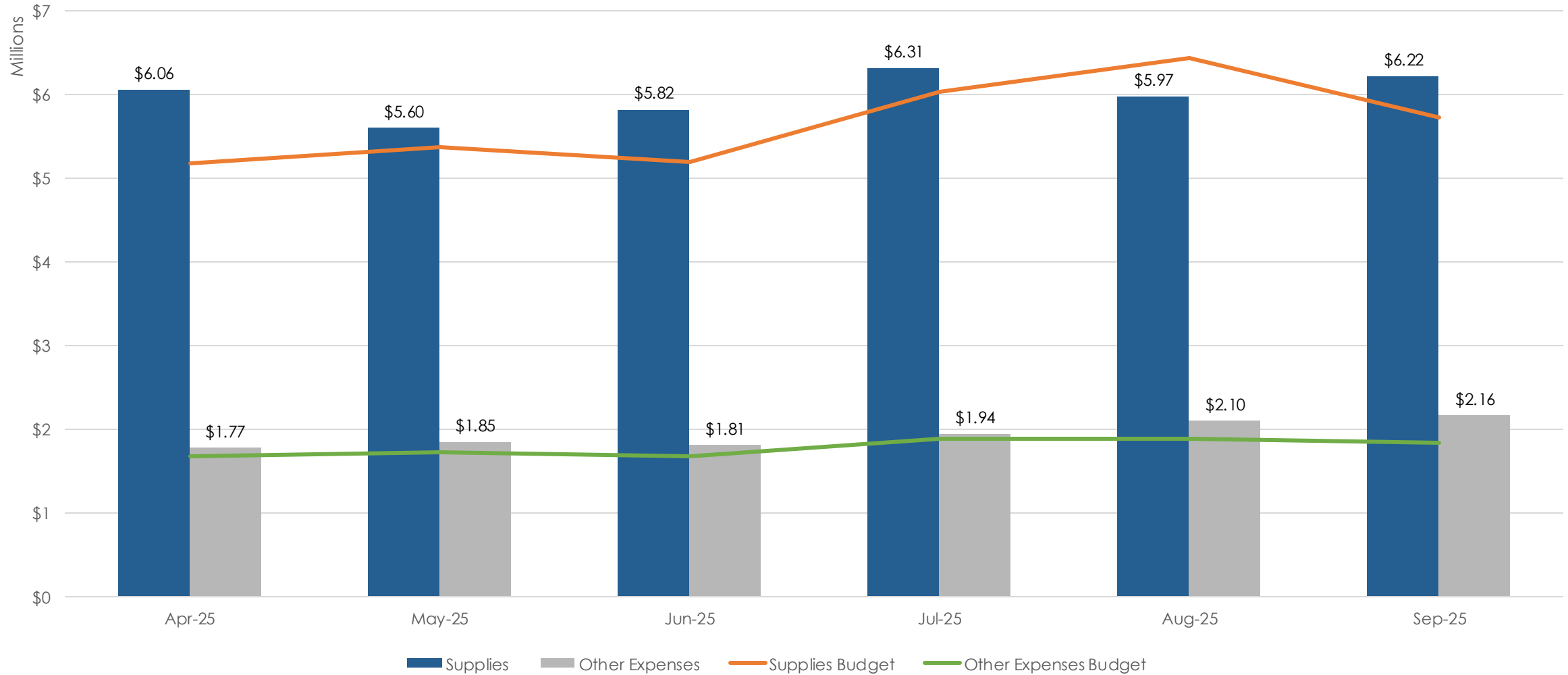
Expenses



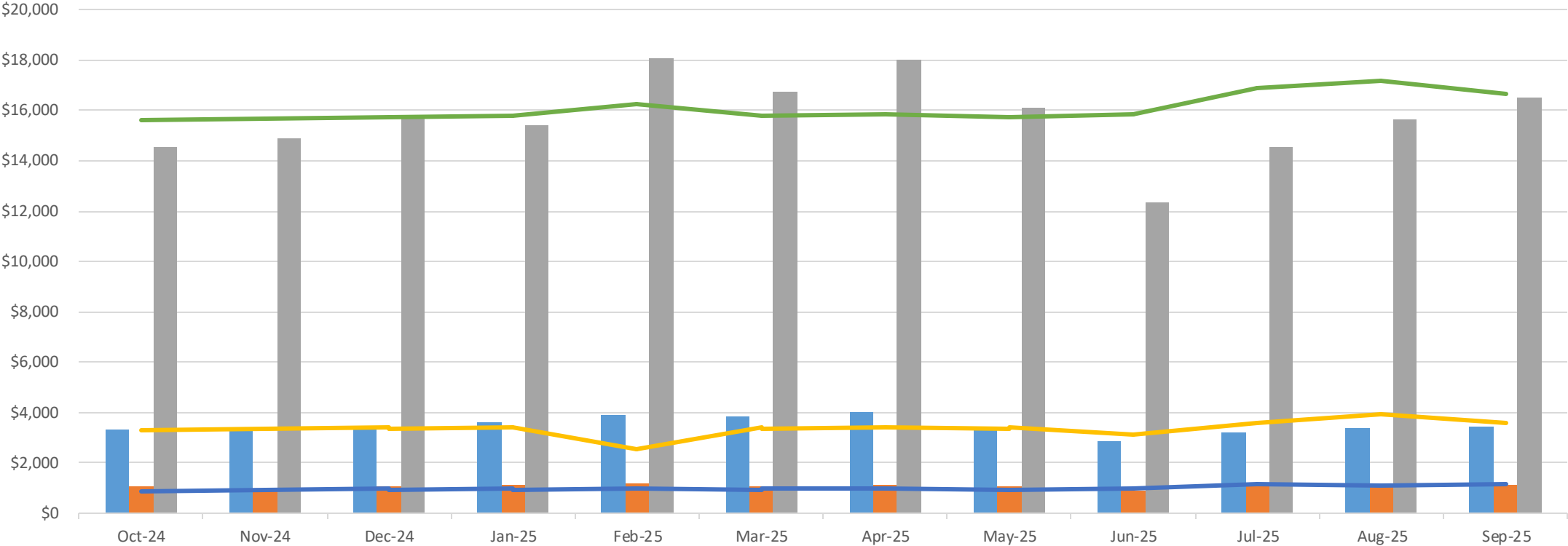
