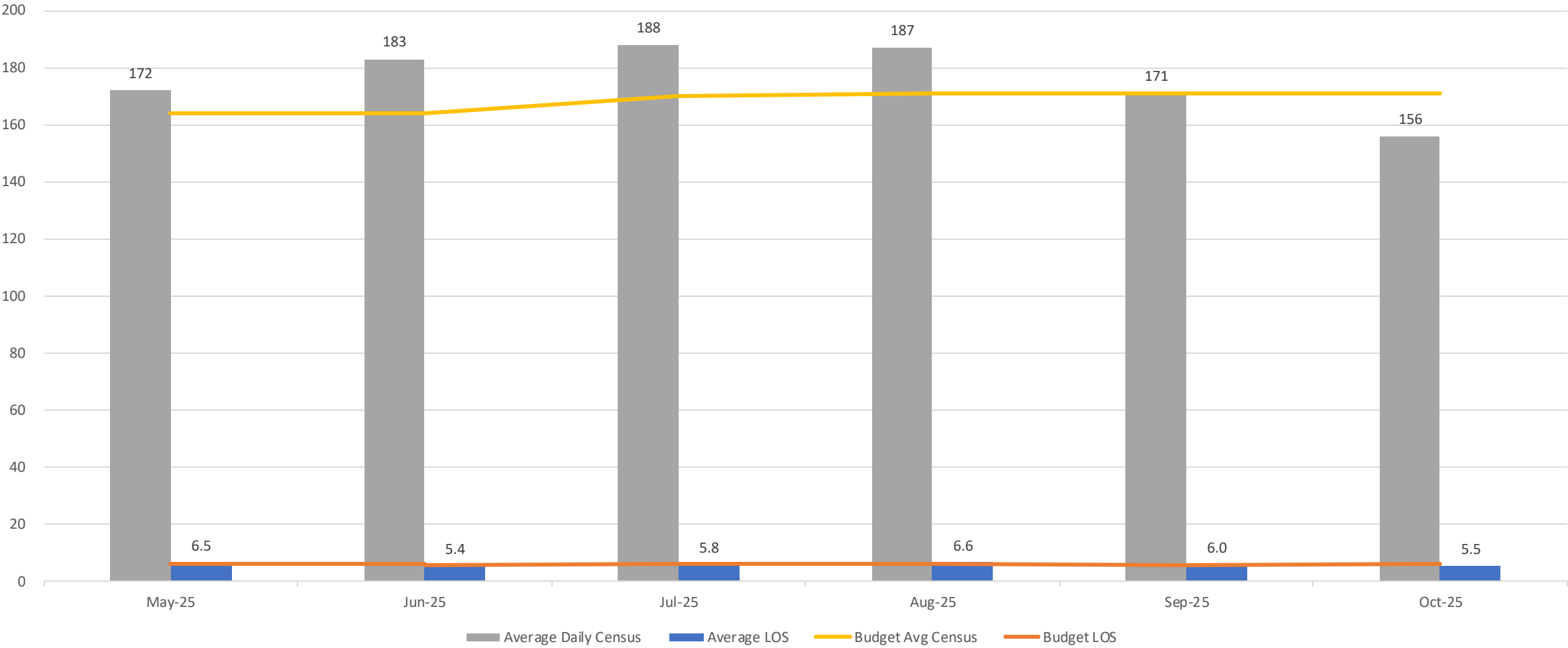




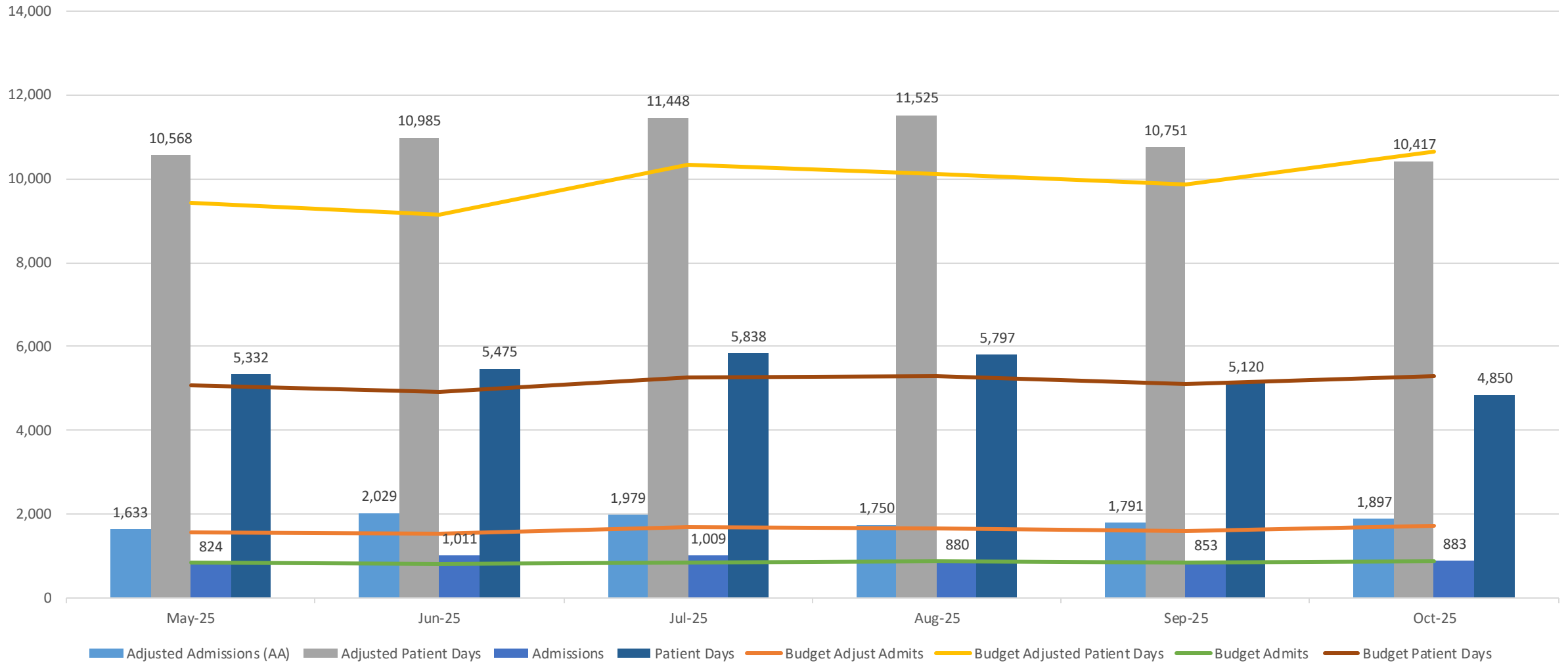
Board of Governors' Report

Kern Medical – October 2025

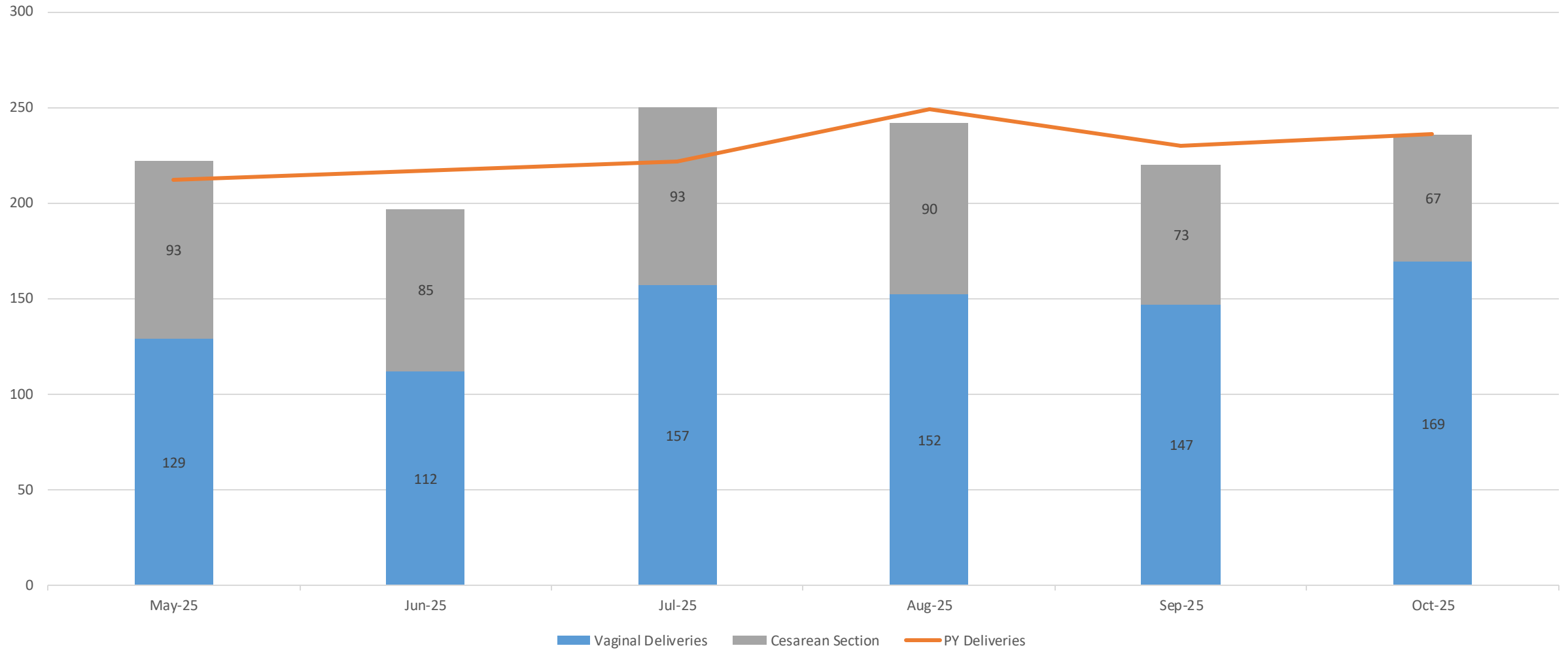
