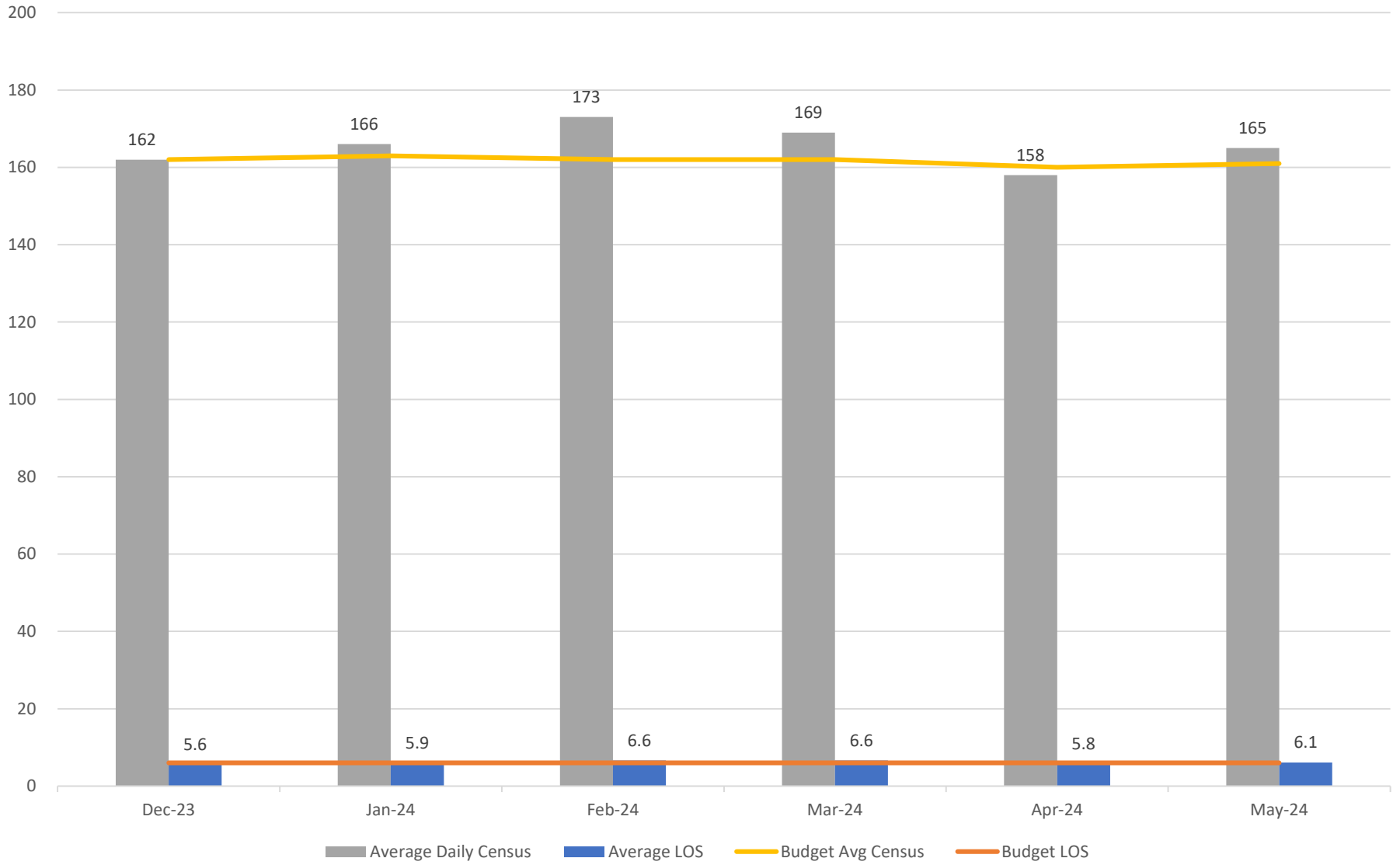


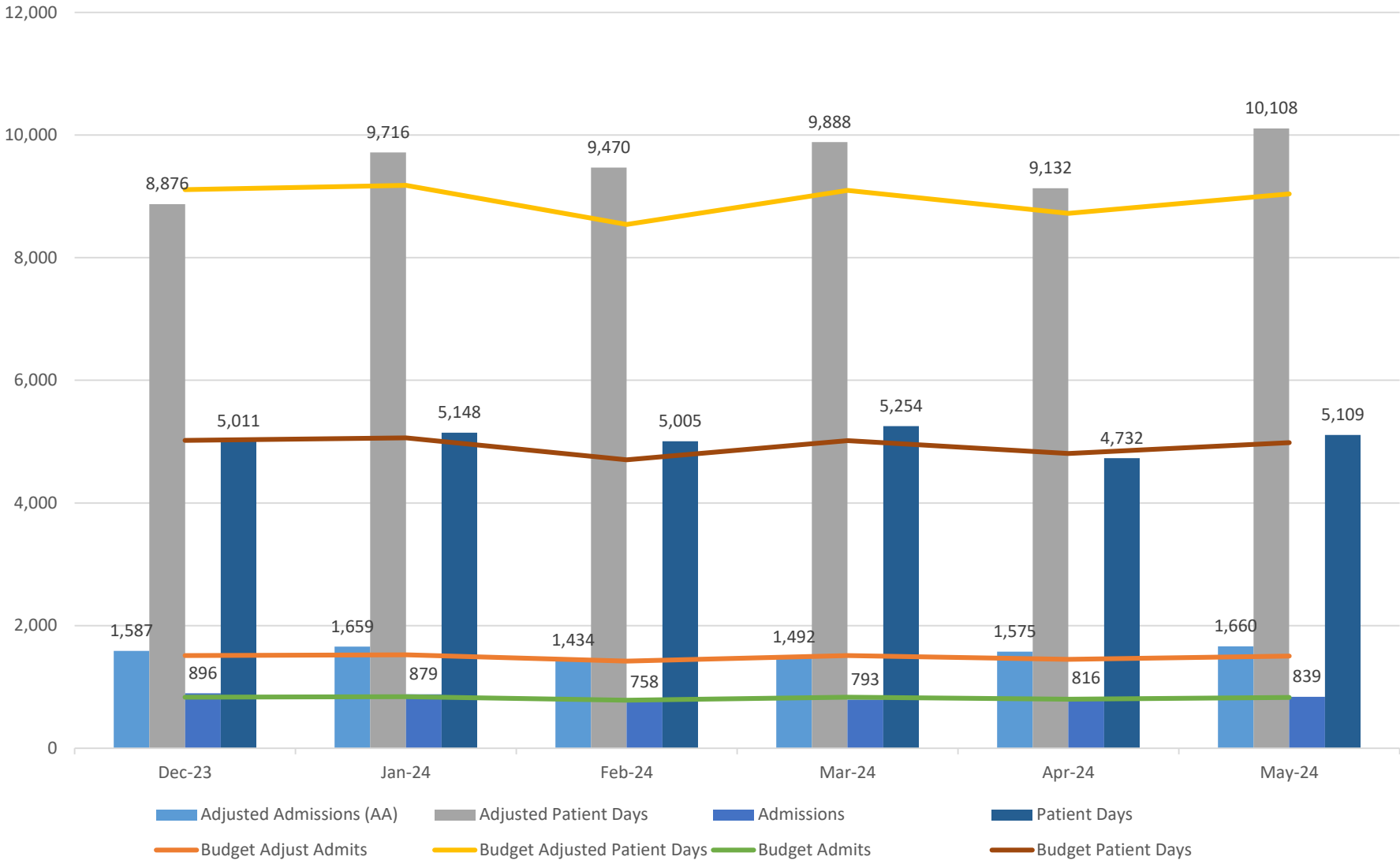


**BOARD OF GOVERNORS' REPORT
KERN MEDICAL – MAY 2024**

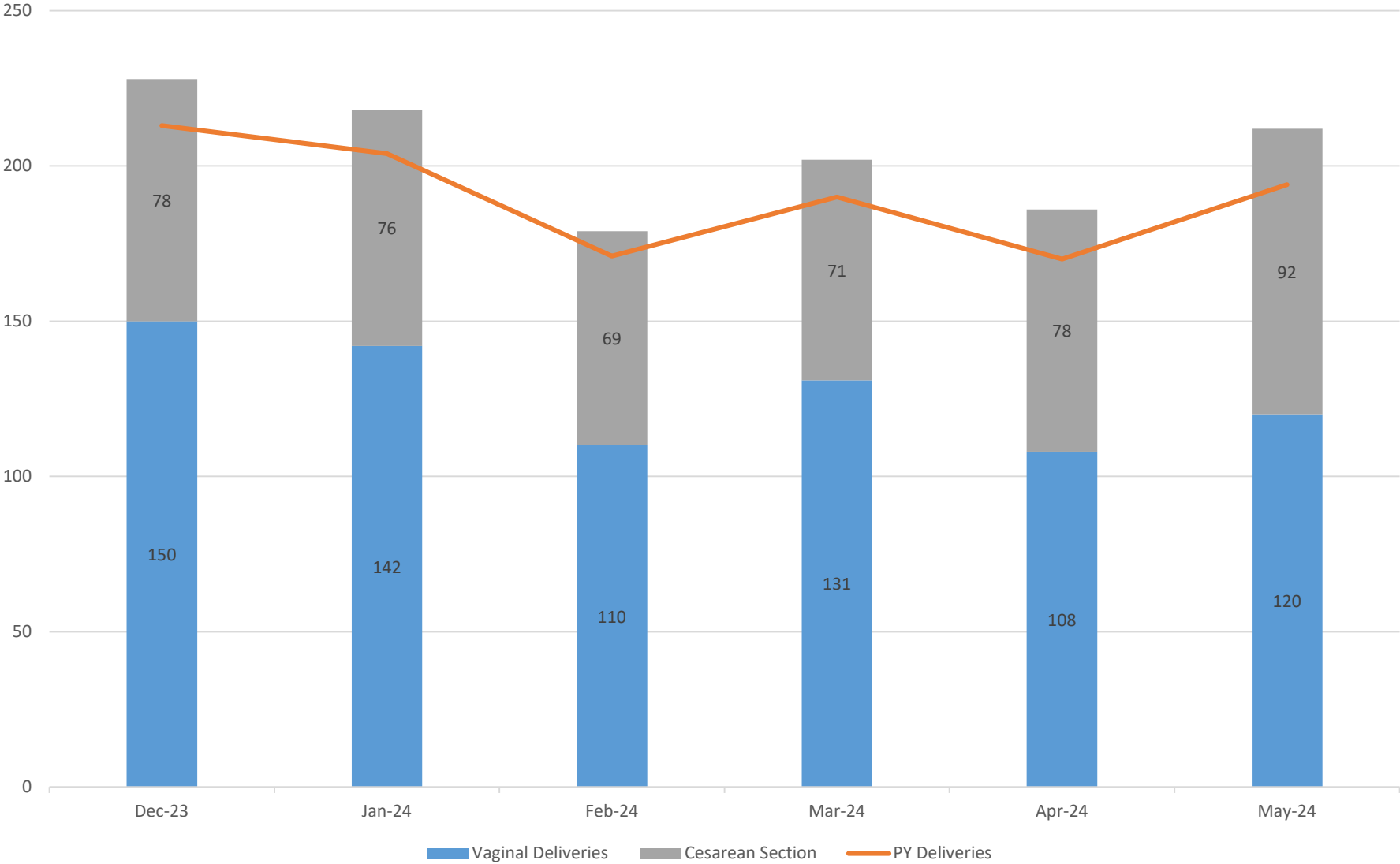
Census & ALOS