Expenses



Expenses

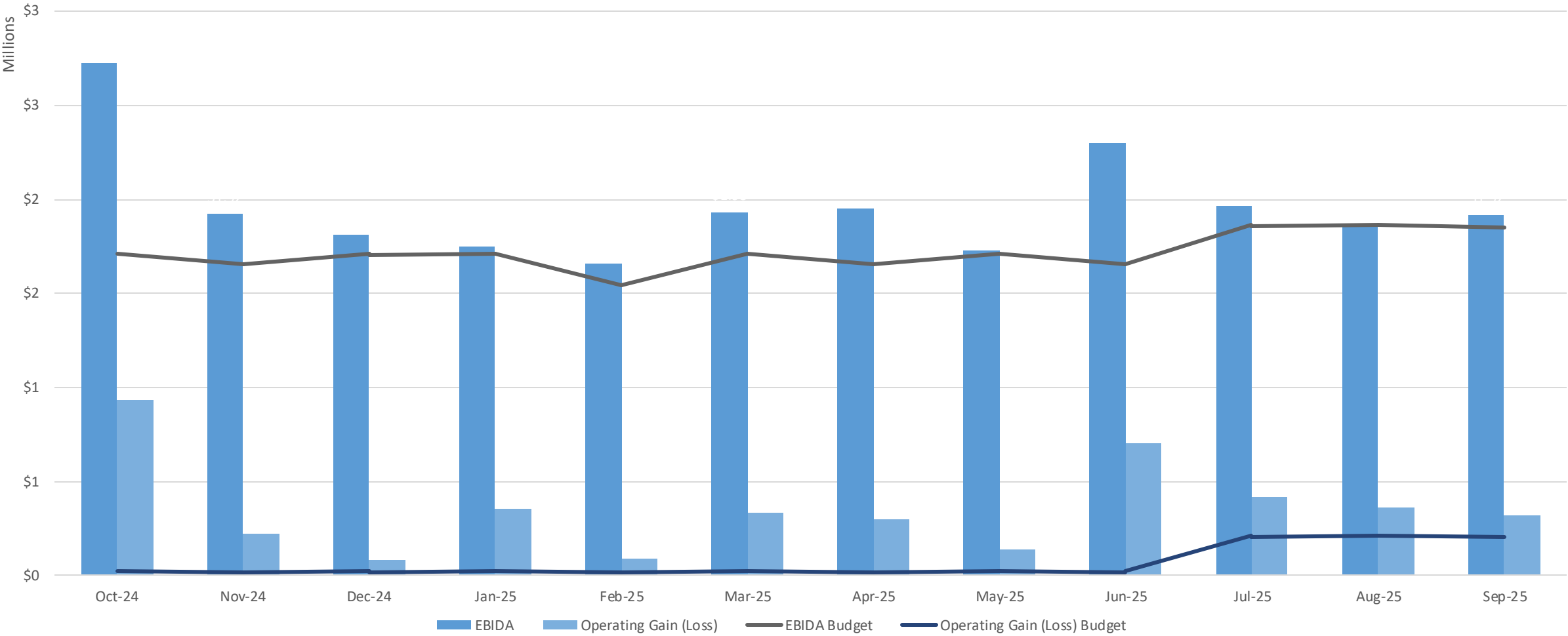


