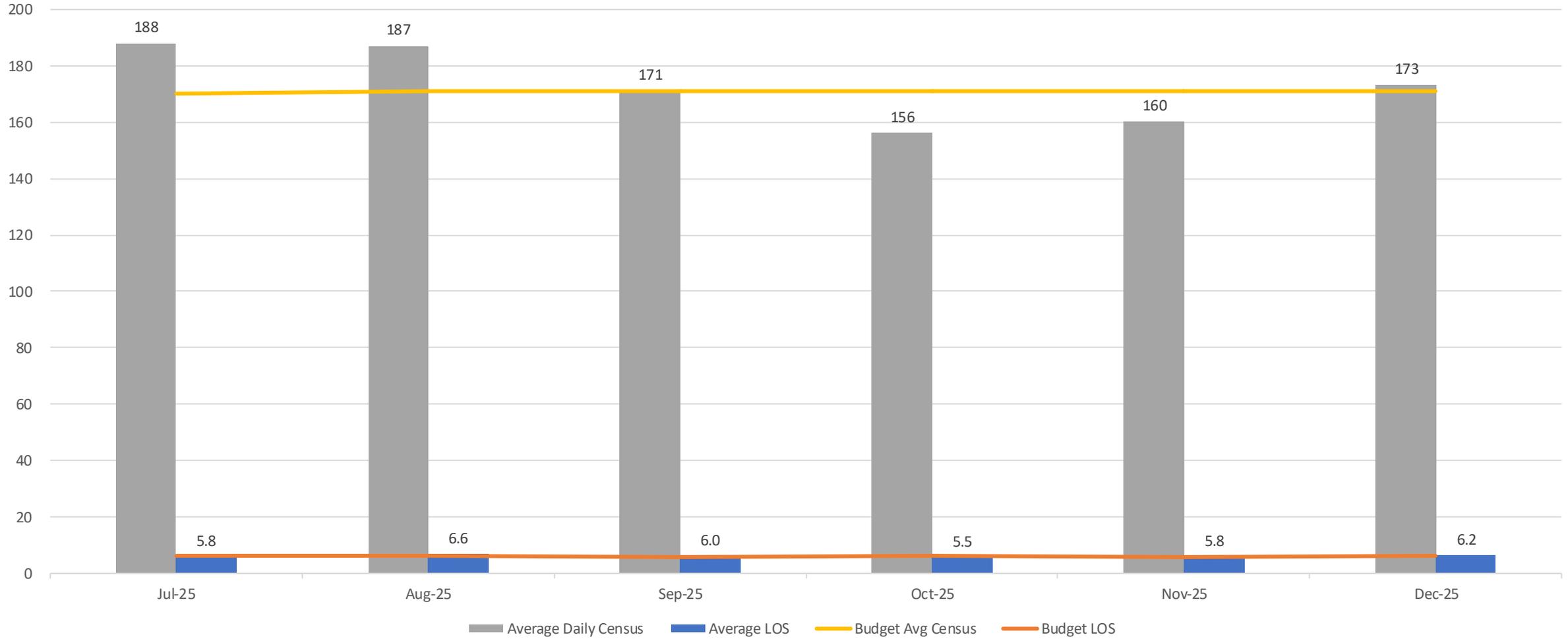




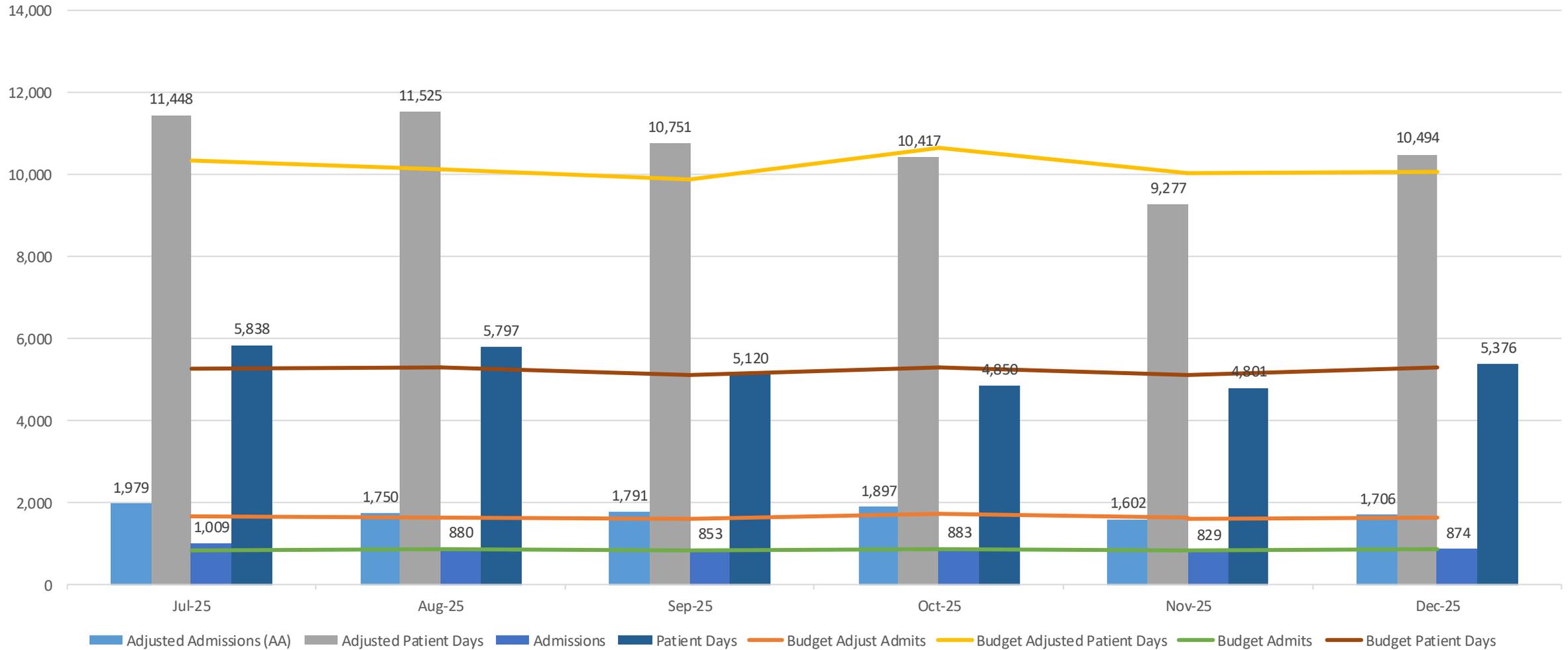