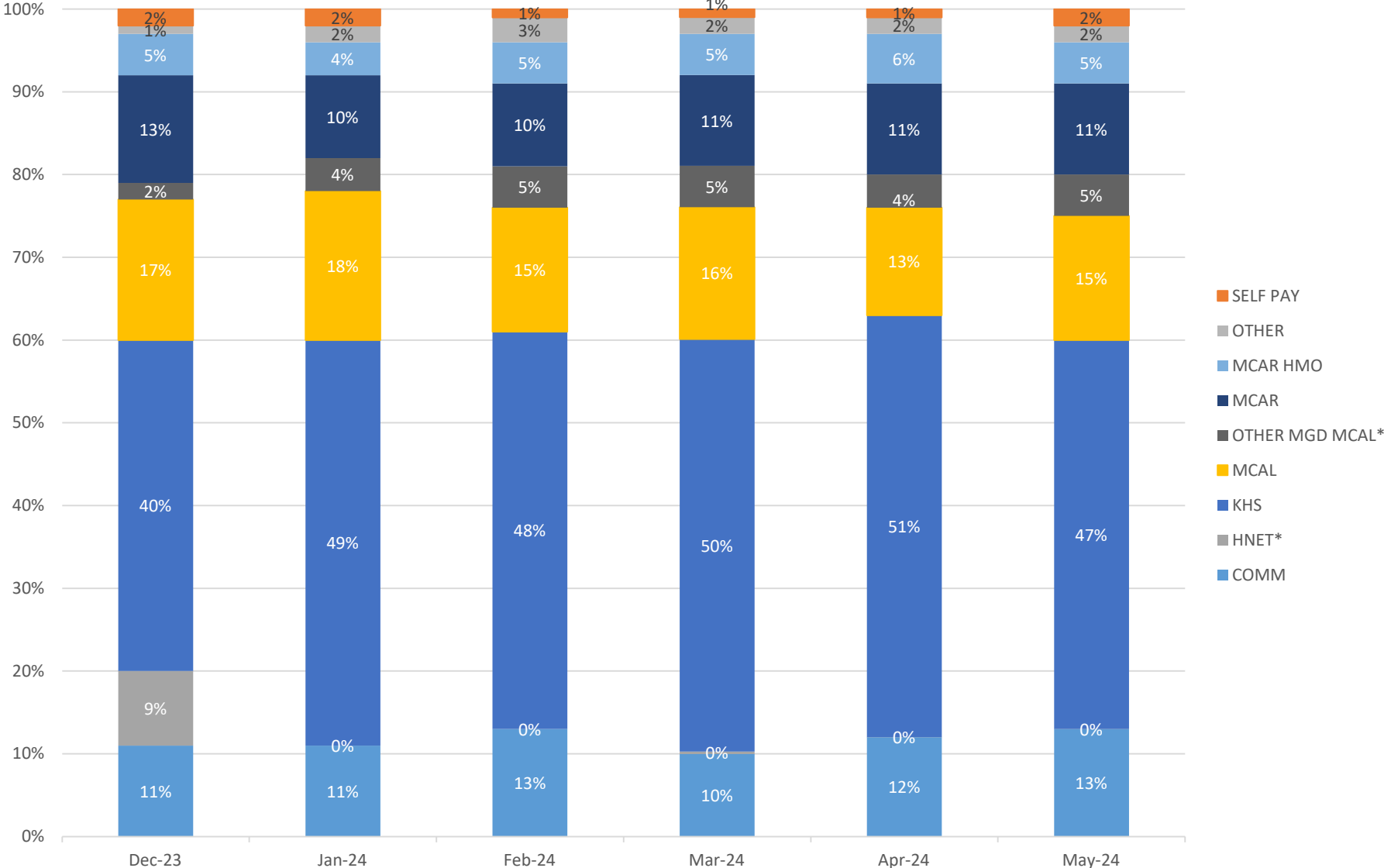
Hospital Volumes



Deliveries



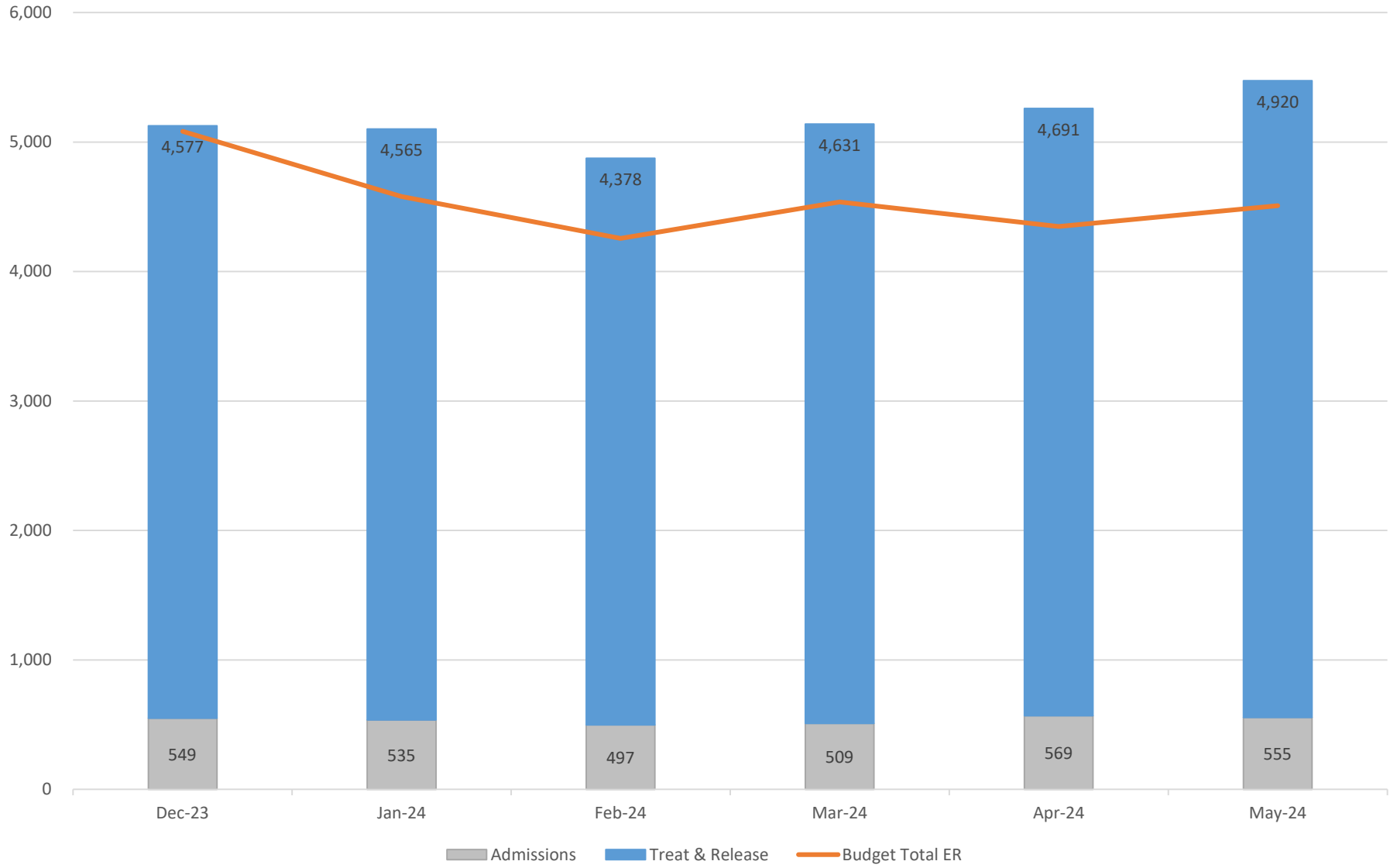
PAYER MIX



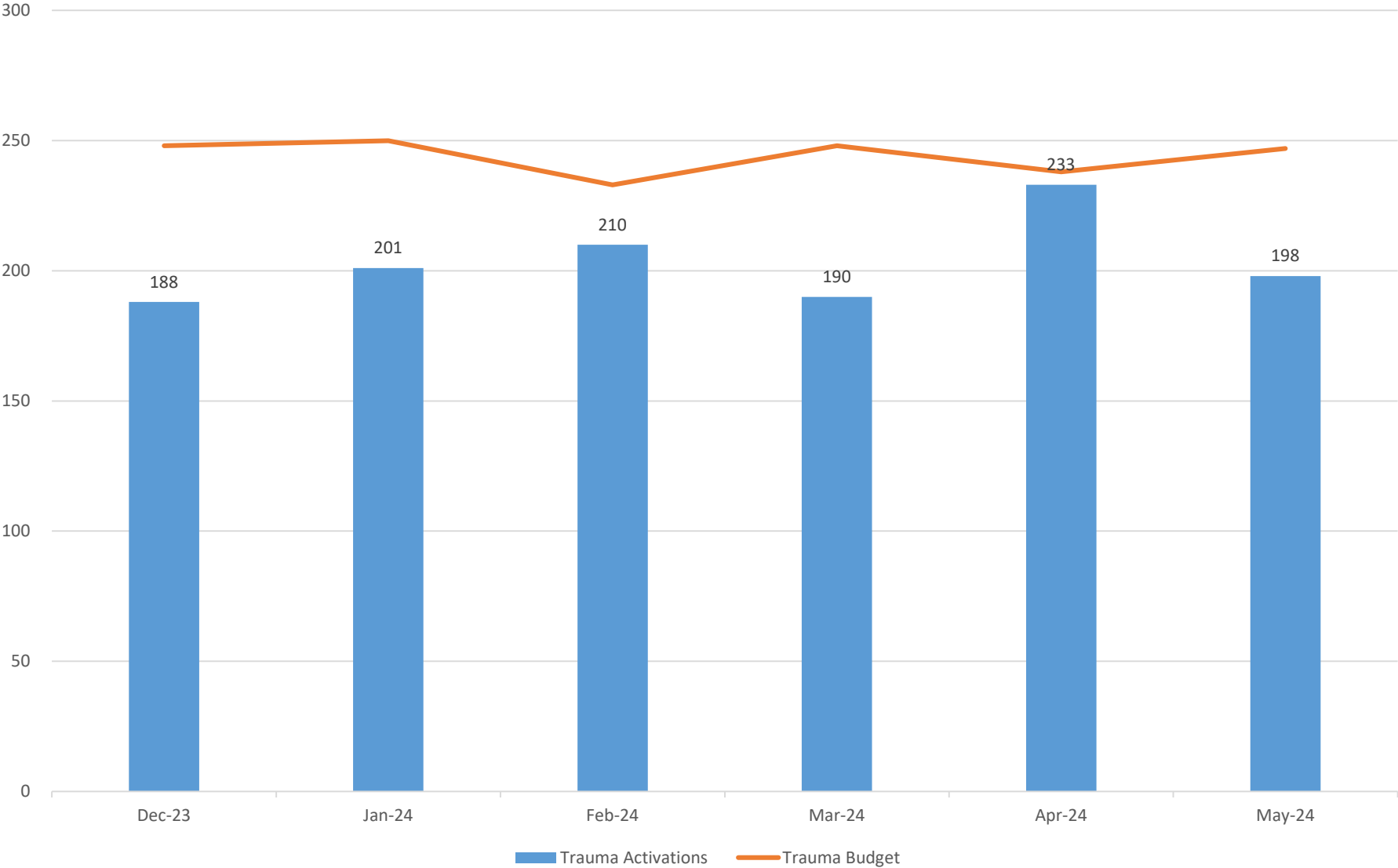
Health for Life.