Census & ALOS



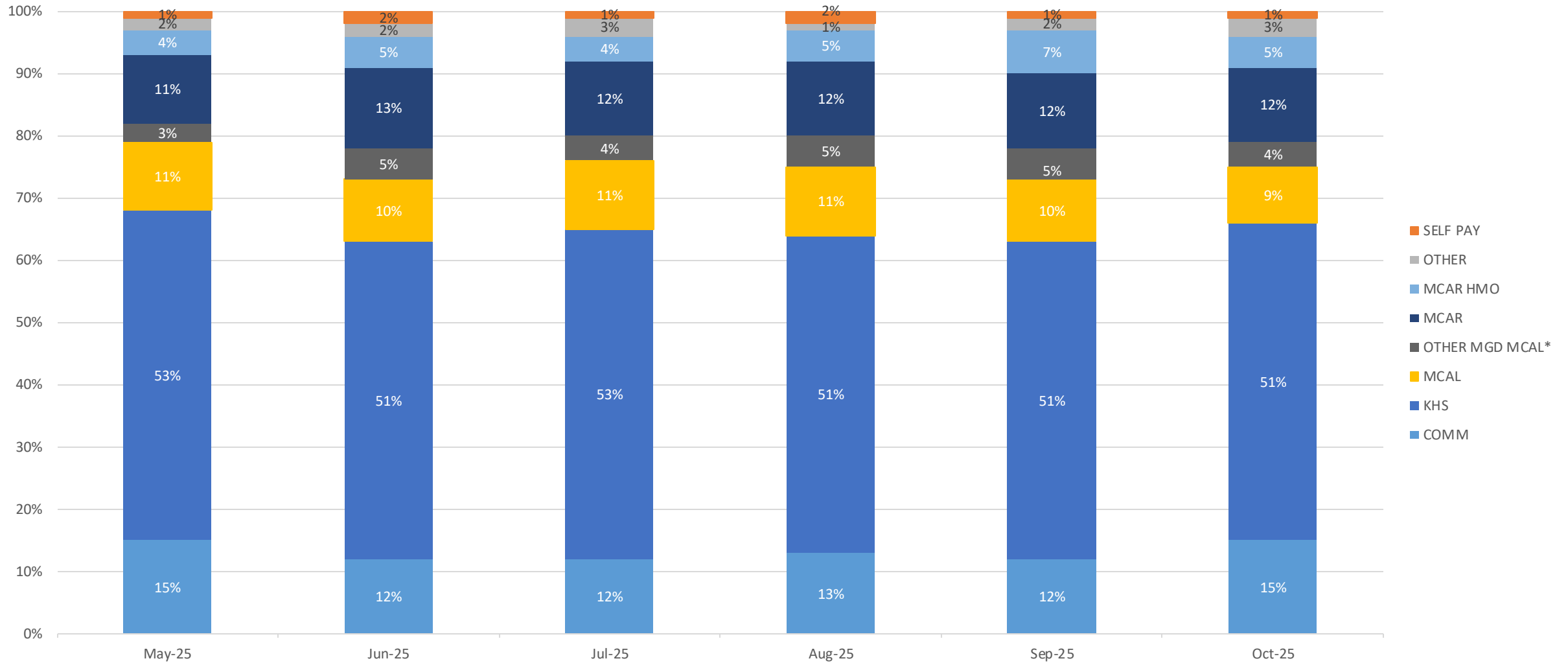
Hospital Volumes



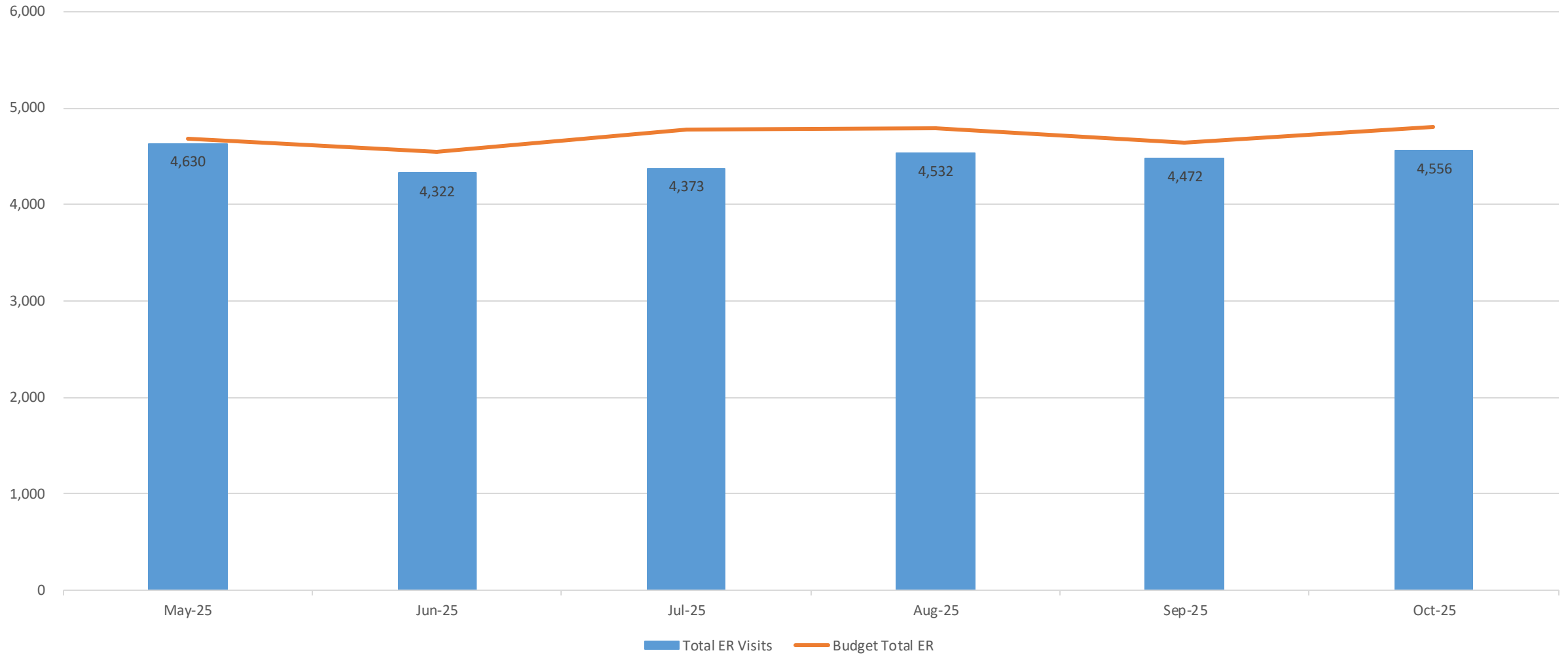
Deliveries



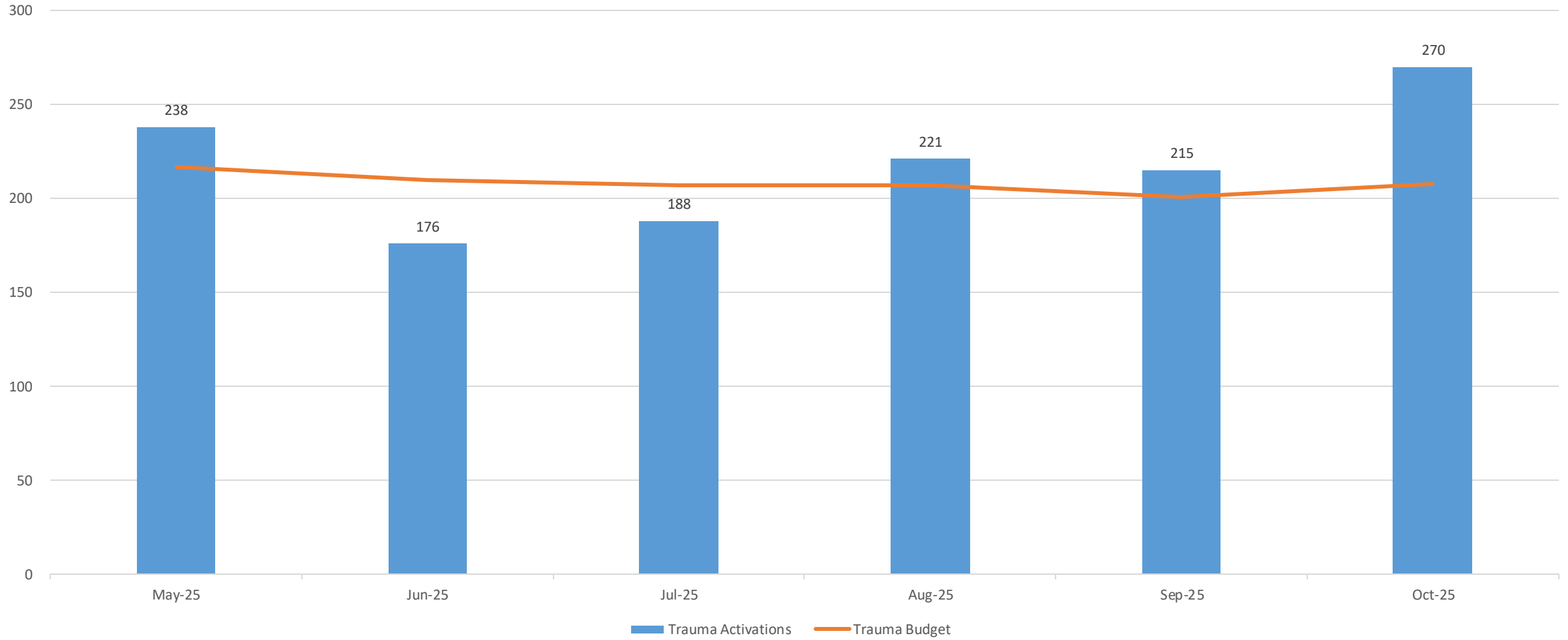