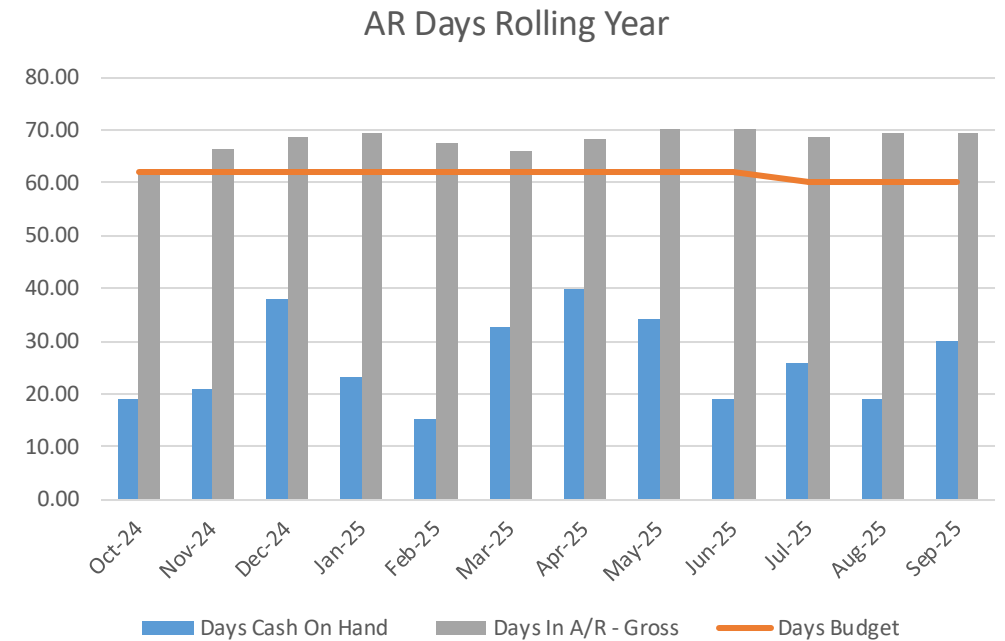
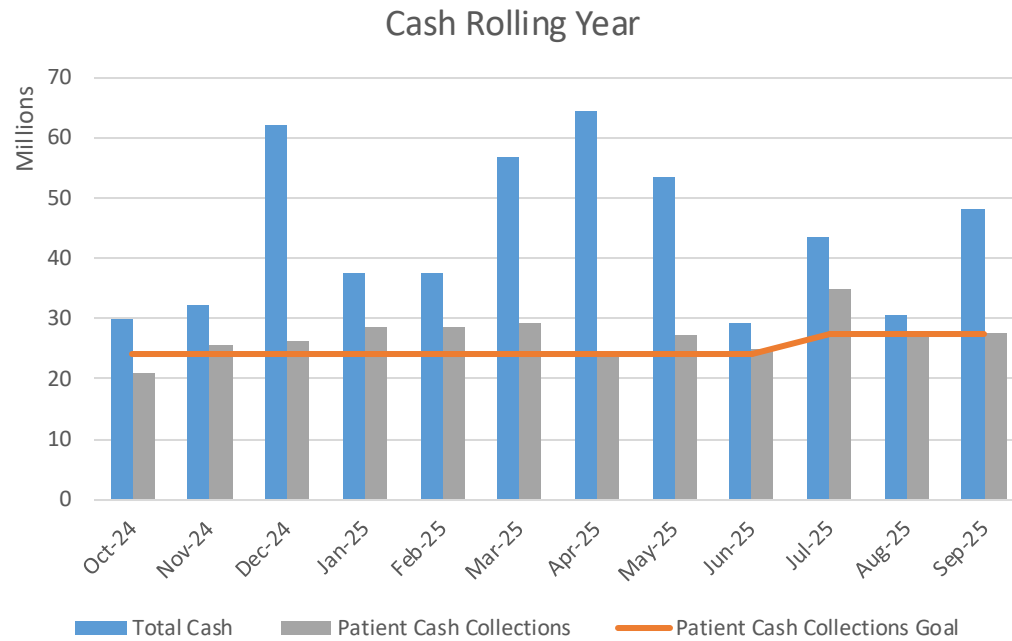
Operating Metrics