*Indicates commercial managed Medi-Cal plans transitioning to Other commercial managed Medi-Cal plans starting Jan 1, 2024

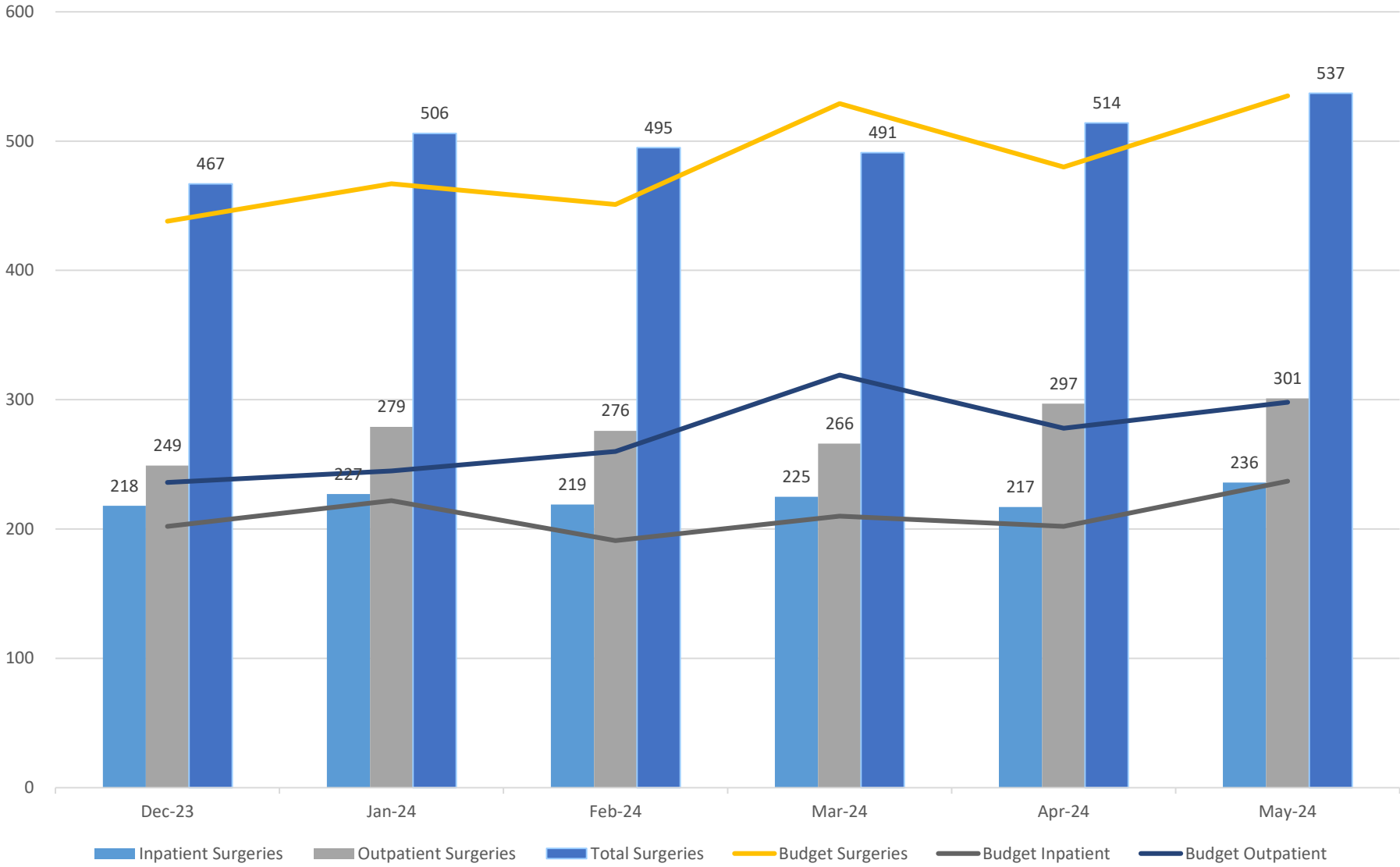
Emergency Room Volume



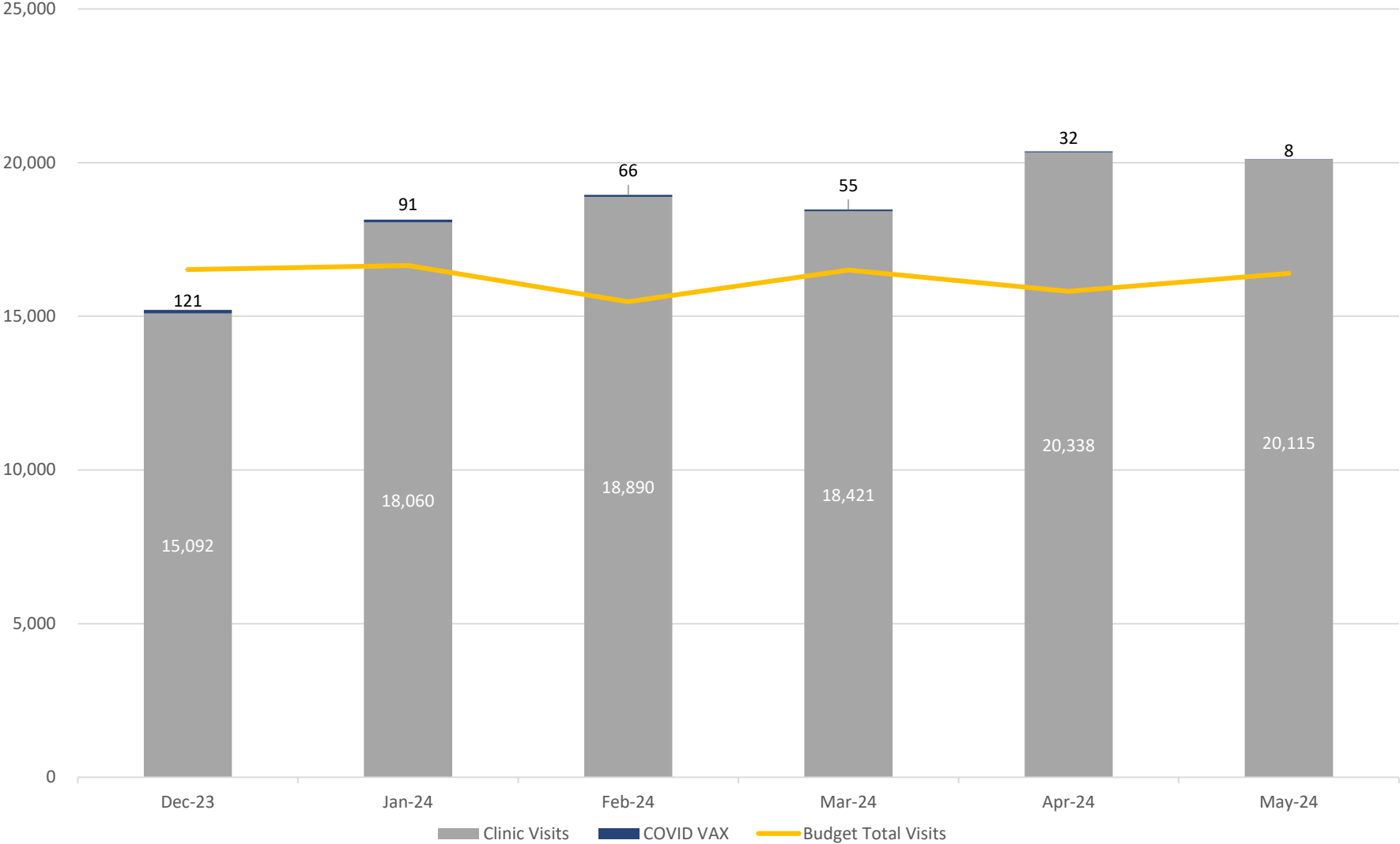
Trauma Activations



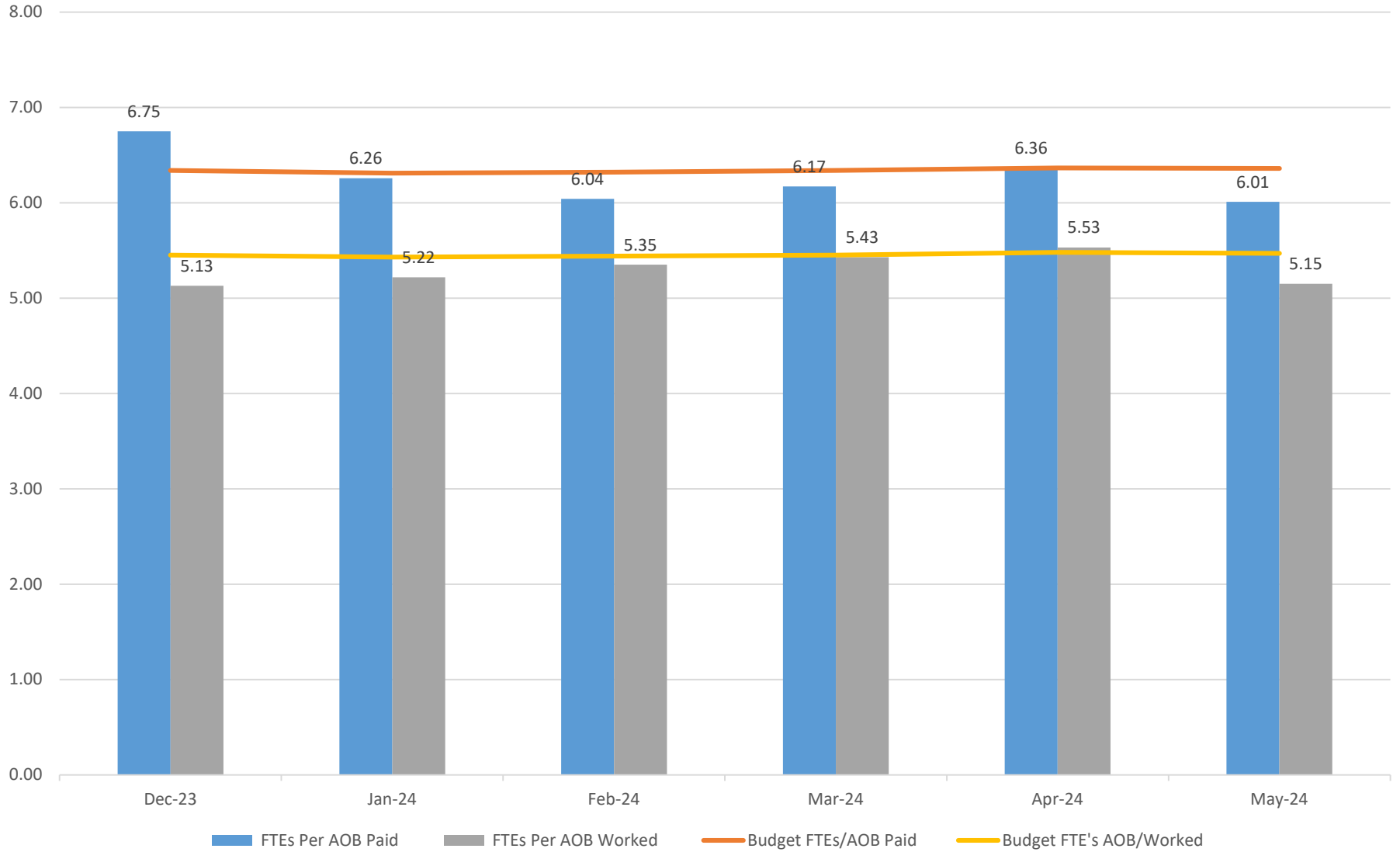
Surgical Volume



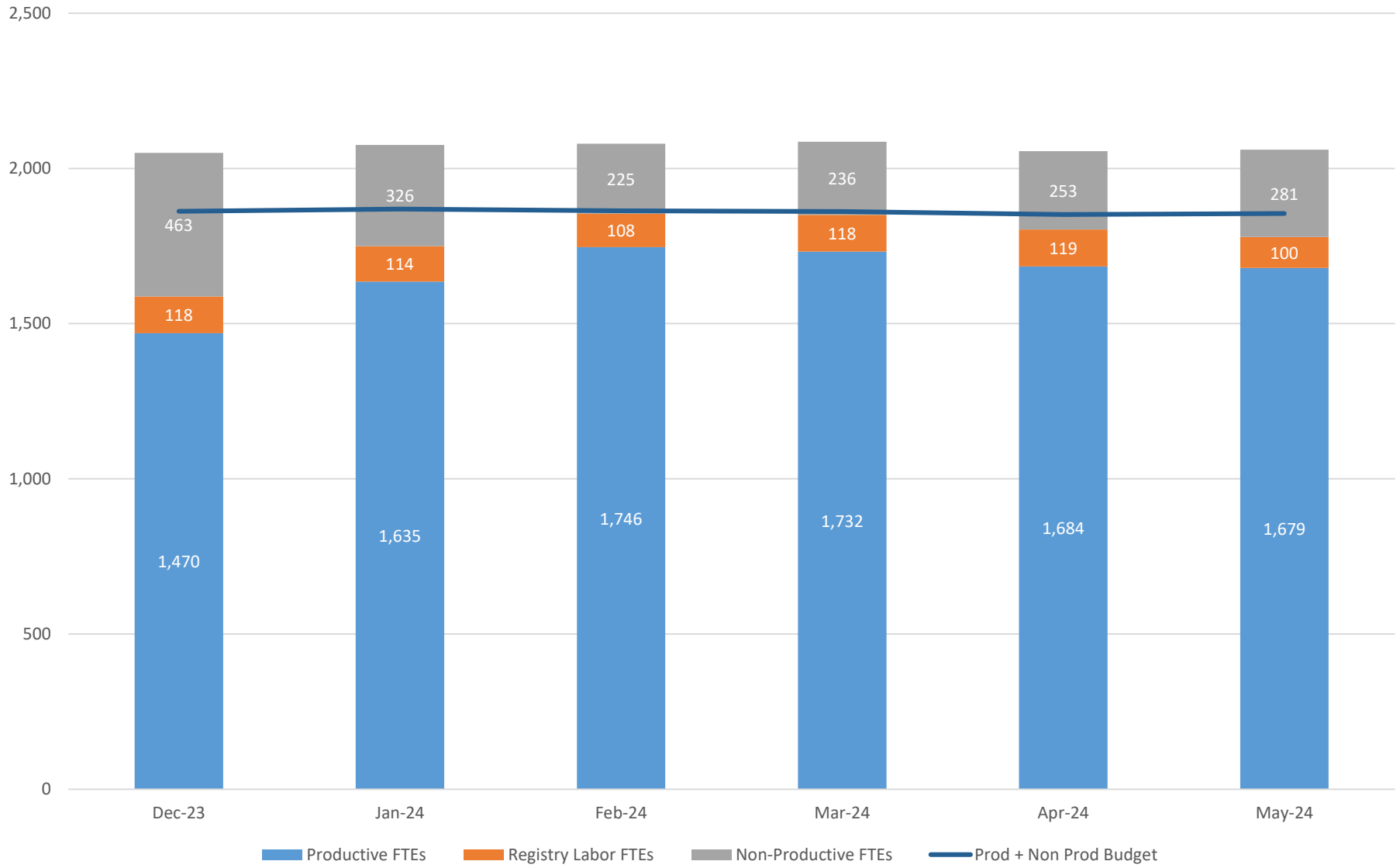