PAYER MIX



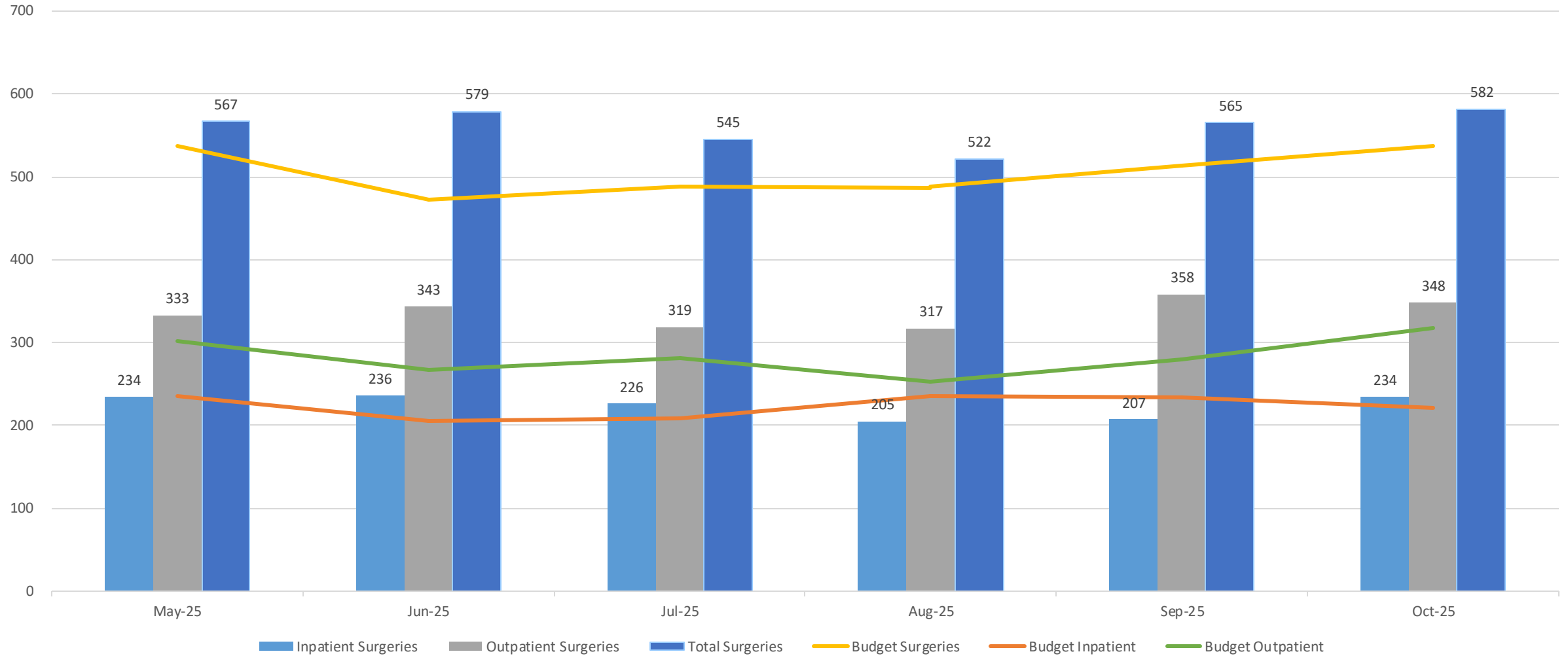
Emergency Room Volume



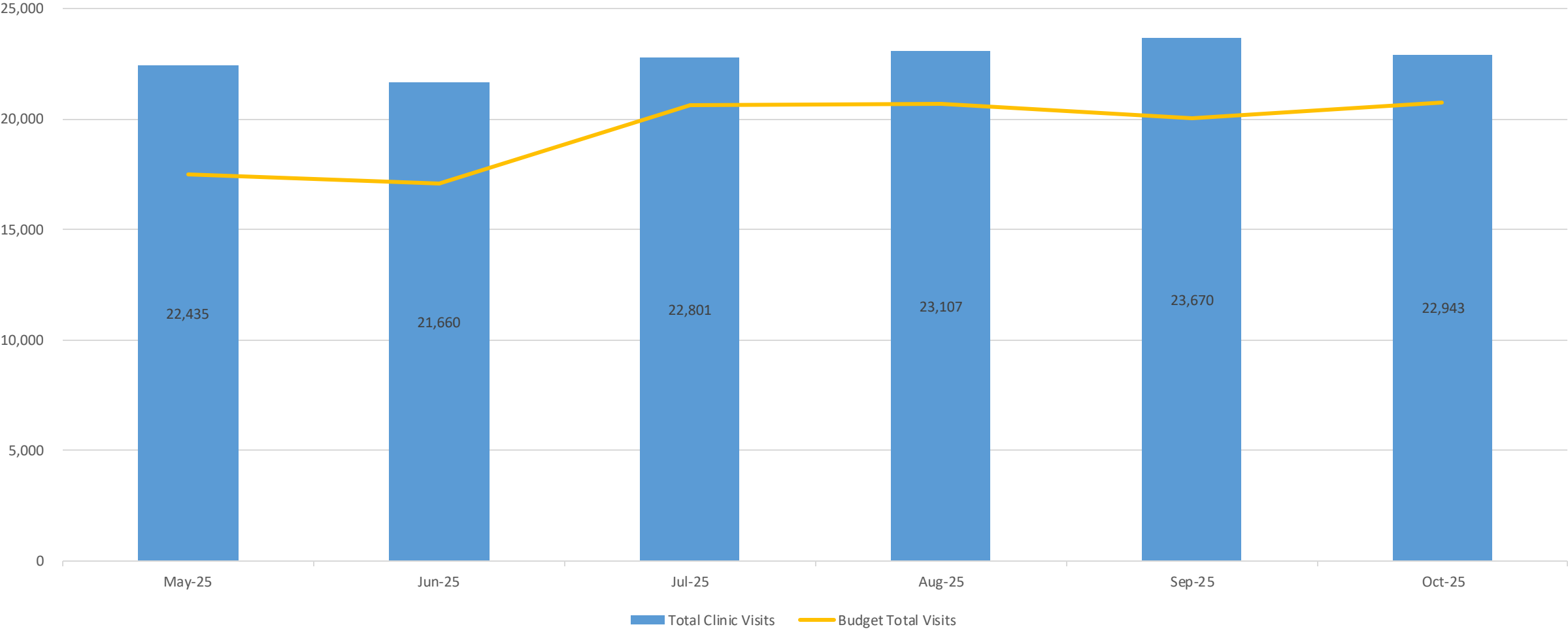
Trauma Activations



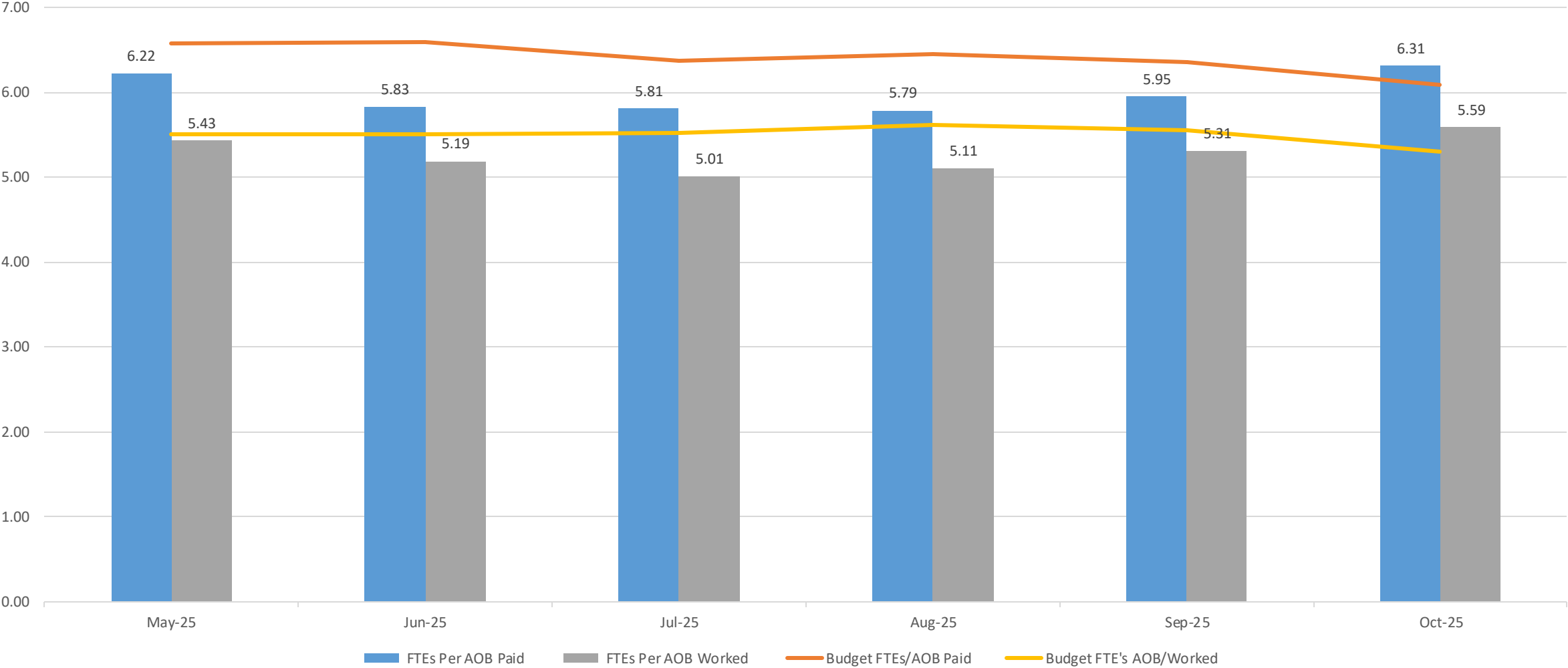