Board of Governors' Report

Kern Medical – December 2025

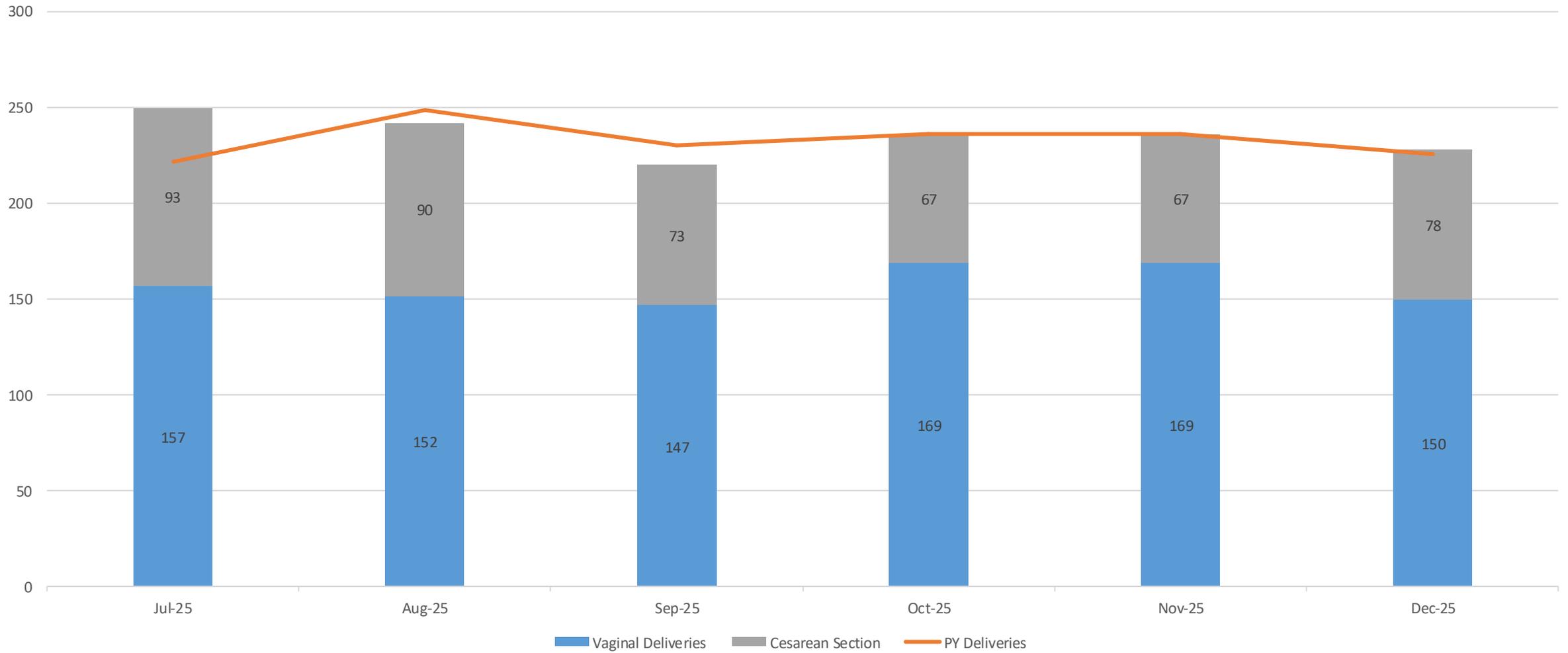
Census & ALOS



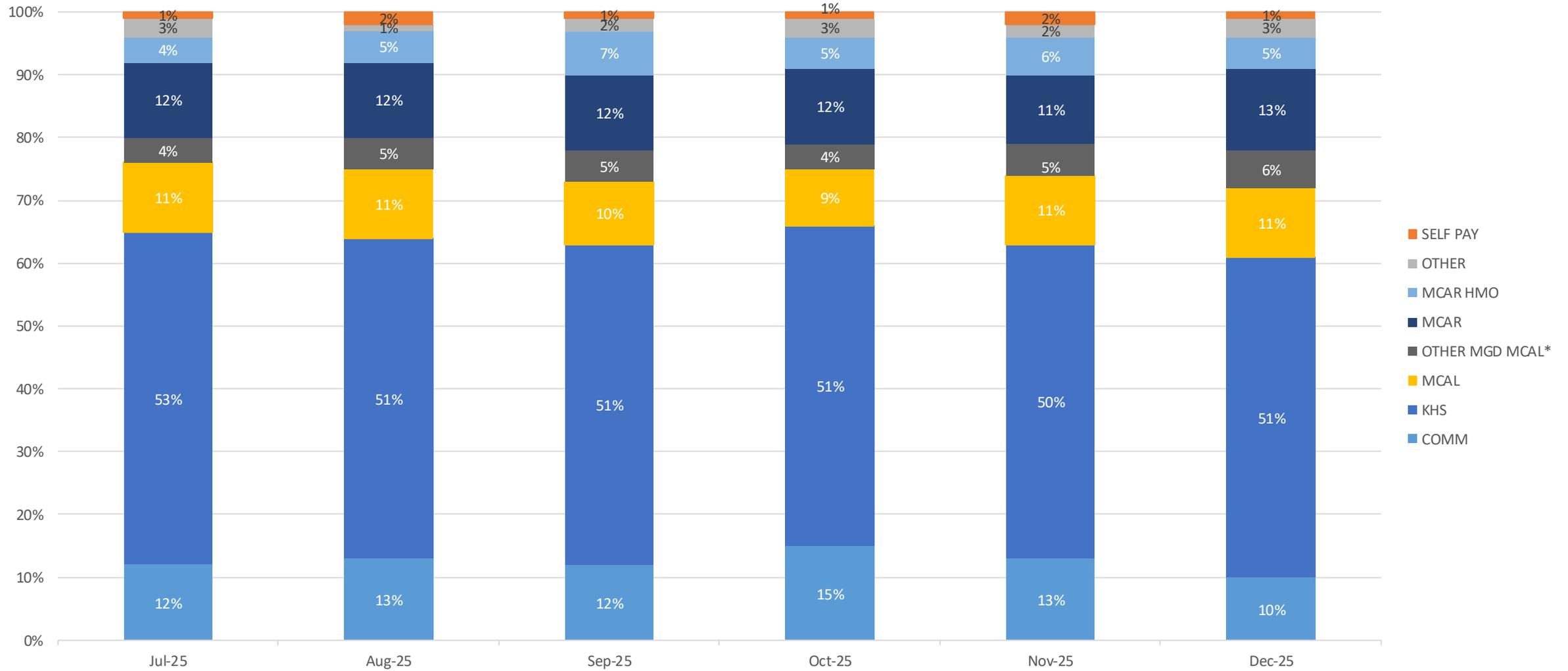