Clinic Visits



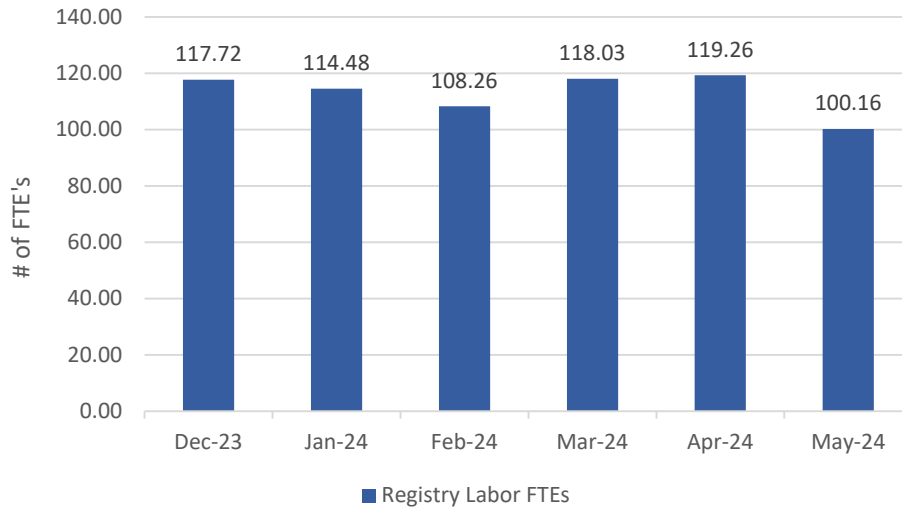
Labor Metrics



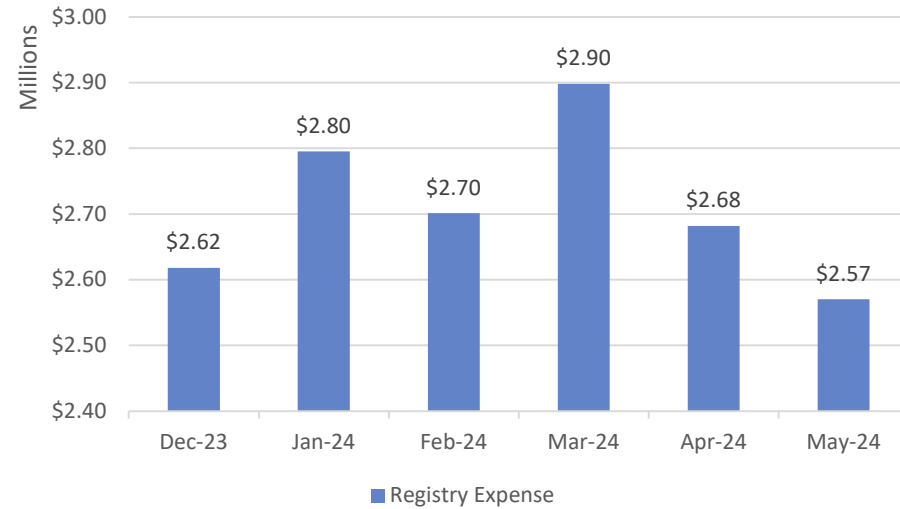
Productivity



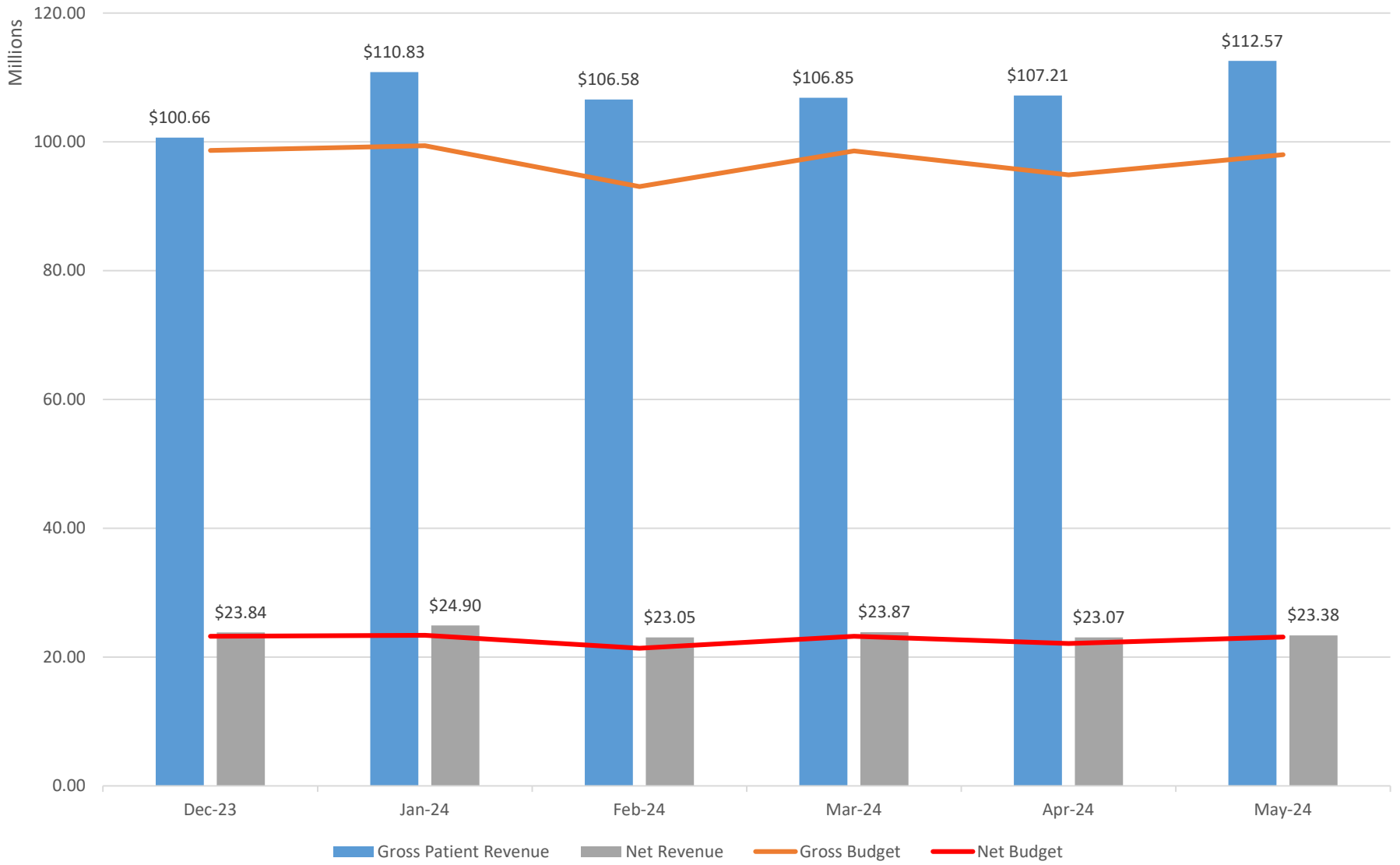
Registry FTE's



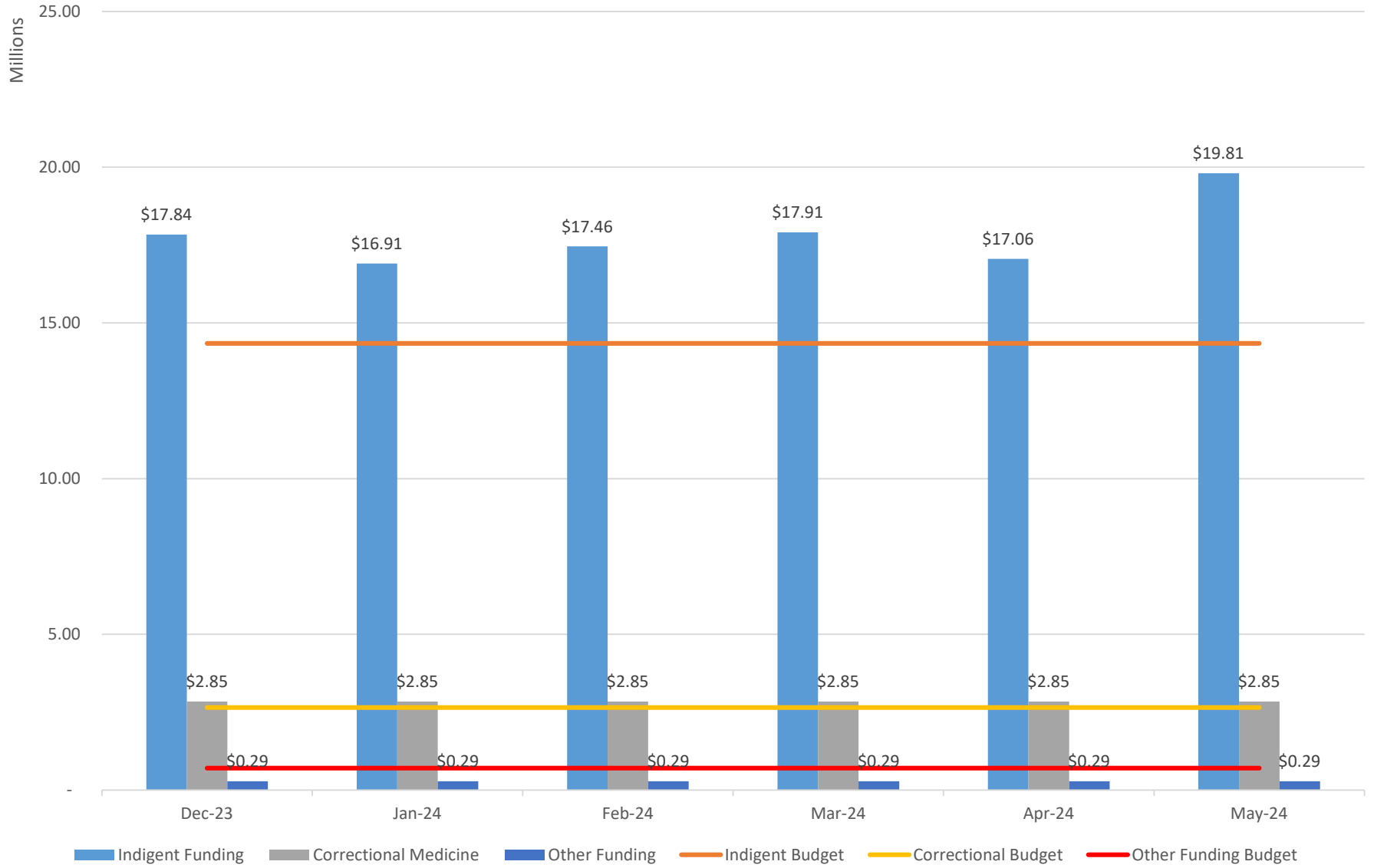
Registry Expense



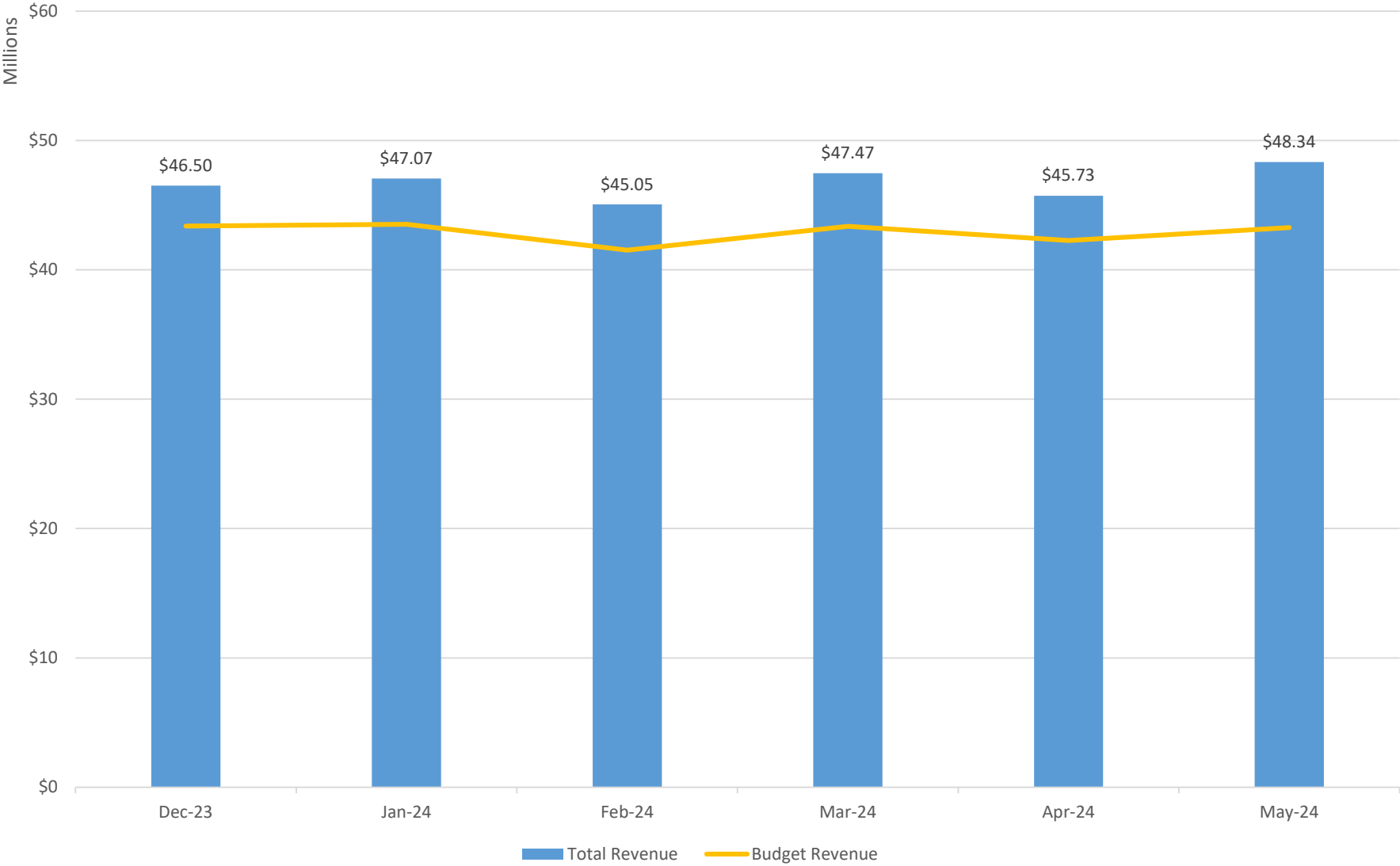
Patient Revenue



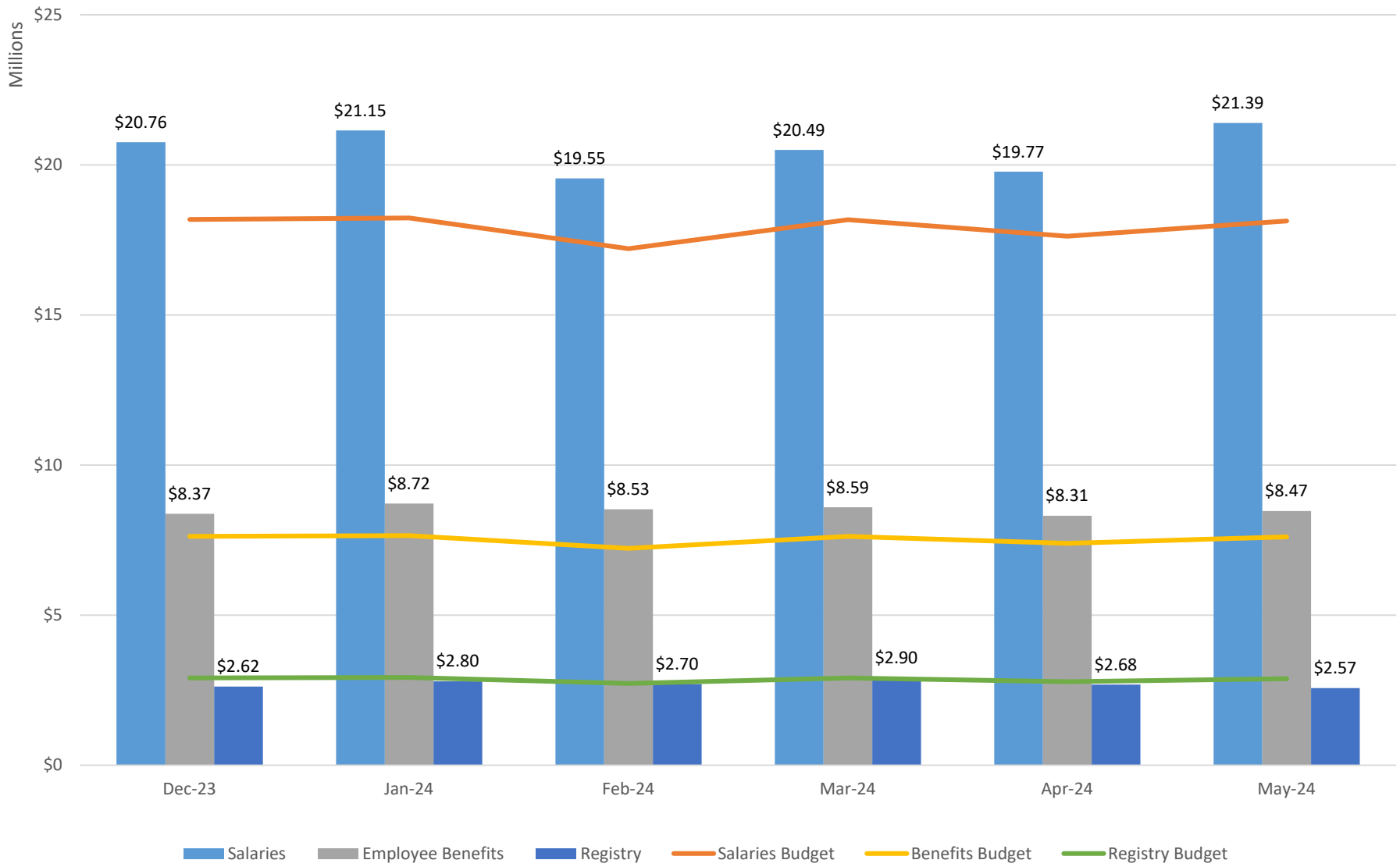