Surgical Volume



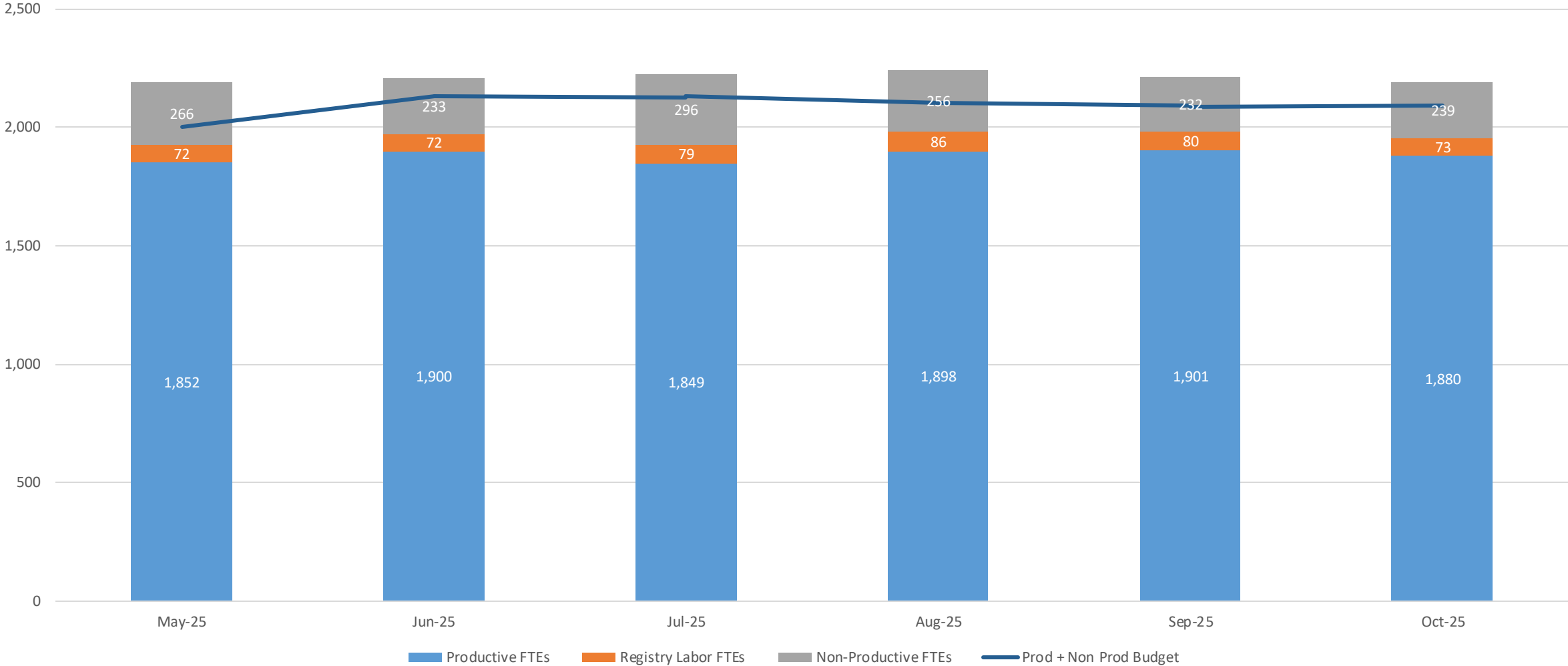
Clinic Visits

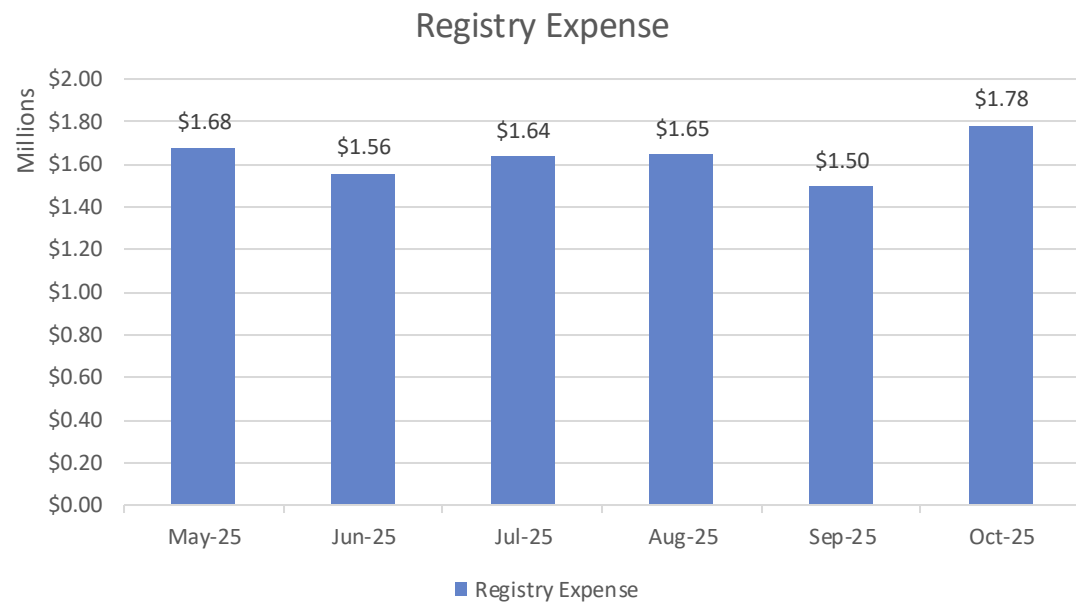
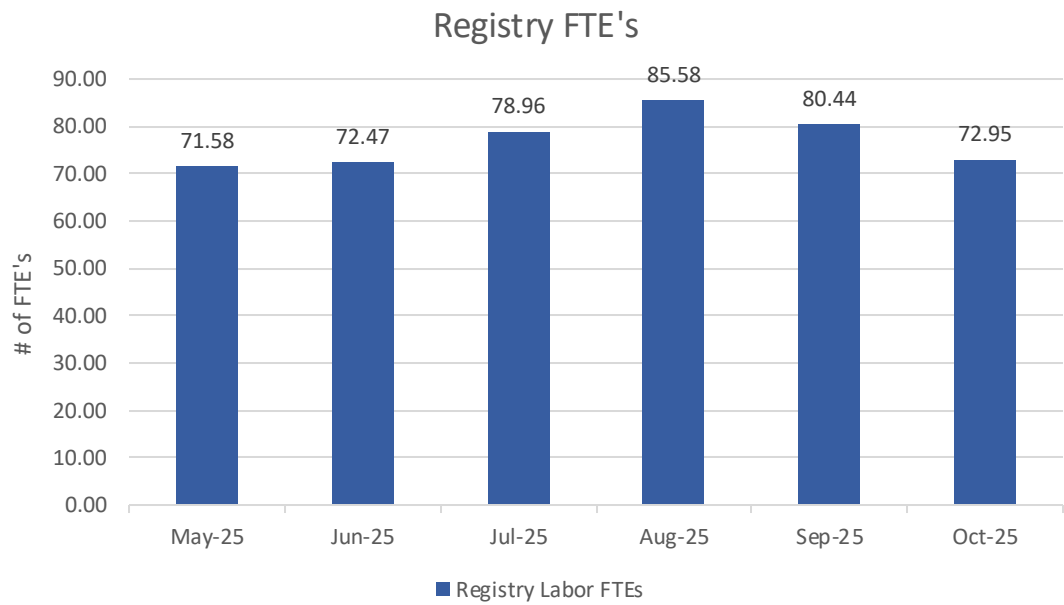