Hospital Volumes



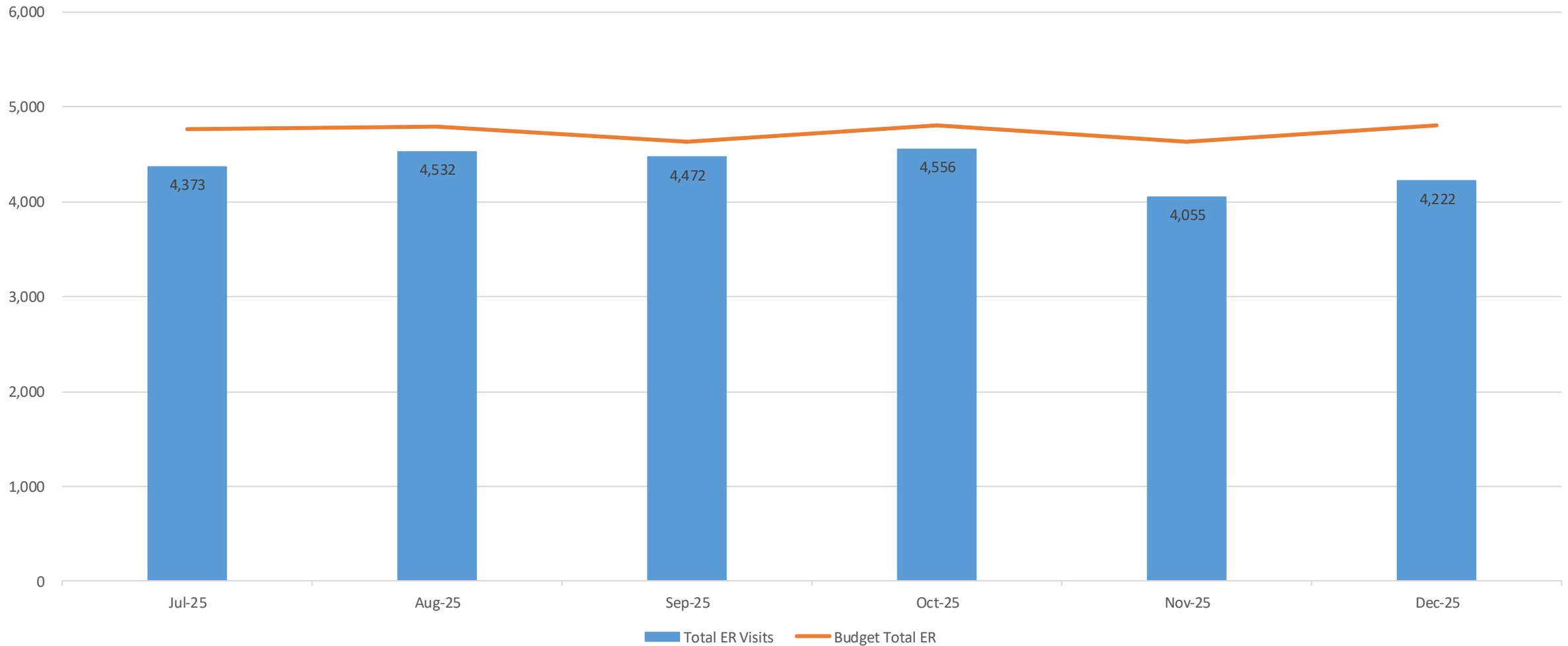