Indigent & Correctional Revenue



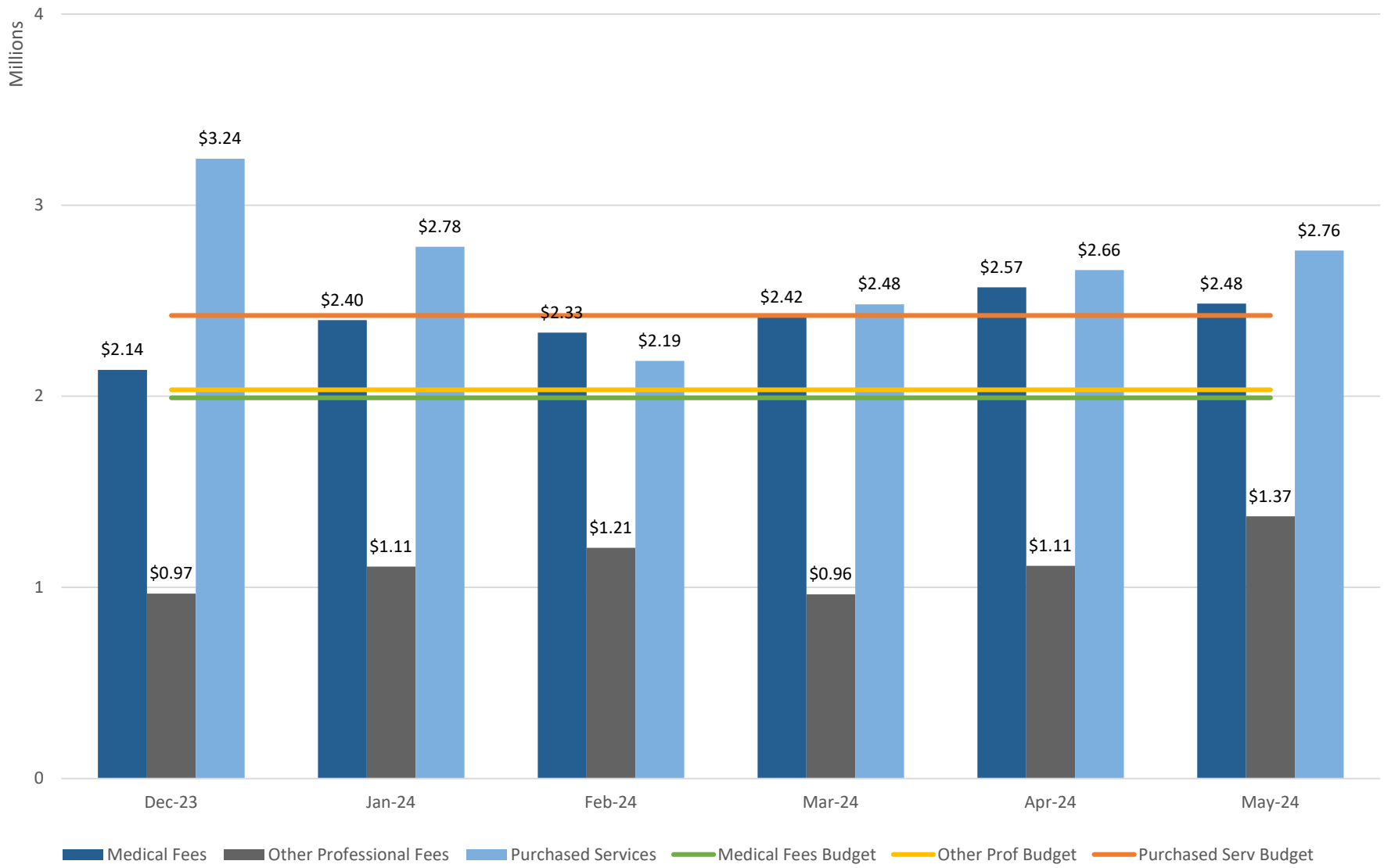
Total Revenue



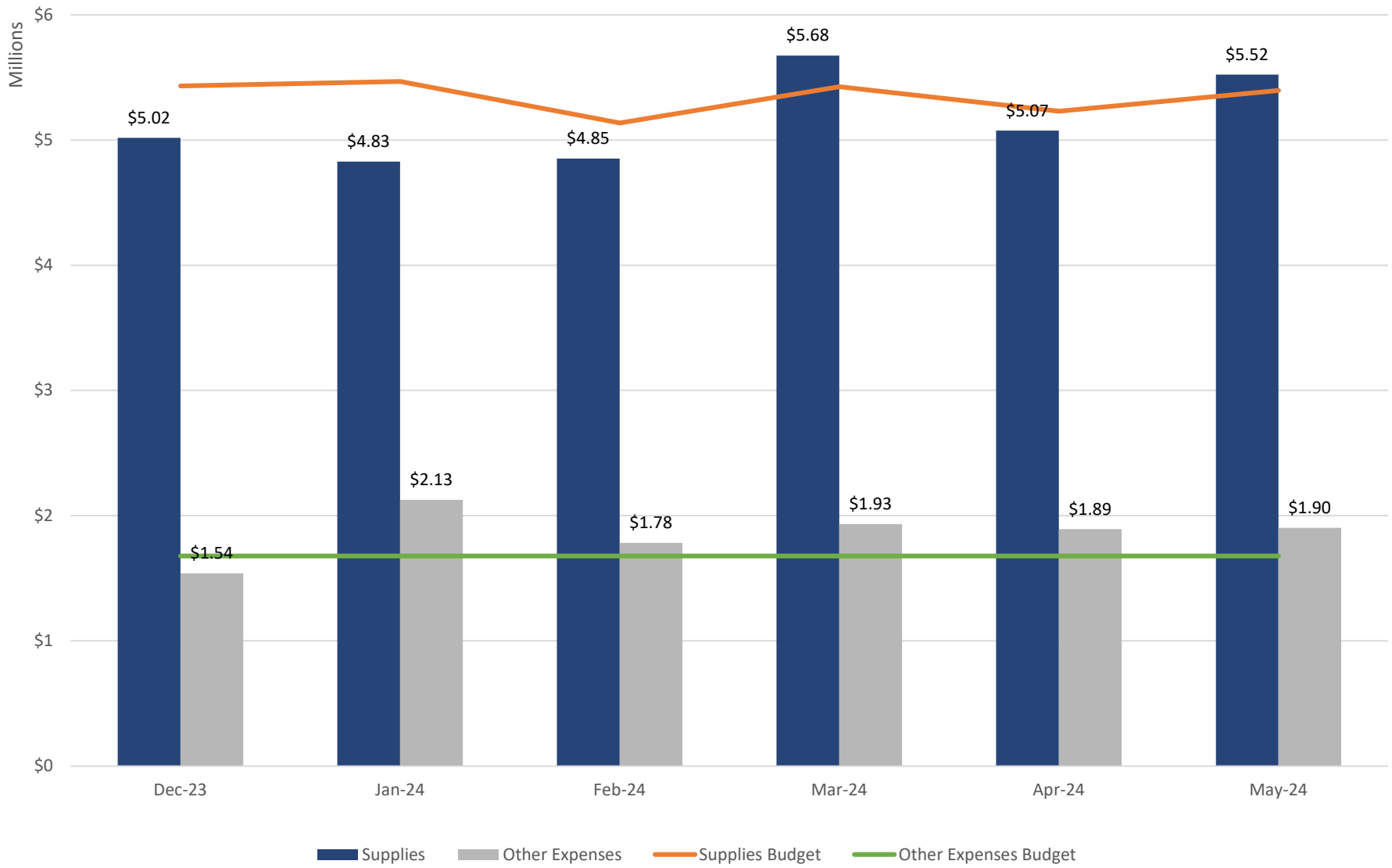
Expenses



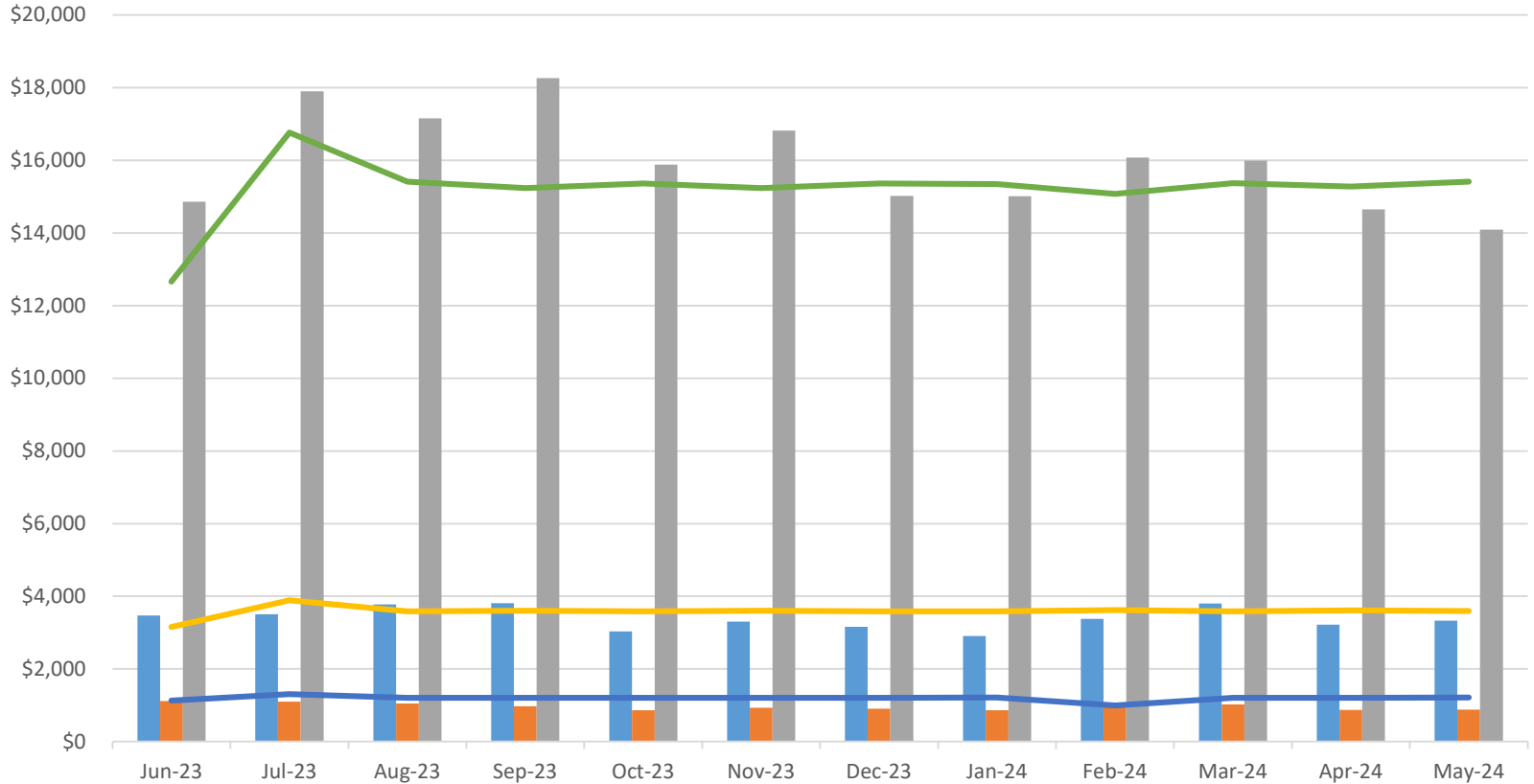
Expenses



Expenses

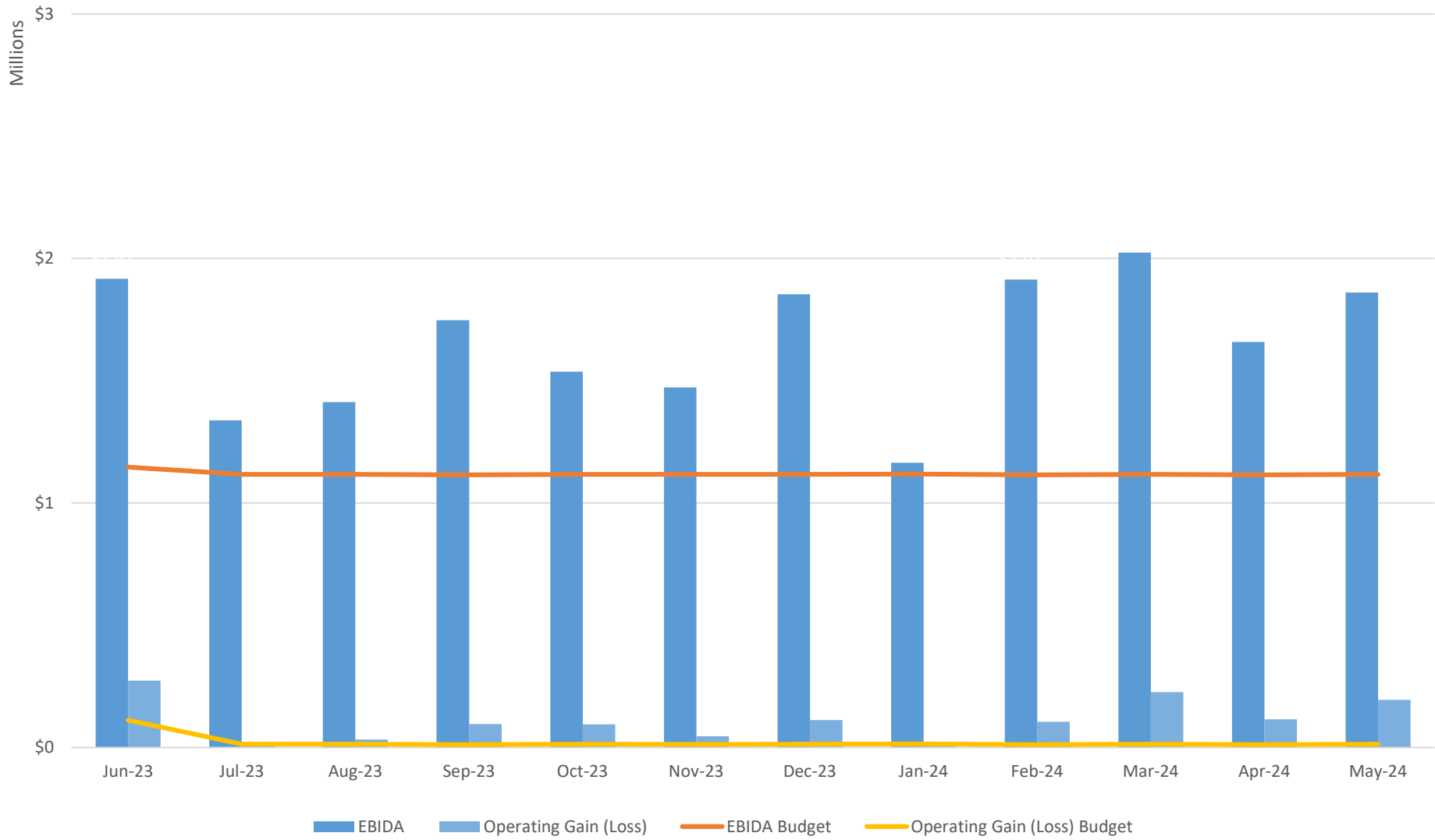


Operating Metrics

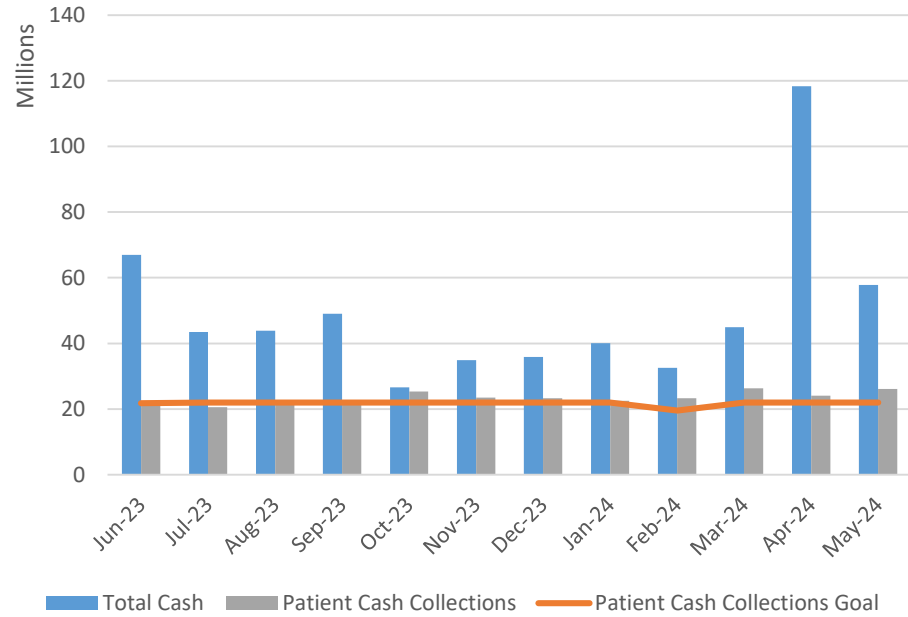


	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Supply Expense per AA	\$3,473	\$3,502	\$3,775	\$3,809	\$3,038	\$3,303	\$3,161	\$2,910	\$3,383	\$3,803	\$3,223	\$3,327
Pharm Cost per AA	\$1,115	\$1,104	\$1,047	\$978	\$866	\$932	\$904	\$865	\$1,011	\$1,023	\$877	\$885
Net Revenue Per AA	\$14,857	\$17,893	\$17,150	\$18,258	\$15,875	\$16,817	\$15,020	\$15,012	\$16,073	\$15,992	\$14,649	\$14,086
Budget Supp/AA	\$3,153	\$3,891	\$3,590	\$3,606	\$3,589	\$3,606	\$3,589	\$3,589	\$3,621	\$3,590	\$3,610	\$3,596
Budget Pharm/AA	\$1,127	\$1,310	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,211	\$999	\$1,210	\$1,210	\$1,211
Budget Net Rev/AA	\$12,661	\$16,765	\$15,413	\$15,234	\$15,361	\$15,235	\$15,361	\$15,341	\$15,077	\$15,368	\$15,272	\$15,407