Labor Metrics

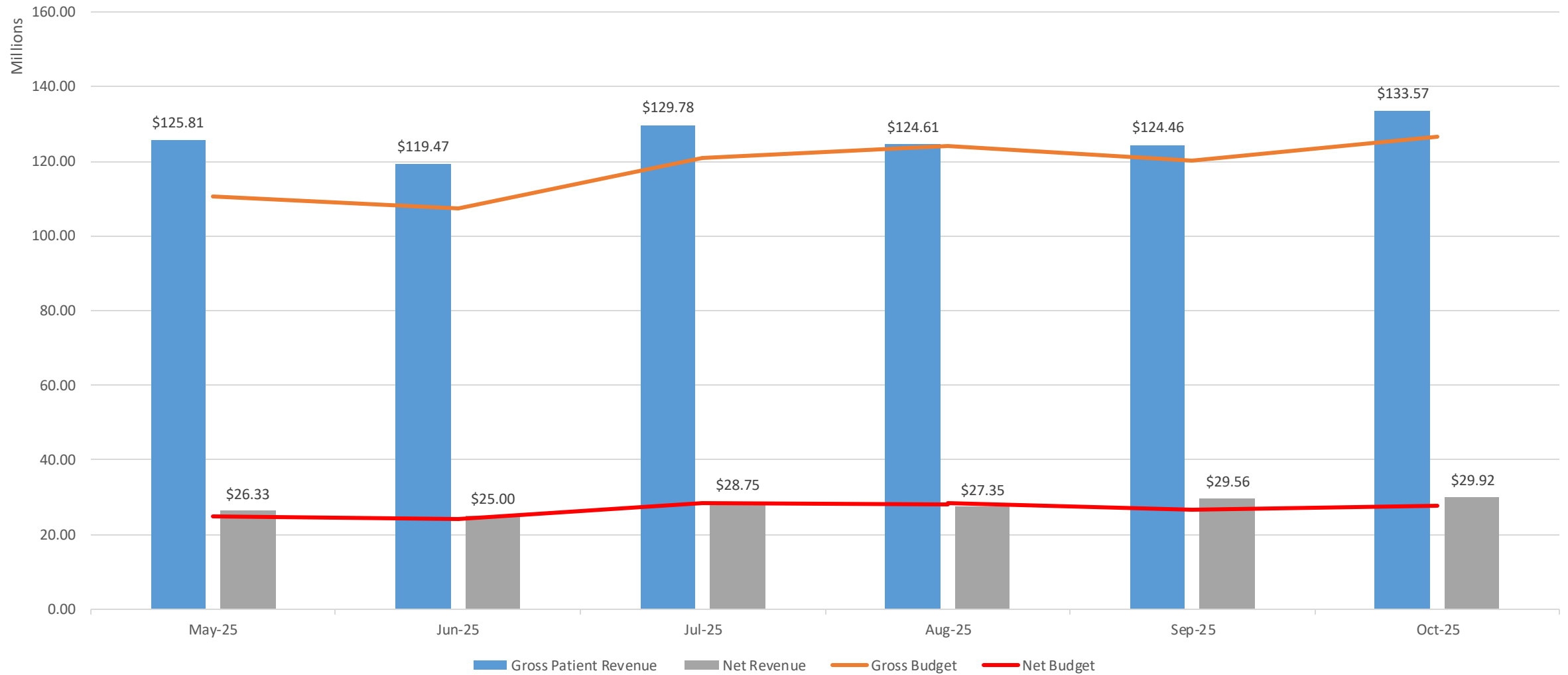


Productivity

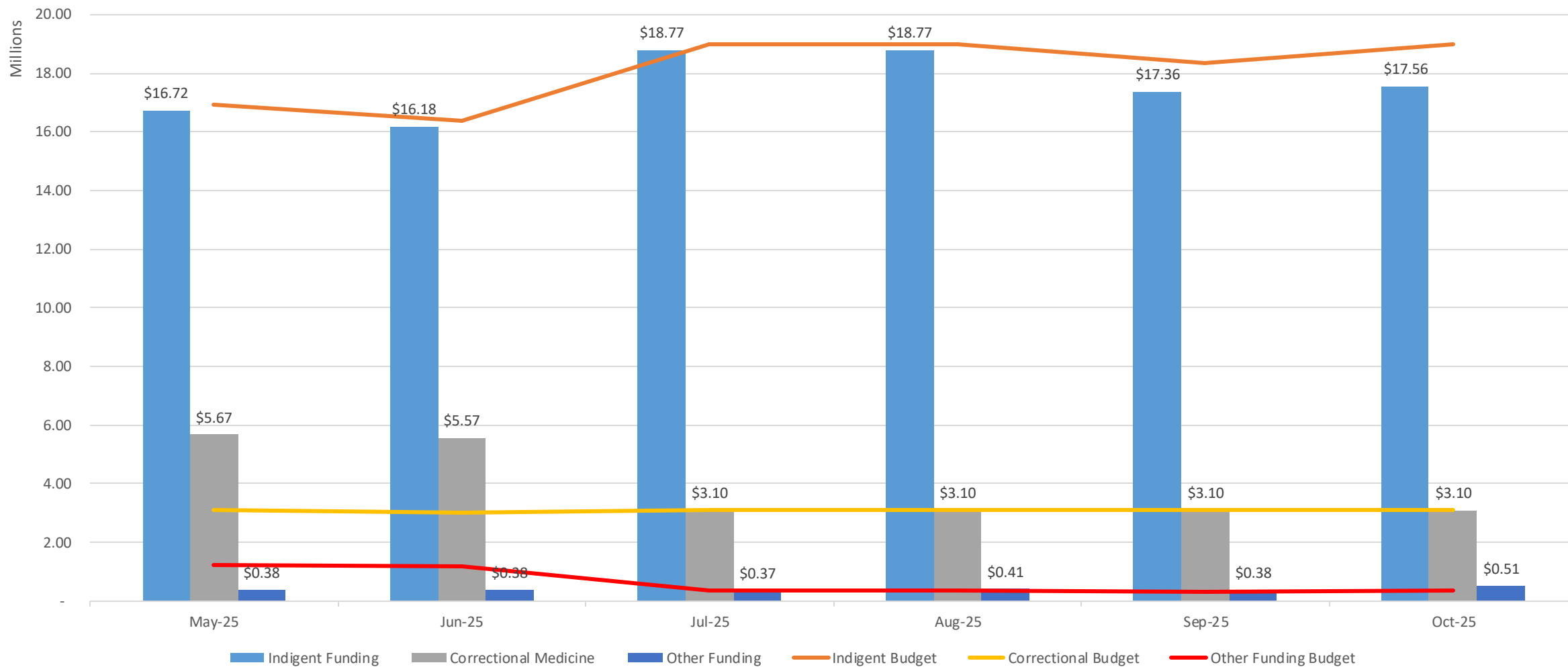


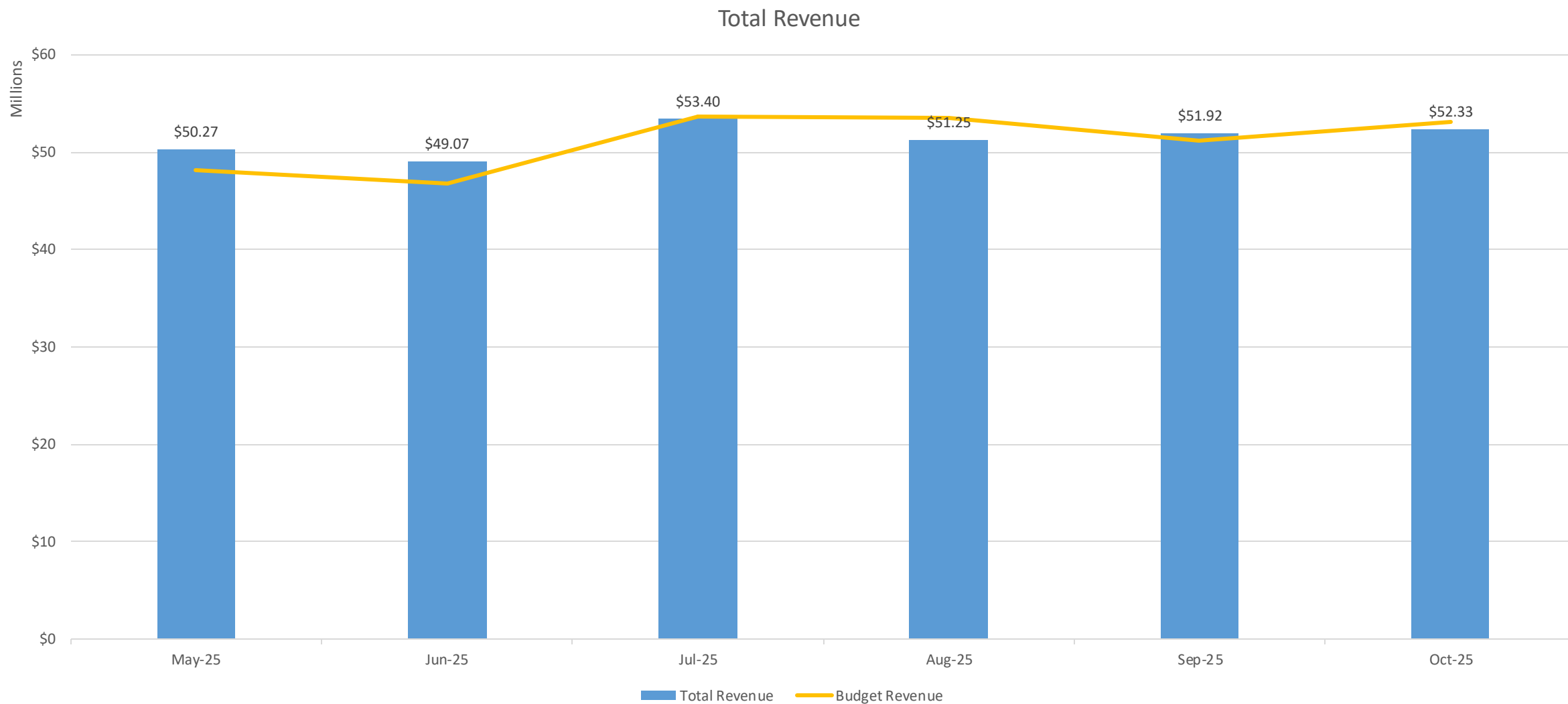


Patient Revenue