	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Supply Expense per AA	\$3,323	\$3,342	\$3,339	\$3,629	\$3,933	\$3,835	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471
Pharm Cost per AA	\$1,057	\$980	\$1,070	\$1,125	\$1,161	\$1,070	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118
Net Revenue Per AA	\$14,556	\$14,878	\$15,768	\$15,411	\$18,087	\$16,764	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506
Budget Supp/AA	\$3,369	\$3,371	\$3,401	\$3,407	\$2,546	\$3,410	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567
Budget Pharm/AA	\$953	\$953	\$962	\$964	\$966	\$965	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142
Budget Net Rev/AA	\$15,601	\$15,681	\$15,748	\$15,811	\$16,229	\$15,781	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643

EBIDA Rolling Year





KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
September 30, 2025

				BUDGET	VARIANCE	PY
	JULY	AUGUST	SEPTEMBER	SEPTEMBER	POS (NEG)	SEPTEMBER
Gross Patient Revenue	\$ 129,783,341	\$ 124,608,923	\$ 124,462,106	\$ 120,269,454	3.5%	\$ 116,750,736
Contractual Deductions	(101,030,492)	(97,257,793)	(94,898,573)	(93,531,139)	1%	(92,353,482)
Net Revenue	28,752,849	27,351,130	29,563,534	26,738,315	11%	24,397,253
Indigent Funding	18,770,930	18,770,930	17,355,942	18,361,796	(5%)	18,929,942
Correctional Medicine	3,097,714	3,097,713	3,097,713	3,095,522	0.1%	3,014,183
County Contribution	285,211	285,211	285,211	285,211	(0%)	285,211
Incentive Funding	86,312	122,896	93,941	70,043	34%	44,431
Net Patient Revenue	50,993,016	49,627,880	50,396,341	48,550,888	4%	46,671,020
Other Operating Revenue	2,376,940	1,601,375	1,496,682	2,657,654	(44%)	1,824,236
Other Non-Operating Revenue	31,001	20,943	24,766	11,730	111%	11,766
Total Revenue	53,400,956	51,250,198	51,917,788	51,220,271	1%	48,507,022
Expenses						
Salaries	23,864,758	23,614,753	22,494,669	23,577,409	(5%)	21,982,828
Employee Benefits	10,223,321	9,208,158	9,759,894	9,860,073	(1%)	9,044,281
Registry	1,637,614	1,647,574	1,495,347	1,770,212	(16%)	1,890,280
Medical Fees	3,228,446	2,692,755	3,063,042	2,415,389	27%	1,848,647
Other Professional Fees	1,371,739	1,352,254	1,508,403	1,337,169	13%	1,219,003
Supplies	6,313,948	5,969,679	6,216,285	5,730,684	8%	5,372,273
Purchased Services	2,854,041	2,801,139	3,302,993	2,849,283	16%	3,329,294
Other Expenses	1,940,703	2,099,122	2,160,560	1,829,119	18%	2,042,731