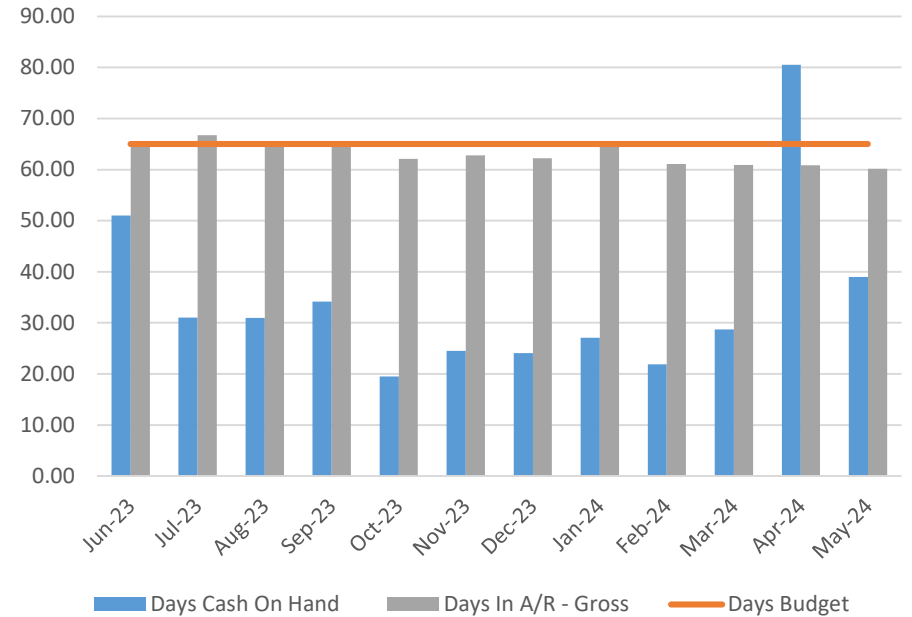
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenue & Expenses
 May 31, 2024

				BUDGET	VARIANCE	PY
	MARCH	APRIL	MAY	MAY	POS (NEG)	MAY
Gross Patient Revenue	\$ 106,848,155	\$ 107,205,718	\$ 112,567,880	\$ 98,022,645	15%	\$ 99,228,998
Contractual Deductions	(82,982,438)	(84,138,267)	(89,185,577)	(74,904,035)	19%	(79,159,296)
Net Revenue	23,865,717	23,067,451	23,382,303	23,118,610	1%	20,069,702
Indigent Funding	17,905,758	17,055,758	19,805,758	14,338,567	38%	14,166,415
Correctional Medicine	2,847,714	2,847,714	2,847,714	2,651,620	7%	2,608,481
County Contribution	285,211	285,677	285,211	282,447	1%	285,211
Incentive Funding	0	0	0	425,000	(100%)	0
Net Patient Revenue	44,904,400	43,256,599	46,320,986	40,816,244	13%	37,129,809
Other Operating Revenue	2,559,086	2,458,814	2,007,284	2,428,863	(17%)	4,122,123
Other Non-Operating Revenue	9,568	11,076	9,318	13,060	(29%)	1,711,470
Total Revenue	47,473,054	45,726,489	48,337,589	43,258,167	12%	42,963,402
Expenses						
Salaries	20,494,366	19,770,883	21,394,562	18,130,565	18%	19,193,756
Employee Benefits	8,588,794	8,305,515	8,470,106	7,605,702	11%	6,231,733
Registry	2,897,840	2,681,965	2,570,121	2,883,178	(11%)	2,679,781
Medical Fees	2,415,587	2,570,621	2,484,908	1,991,696	25%	2,205,580
Other Professional Fees	963,743	1,112,762	1,371,290	2,033,569	(33%)	2,383,920
Supplies	5,675,359	5,074,477	5,522,114	5,396,015	2%	4,655,869
Purchased Services	2,481,536	2,660,121	2,761,923	2,422,027	14%	2,221,170
Other Expenses	1,931,575	1,891,663	1,901,547	1,678,508	13%	2,011,774
Operating Expenses	45,448,801	44,068,006	46,476,570	42,141,259	5%	41,583,584
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,024,253	\$ 1,658,483	\$ 1,861,018	\$ 1,116,908	67%	\$ 1,379,818
EBIDA Margin	4%	4%	4%	3%	49%	3%
Interest	360,189	200,050	241,366	117,423	106%	348,860
Depreciation	738,996	644,627	667,754	699,368	(5%)	825,022
Amortization	697,970	697,970	756,606	286,579	164%	1,226,641
Total Expenses	47,245,955	45,610,653	48,142,296	43,244,629	11%	43,984,107
Operating Gain (Loss)	\$ 227,099	\$ 115,837	\$ 195,293	\$ 13,539	1,342%	\$ (1,020,706)
Operating Margin	0.48%	0.25%	0.40%	0.03%	1,190.9%	(2.4%)

KERN MEDICAL
Year to Date Analysis: Revenue & Expenses
 May 31, 2024

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 1,168,658,586	\$ 1,069,107,328	9%	\$ 1,046,470,239	12%
Contractual Deductions	(904,251,010)	(818,324,996)	11%	(799,902,677)	13%
Net Revenue	264,407,576	250,782,332	5%	246,567,562	
Indigent Funding	183,003,589	157,724,238	16.0%	157,064,086	17%
Correctional Medicine	31,324,850	29,167,817	7%	28,407,613	10%
County Contribution	3,137,786	3,106,920	1%	3,137,320	0.01%
Incentive Funding	0	4,675,000	(100%)	1,404,200	0.0%
Net Patient Revenue	481,873,801	445,456,307	8%	436,580,781	10%
Other Operating Revenue	21,251,180	26,717,498	(20%)	27,871,024	(24%)
Other Non-Operating Revenue	187,386	143,660	30%	1,844,195	(90%)
Total Revenue	503,312,367	472,317,465	7%	466,296,000	8%
Expenses					
Salaries	220,873,149	197,368,903	11.9%	191,512,584	15%
Employee Benefits	91,922,223	82,796,277	11.0%	78,045,987	18%
Registry	28,344,188	31,406,043	(10%)	32,123,875	(12%)
Medical Fees	25,042,210	21,908,654	14%	23,318,128	7%
Other Professional Fees	15,494,190	22,369,257	(31%)	23,141,111	(33%)
Supplies	55,731,657	58,878,054	(5%)	55,851,861	(0.2%)
Purchased Services	28,567,629	26,841,856	6%	27,613,603	3%
Other Expenses	19,354,869	18,463,584	5%	18,159,972	7%
Operating Expenses	485,330,115	460,032,629	5%	449,767,122	8%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 17,982,251	\$ 12,284,836	46%	\$ 16,528,878	9%
EBIDA Margin	4%	3%	37%	4%	1%
Interest	2,734,258	1,291,654	112%	1,807,989	51%
Depreciation	7,698,932	7,693,045	0%	7,785,076	(1%)
Amortization	6,482,872	3,152,368	106%	5,575,388	16%
Total Expenses	502,246,179	472,169,695	6%	464,935,575	8%
Operating Gain (Loss)	\$ 1,066,188	\$ 147,770	622%	\$ 1,360,425	(22%)
Operating Margin	0.2%	0.0%	577.1%	0.3%	(27%)

KERN MEDICAL BALANCE SHEET

	MAY 2024	MAY 2023
ASSETS:		
<i>Total Cash</i>	\$ 57,850,154	\$ 84,184,316
Patient Receivables Subtotal	224,624,392	230,038,951
Contractual Subtotal	(176,603,069)	(174,177,306)
<i>Net Patient Receivable</i>	48,021,323	55,861,644
Total Indigent Receivable	210,306,534	187,558,623
Total Other Receivable	15,813,584	13,532,596
Total Prepaid Expenses	6,612,675	6,210,645
Total Inventory	5,593,445	5,061,390
<i>Total Current Assets</i>	344,197,715	352,409,215
Deferred Outflows of Resources	112,536,013	105,241,458
Total Land, Equipment, Buildings and Intangibles	268,366,710	243,417,818
Total Construction in Progress	9,959,160	11,622,286
<i>Total Property, Plant & Equipment</i>	278,325,870	255,040,105
Total Accumulated Depr & Amortization	(168,641,916)	(153,919,239)
<i>Net Property, Plant, and Equipment</i>	109,683,954	101,120,865
<i>Total Long Term Assets</i>	112,536,013	105,241,458
<i>Total Assets</i>	\$ 566,417,682	\$ 558,771,538

**KERN MEDICAL
BALANCE SHEET**

	MAY 2024	MAY 2023
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 7,199,028	\$ 11,669,070
Total Accrued Compensation	29,645,067	24,611,723
Total Due Government Agencies	3,788,905	14,790,584
Total Other Accrued Liabilities	31,968,827	25,666,510
<i>Total Current Liabilities</i>	72,601,827	76,737,887
Unfunded Pension Liability	345,399,109	284,243,193
Other Long-Term Liabilities	80,686,651	130,256,249
<i>Total Long-Term Liabilities</i>	426,085,760	414,499,442
<i>Total Liabilities</i>	498,687,586	491,237,329
Fund Balance	36,714,022	36,714,022
Retained Earnings	31,016,074	30,820,187
<i>Total Fund Balance</i>	67,730,096	67,534,209
<i>Total Liabilities and Fund Balance</i>	\$ 566,417,682	\$ 558,771,538

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	<u>Fiscal Year-to-Date May 2024</u>	<u>Fiscal Year-End June 2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for patient/current services	\$ 269,801,896	\$ 264,388,064
Cash received for other operations	215,144,043	236,708,950
Cash paid for salaries and benefits	(303,842,205)	(202,912,375)
Cash paid for services and supplies	<u>(174,328,896)</u>	<u>(292,069,170)</u>
Net cash (used in) provided by operating activities	<u>6,774,838</u>	<u>6,115,469</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash (provided to) received from various County funds	-	2,070,094
Interest paid - pension obligation bond	-	(365,334)
Principal paid - pension obligation bond	-	(2,938,587)
Interest paid - line of credit	-	(262,368)
Line of credit payment	<u>-</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(1,496,195)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition or construction of capital assets	(19,363,869)	(12,141,601)
Payments on right-of-usage lease liability	4,110,582	(3,034,901)
Interest paid - right-of-usage lease liability	31,977	
Payments on SBITA liability	(626,792)	(782,410)
Interest paid - SBITA	<u>2,115</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(15,845,988)</u>	<u>(15,958,912)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on bank deposits and investments	<u>-</u>	<u>181,109</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(9,071,150)	(11,158,529)
CASH AND CASH EQUIVALENTS, beginning of year	<u>66,921,303</u>	<u>78,079,832</u>
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 57,850,154</u>	<u>\$ 66,921,303</u>