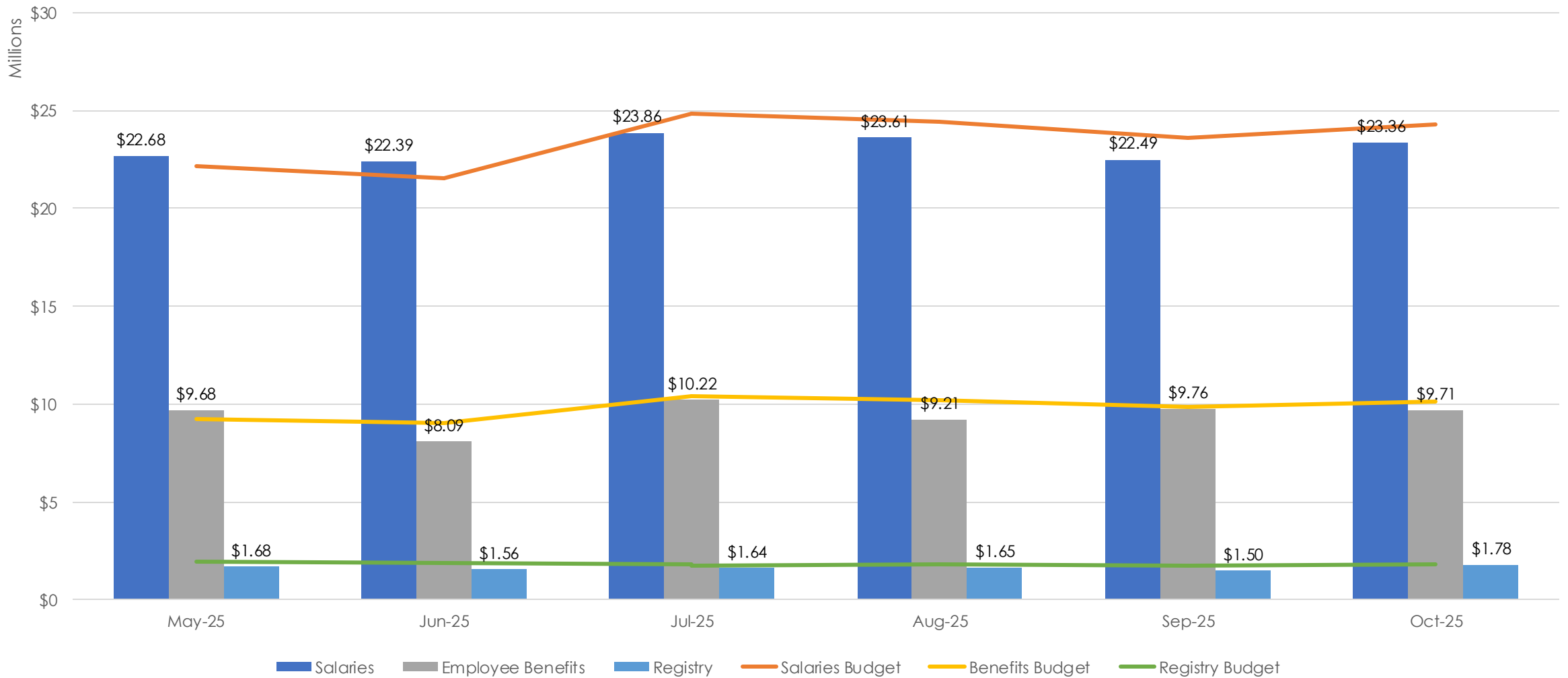


Indigent & Correctional Revenue

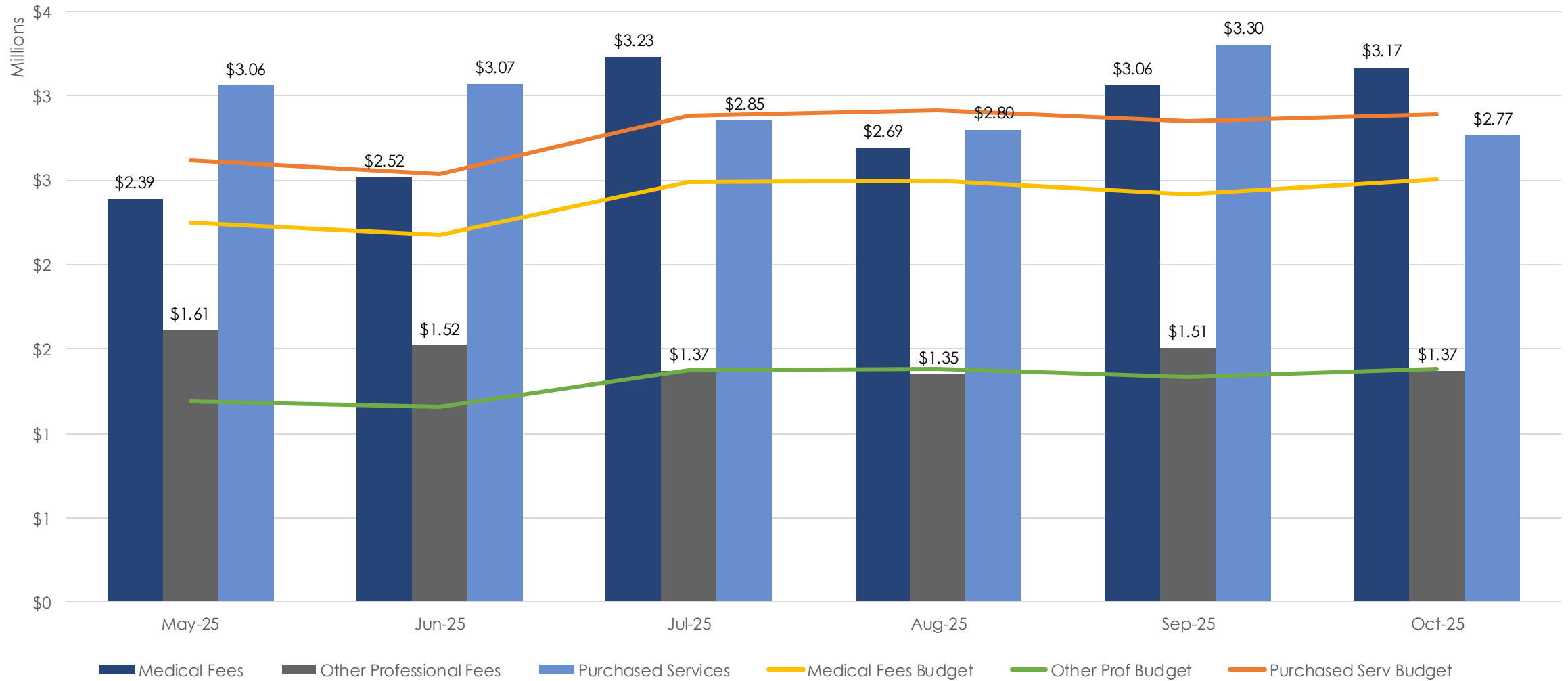




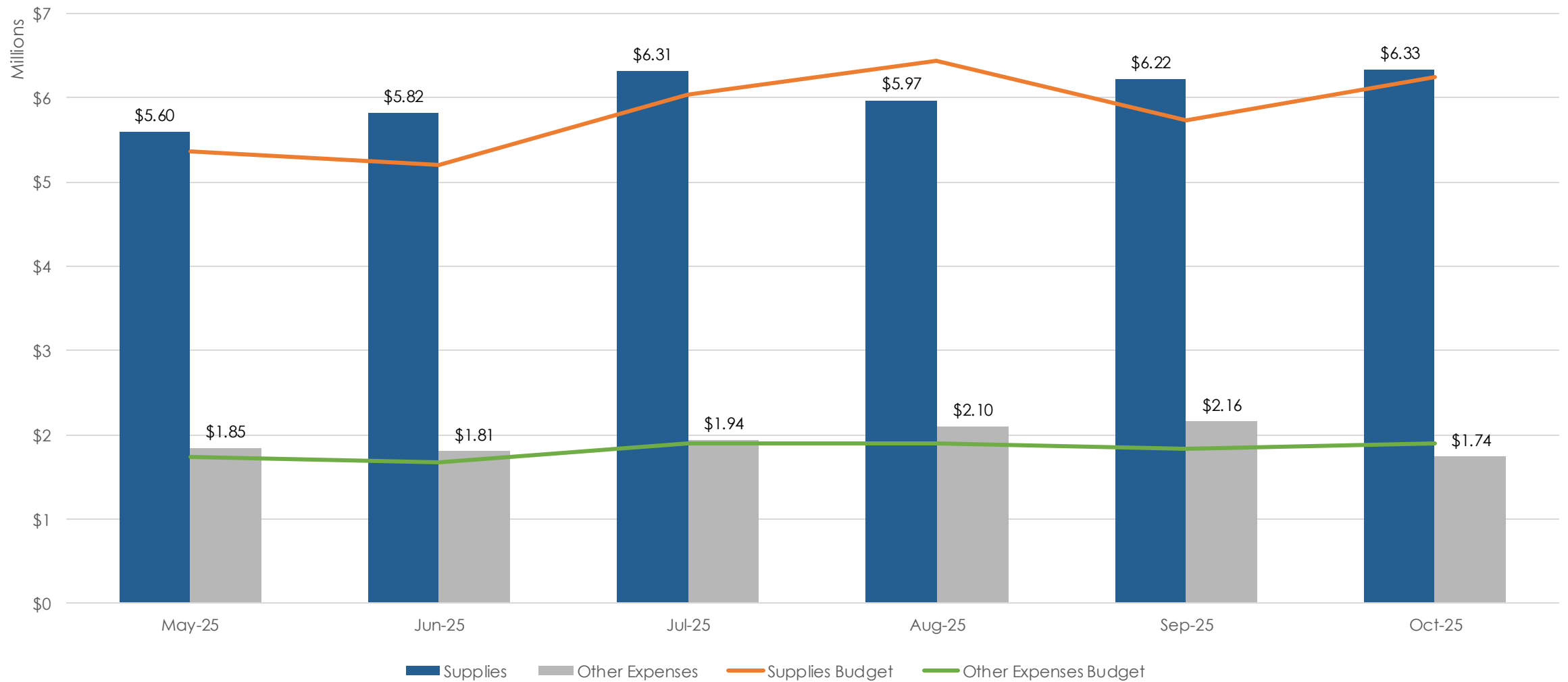
Expenses



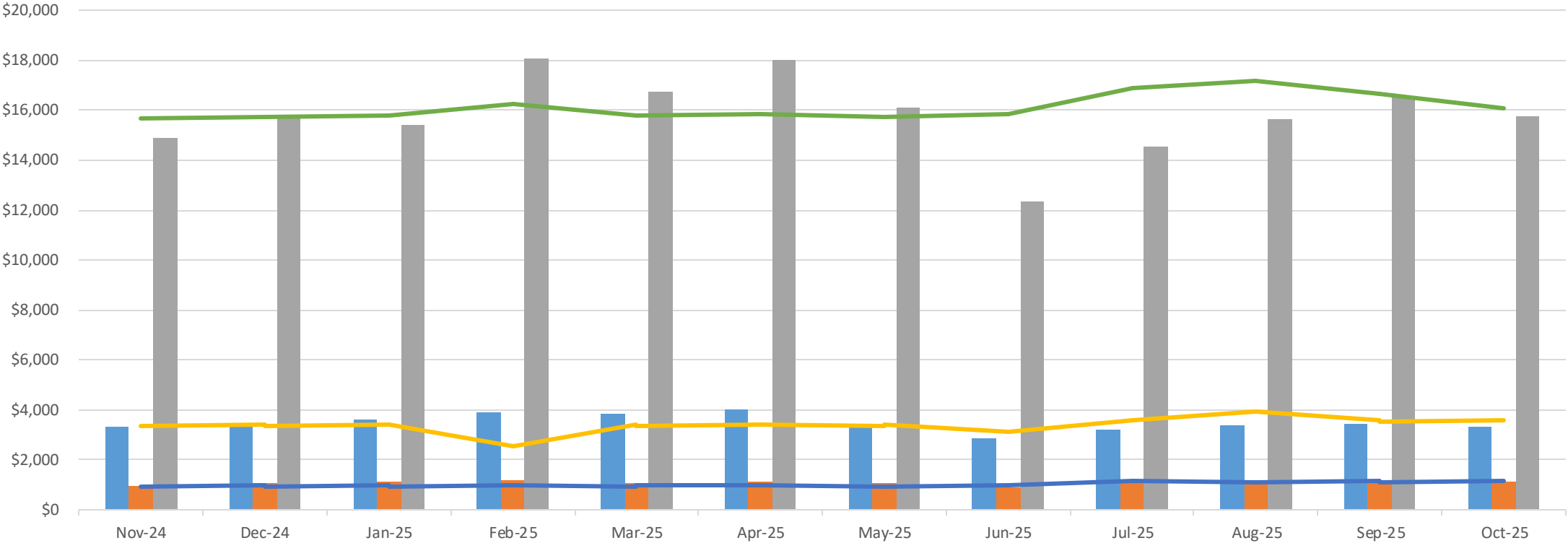