Operating Expenses	51,434,570	49,385,436	50,001,194	49,369,338	1%	46,729,337
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,966,387	\$ 1,864,762	\$ 1,916,595	\$ 1,850,933	3.5%	\$ 1,777,685
EBIDA Margin	4%	4%	4%	4%	2%	4%
Interest	251,266	244,843	302,667	335,744	(10%)	393,353
Depreciation	702,992	665,336	695,832	657,304	6%	682,547
Amortization	595,855	595,855	595,855	652,001	(9%)	634,662
Total Expenses	52,984,683	50,891,470	51,595,548	51,014,387	1%	48,439,900
Operating Gain (Loss)	\$ 416,273	\$ 358,727	\$ 322,240	\$ 205,884	57%	\$ 67,123
Operating Margin	0.78%	0.70%	0.62%	0.40%	54.4%	0.1%

KERN MEDICAL
Year to Date Analysis: Revenues & Expenses
September 30, 2025

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 378,854,371	\$ 365,214,077	4%	\$ 348,457,123	9%
Contractual Deductions	(293,186,858)	(281,765,457)	4%	(274,483,198)	7%
Net Revenue	85,667,513	83,448,620	3%	73,973,925	16%
Indigent Funding	54,897,802	56,309,509	(3%)	57,104,838	(4%)
Correctional Medicine	9,293,140	9,286,567	0%	9,243,496	1%
County Contribution	855,633	855,633	(0%)	855,633	0%
Incentive Funding	303,149	214,798	41%	158,262	92%
Net Patient Revenue	151,017,237	150,115,126	1%	141,336,154	7%
Other Operating Revenue	5,474,996	8,150,138	(33%)	5,801,691	(5.63%)
Other Non-Operating Revenue	76,710	35,923	114%	35,846	114%
Total Revenue	156,568,942	158,301,187	(1%)	147,173,690	6%
Expenses					
Salaries	69,974,180	72,879,503	(4%)	64,923,209	8%
Employee Benefits	29,191,373	30,478,208	(4%)	27,605,759	6%
Registry	4,780,535	5,424,184	(12%)	6,341,636	(25%)
Medical Fees	8,984,244	7,397,220	21%	6,738,843	33%
Other Professional Fees	4,232,396	4,096,015	3%	4,316,195	(1.9%)
Supplies	18,499,913	18,195,495	2%	16,565,095	12%
Purchased Services	8,958,173	8,647,925	4%	9,158,158	(2%)
Other Expenses	6,200,385	5,609,299	11%	5,913,193	5%
Operating Expenses	150,821,199	152,727,848	(1%)	141,562,089	7%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 5,747,744	\$ 5,573,338	3%	\$ 5,611,602	2.4%
EBIDA Margin	4%	4%	4%	4%	(4%)
Interest	798,776	1,014,780	(21%)	1,012,865	(21%)
Depreciation	2,064,161	1,971,911	5%	2,043,697	1%
Amortization	1,787,566	1,956,004	(9%)	1,908,234	(6%)
Total Expenses	155,471,701	157,670,543	(1%)	146,526,885	6%
Operating Gain (Loss)	\$ 1,097,241	\$ 630,643	74%	\$ 646,805	70%
Operating Margin	0.7%	0.4%	75.9%	0.4%	59%