Expenses



Expenses

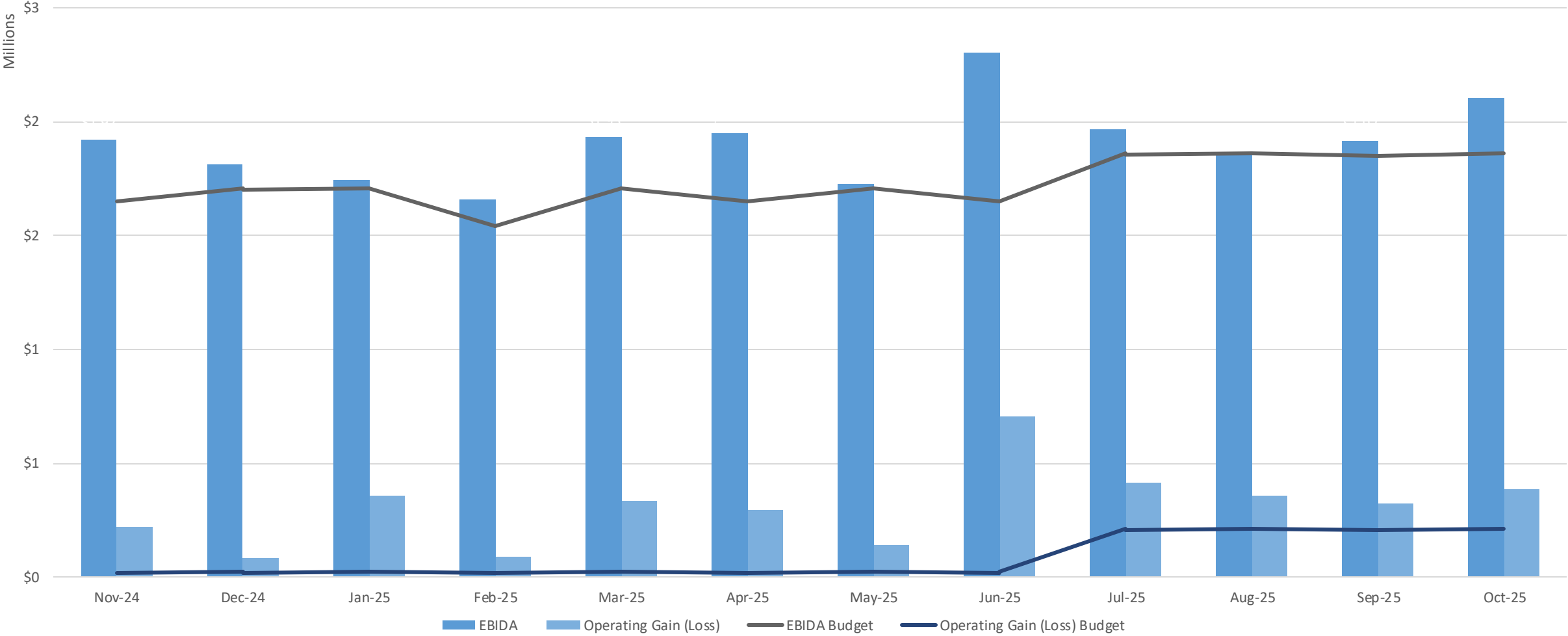


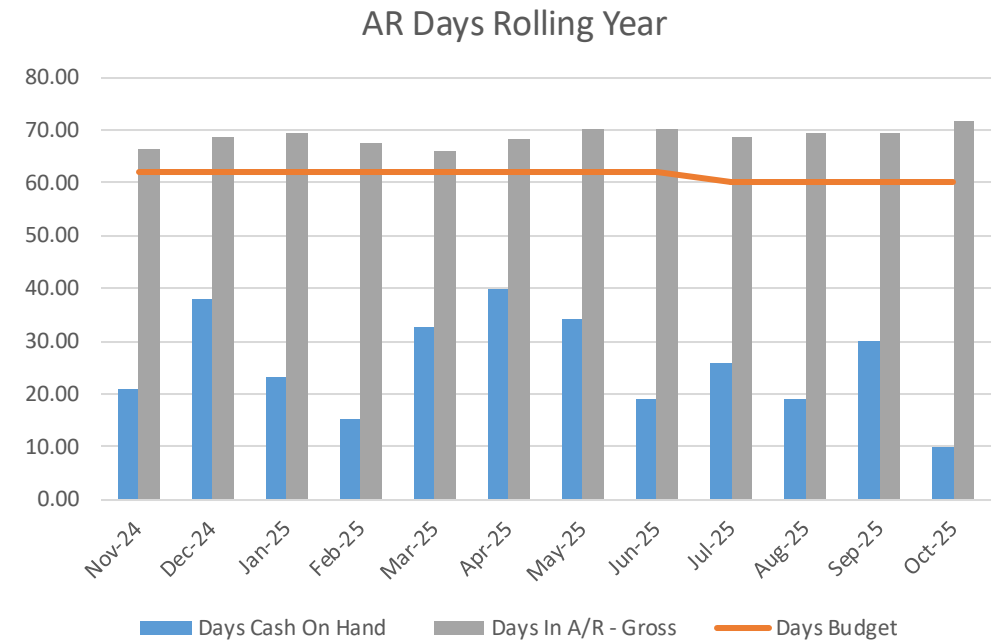
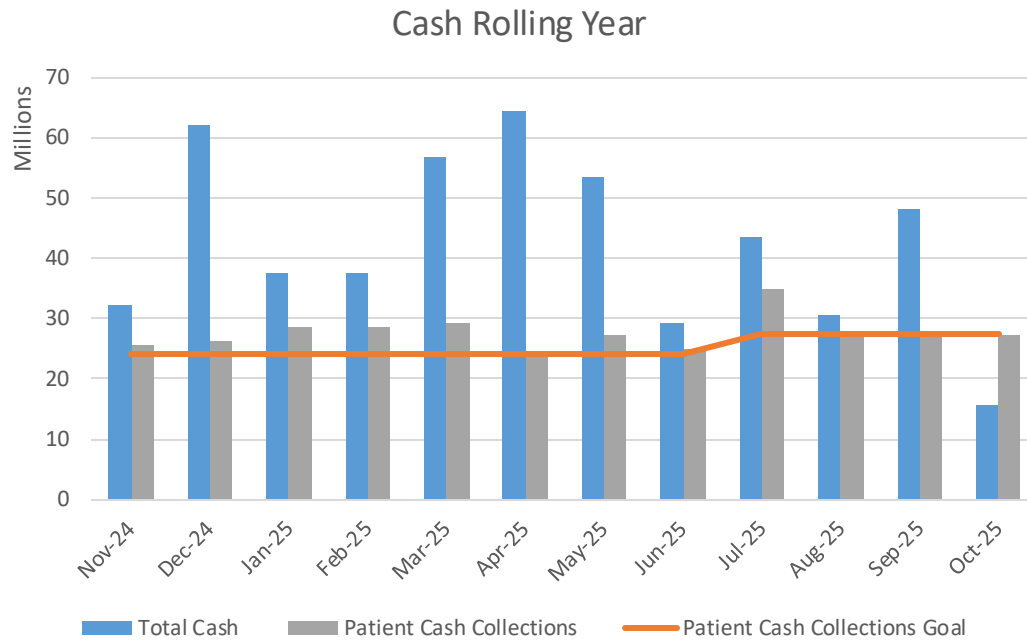
Operating Metrics



	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Supply Expense per AA	\$3,342	\$3,339	\$3,629	\$3,933	\$3,835	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338
Pharm Cost per AA	\$980	\$1,070	\$1,125	\$1,161	\$1,070	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118	\$1,140
Net Revenue Per AA	\$14,878	\$15,768	\$15,411	\$18,087	\$16,764	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778
Budget Supp/AA	\$3,371	\$3,401	\$3,407	\$2,546	\$3,410	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604
Budget Pharm/AA	\$953	\$962	\$964	\$966	\$965	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142	\$1,162
Budget Net Rev/AA	\$15,681	\$15,748	\$15,811	\$16,229	\$15,781	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073

EBIDA Rolling Year





KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
October 31, 2025

	AUGUST	SEPTEMBER	OCTOBER	BUDGET OCTOBER	VARIANCE POS (NEG)	PY OCTOBER
Gross Patient Revenue	\$ 124,608,923	\$ 124,462,106	\$ 133,573,836	\$ 126,545,352	5.6%	\$ 120,646,817
Contractual Deductions	(97,257,793)	(94,898,573)	(103,649,026)	(98,694,594)	5%	(95,965,726)
Net Revenue	27,351,130	29,563,534	29,924,811	27,850,758	7%	24,681,091
Indigent Funding	18,770,930	17,355,942	17,556,719	18,973,856	(7%)	18,614,303
Correctional Medicine	3,097,713	3,097,713	3,097,714	3,095,522	0.1%	3,114,656
County Contribution	285,211	285,211	285,211	285,211	(0%)	285,211
Incentive Funding	122,896	93,941	227,651	72,378	215%	44,069
Net Patient Revenue	49,627,880	50,396,341	51,092,105	50,277,725	2%	46,739,331
Other Operating Revenue	1,601,375	1,496,682	1,214,107	2,746,242	(56%)	3,833,497
Other Non-Operating Revenue	20,943	24,766	25,042	12,151	106%	14,863
Total Revenues	51,250,198	51,917,788	52,331,253	53,036,118	(1%)	50,587,692
Expenses						
Salaries	23,614,753	22,494,669	23,357,235	24,280,321	(4%)	22,009,425
Employee Benefits	9,208,158	9,759,894	9,705,486	10,154,030	(4%)	9,658,770
Registry	1,647,574	1,495,347	1,784,612	1,823,862	(2%)	1,888,540
Medical Fees	2,692,755	3,063,042	3,168,861	2,502,143	27%	2,511,651
Other Professional Fees	1,352,254	1,508,403	1,369,689	1,384,644	(1%)	1,496,909
Supplies	5,969,679	6,216,285	6,331,649	6,245,768	1%	5,635,003
Purchased Services	2,801,139	3,302,993	2,767,273	2,892,862	(4%)	2,853,854
Other Expenses	2,099,122	2,160,560	1,739,158	1,890,090	(8%)	1,810,564
Operating Expenses	49,385,436	50,001,194	50,223,963	51,173,720	(2%)	47,864,715
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,864,762	\$ 1,916,595	\$ 2,107,290	\$ 1,862,398	13.1%	\$ 2,722,977
EBIDA Margin	4%	4%	4%	4%	15%	5%
Interest	244,843	302,667	259,455	339,518	(24%)	389,426
Depreciation	665,336	695,832	790,148	657,304	20%	766,807
Amortization	595,855	595,855	670,510	652,001	3%	636,078
Total Expenses	50,891,470	51,595,548	51,944,076	52,822,543	(2%)	49,657,026
Operating Gain (Loss)	\$ 358,727	\$ 322,240	\$ 387,177	\$ 213,575	81%	\$ 930,666
Operating Margin	0.70%	0.62%	0.74%	0.40%	83.7%	1.8%

KERN MEDICAL
Year to Date Analysis: Revenues & Expenses
October 31, 2025

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 512,428,207	\$ 491,759,429	4%	\$ 469,103,940	9%
Contractual Deductions	(396,835,883)	(380,460,051)	4%	(370,448,924)	7%
Net Revenue	115,592,324	111,299,378	4%	98,655,017	17%
Indigent Funding	72,454,520	75,283,365	(4%)	75,719,142	(4%)
Correctional Medicine	12,390,854	12,382,089	0%	12,358,152	0%
County Contribution	1,140,844	1,140,844	(0%)	1,140,844	0%
Incentive Funding	530,800	287,176	85%	202,331	162%
Net Patient Revenue	202,109,341	200,392,851	1%	188,075,485	7%
Other Operating Revenue	6,689,103	10,896,379	(39%)	9,635,188	(30.58%)
Other Non-Operating Revenue	101,752	48,074	112%	50,709	101%
Total Revenues	208,900,196	211,337,305	(1%)	197,761,382	6%
Expenses					
Salaries	93,331,415	97,159,824	(4%)	86,932,634	7%
Employee Benefits	38,896,860	40,632,238	(4%)	37,264,529	4%
Registry	6,565,147	7,248,046	(9%)	8,230,176	(20%)
Medical Fees	12,153,104	9,899,363	23%	9,250,494	31%
Other Professional Fees	5,602,085	5,480,659	2%	5,813,104	(3.6%)
Supplies	24,831,561	24,441,263	2%	22,200,097	12%
Purchased Services	11,725,446	11,540,787	2%	12,012,012	(2%)
Other Expenses	7,939,543	7,499,389	6%	7,723,757	3%
Operating Expenses	201,045,162	203,901,569	(1%)	189,426,803	6%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 7,855,034	\$ 7,435,736	6%	\$ 8,334,579	(5.8%)
EBIDA Margin	4%	4%	7%	4%	(11%)
Interest	1,058,231	1,354,298	(22%)	1,402,291	(25%)
Depreciation	2,854,308	2,629,214	9%	2,810,504	2%
Amortization	2,458,077	2,608,006	(6%)	2,544,313	(3%)
Total Expenses	207,415,778	210,493,086	(1%)	196,183,911	6%
Operating Gain (Loss)	\$ 1,484,418	\$ 844,218	76%	\$ 1,577,471	(6%)
Operating Margin	0.7%	0.4%	77.9%	0.8%	(11%)

KERN MEDICAL BALANCE SHEET

	OCTOBER 2025	OCTOBER 2024
ASSETS:		
<i>Total Cash</i>	\$ 15,592,895	\$ 29,978,969
Patient Receivables Subtotal	322,812,959	247,718,755
Contractual Subtotal	(285,057,782)	(205,550,897)
<i>Net Patient Receivable</i>	37,755,177	42,167,858
Total Indigent Receivable	263,250,016	254,758,439
Total Other Receivable	21,876,105	32,097,745
Total Prepaid Expenses	7,133,255	6,735,900
Total Inventory	4,968,207	4,738,119
<i>Total Current Assets</i>	350,575,655	370,477,029
Deferred Outflows of Resources	124,532,718	112,536,013
Total Land, Equipment, Buildings and Intangibles	272,440,140	269,515,510
Total Construction in Progress	19,403,487	11,220,541
<i>Total Property, Plant & Equipment</i>	291,843,626	280,736,050
Total Accumulated Depr & Amortization	(186,808,993)	(173,526,338)
<i>Net Property, Plant, and Equipment</i>	105,034,633	107,209,713
<i>Total Long Term Assets</i>	124,532,718	112,536,013
<i>Total Assets</i>	\$ 580,143,006	\$ 590,222,755

KERN MEDICAL BALANCE SHEET

	OCTOBER 2025	OCTOBER 2024
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 8,254,662	\$ 14,310,308
Total Accrued Compensation	30,270,791	24,060,108
Total Due Government Agencies	414,929	4,672,433
Total Other Accrued Liabilities	39,474,630	51,672,616
<i>Total Current Liabilities</i>	78,415,012	94,715,464
Unfunded Pension Liability	344,447,058	345,399,109
Other Long-Term Liabilities	79,442,387	80,853,482
<i>Total Long-Term Liabilities</i>	423,889,445	426,252,591
<i>Total Liabilities</i>	502,304,457	520,968,056
<i>Total Net Position</i>	77,838,549	69,254,699
<i>Total Liabilities and Net Position</i>	\$ 580,143,006	\$ 590,222,755

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date October 2025	Fiscal Year-End June 2025	Fiscal Year-to-Date October 2024	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 118,334,247	\$ 314,552,945	\$ 104,361,049	\$ 293,523,533
Cash received for other operations	62,828,991	260,727,035	46,000,127	233,602,712
Cash paid for salaries and benefits	(130,019,621)	(377,869,782)	(122,337,198)	(339,411,493)
Cash paid for services and supplies	(61,450,521)	(202,668,841)	(65,209,937)	(186,981,598)
Net cash (used in) provided by operating activities	(10,306,905)	(5,258,643)	(37,185,959)	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	-	-	20,000,000	-
Net cash provided by (used in) noncapital financing activities	-	(801,506)	20,000,000	(641,950)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(2,501,378)	(11,508,871)	(2,877,186)	(18,896,864)
Payments on right-of-usage lease liability	(450,634)	(2,850,043)	(995,989)	3,896,089
Interest paid - right-of-usage lease liability	(577)	(7,976)	(3,086)	31,211
Payments on SBITA liability	(259,703)	(762,463)	(251,410)	(752,150)
Interest paid - SBITA	(184)	(580)	(209)	2,013
Net cash used by capital and related financing activities	(3,212,477)	(15,129,933)	(4,127,879)	(15,719,700)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	-	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(13,519,381)	(21,190,081)	(21,313,838)	(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	<u>\$ 15,592,895</u>	<u>\$ 29,112,277</u>	<u>\$ 29,978,969</u>	<u>\$ 51,292,807</u>