KERN MEDICAL BALANCE SHEET

	SEPTEMBER 2025	SEPTEMBER 2024
ASSETS:		
<i>Total Cash</i>	\$ 48,196,221	\$ 30,133,835
Patient Receivables Subtotal	308,462,975	252,863,198
Contractual Subtotal	(273,007,439)	(204,114,626)
<i>Net Patient Receivable</i>	35,455,536	48,748,573
Total Indigent Receivable	244,103,571	248,501,907
Total Other Receivable	17,333,854	29,522,878
Total Prepaid Expenses	6,924,942	7,321,683
Total Inventory	4,881,898	4,727,529
<i>Total Current Assets</i>	356,896,020	368,956,406
Deferred Outflows of Resources	124,532,718	112,536,013
Total Land, Equipment, Buildings and Intangibles	270,853,827	270,188,249
Total Construction in Progress	18,344,383	10,709,459
<i>Total Property, Plant & Equipment</i>	289,198,210	280,897,708
Total Accumulated Depr & Amortization	(185,348,335)	(173,637,123)
<i>Net Property, Plant, and Equipment</i>	103,849,875	107,260,585
<i>Total Long Term Assets</i>	124,532,718	112,536,013
<i>Total Assets</i>	\$ 585,278,613	\$ 588,753,004

KERN MEDICAL BALANCE SHEET

	SEPTEMBER 2025	SEPTEMBER 2024
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 11,409,498	\$ 5,698,081
Total Accrued Compensation	24,398,332	31,618,840
Total Due Government Agencies	1,342,500	4,527,312
Total Other Accrued Liabilities	46,893,048	52,018,814
<i>Total Current Liabilities</i>	84,043,378	93,863,047
Unfunded Pension Liability	344,447,058	345,399,109
Other Long-Term Liabilities	79,336,805	81,166,815
<i>Total Long-Term Liabilities</i>	423,783,863	426,565,924
<i>Total Liabilities</i>	507,827,241	520,428,971
<i>Total Net Position</i>	77,451,372	68,324,033
<i>Total Liabilities and Net Position</i>	\$ 585,278,613	\$ 588,753,004

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date September 2025	Fiscal Year-End June 2025	Fiscal Year-to-Date September 2024	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 90,709,077	\$ 314,552,945	\$ 73,099,244	\$ 293,523,533
Cash received for other operations	65,322,681	260,727,035	28,203,445	233,602,712
Cash paid for salaries and benefits	(102,829,359)	(377,869,782)	(83,110,271)	(339,411,493)
Cash paid for services and supplies	(43,444,339)	(202,668,841)	(55,376,011)	(186,981,598)
Net cash (used in) provided by operating activities	9,758,061	(5,258,643)	(37,183,595)	733,154
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash (provided to) received from various County funds	-	-	-	-
Interest paid - pension obligation bond	-	256,677	-	420,331
Principal paid - pension obligation bond	-	(1,058,183)	-	(1,062,281)
Interest paid - line of credit	-	-	-	-
Line of credit payment	10,000,000	-	20,000,000	-
Net cash provided by (used in) noncapital financing activities	10,000,000	(801,506)	20,000,000	(641,950)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	144,038	(11,508,871)	(3,038,843)	(18,896,864)
Payments on right-of-usage lease liability	(621,405)	(2,850,043)	(745,764)	3,896,089
Interest paid - right-of-usage lease liability	(2,098)	(7,976)	(2,311)	31,211
Payments on SBITA liability	(194,514)	(762,463)	(188,302)	(752,150)
Interest paid - SBITA	(138)	(580)	(156)	2,013
Net cash used by capital and related financing activities	(674,117)	(15,129,933)	(3,975,377)	(15,719,700)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	-	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	19,083,944	(21,190,081)	(21,158,972)	(15,628,497)
CASH AND CASH EQUIVALENTS, beginning of year	29,112,277	50,302,358	51,292,807	66,921,303
CASH AND CASH EQUIVALENTS, year-to-date	\$ 48,196,221	\$ 29,112,277	\$ 30,133,835	\$ 51,292,807