Deliveries



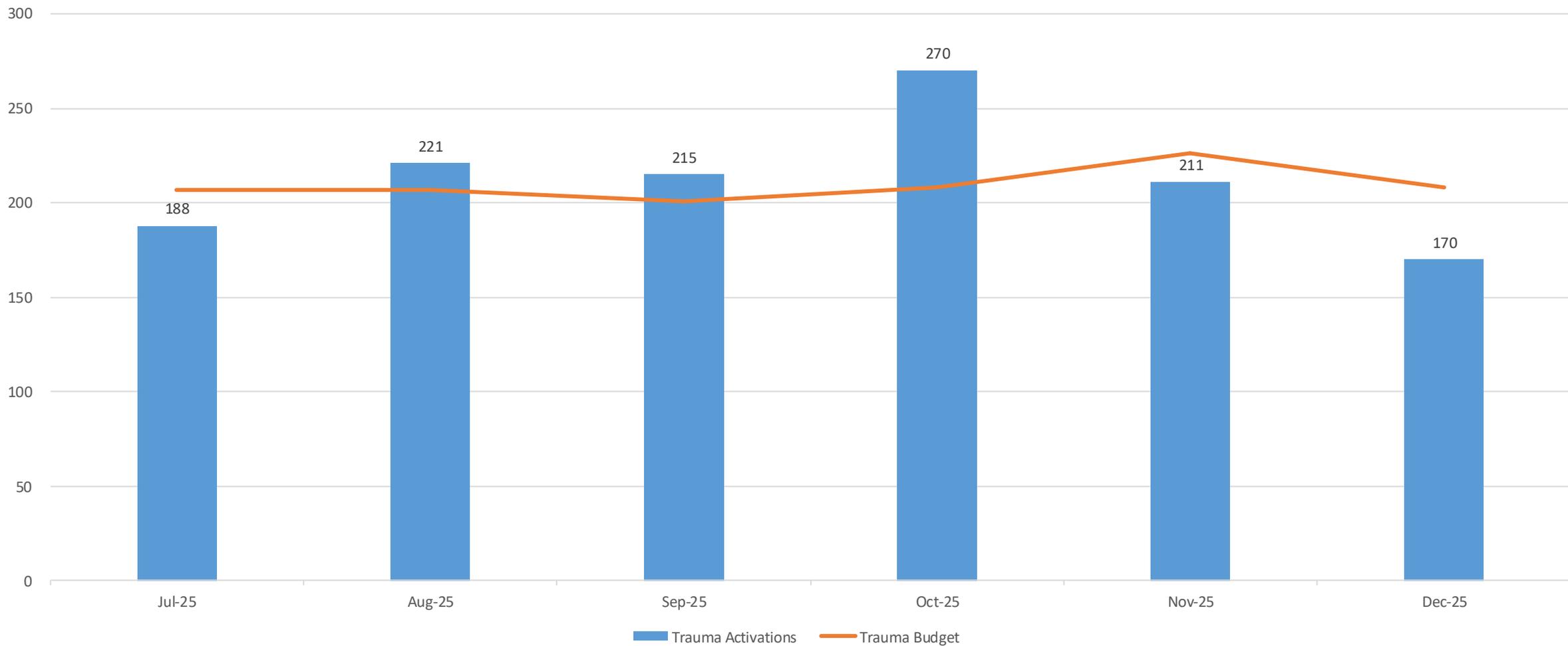
PAYER MIX



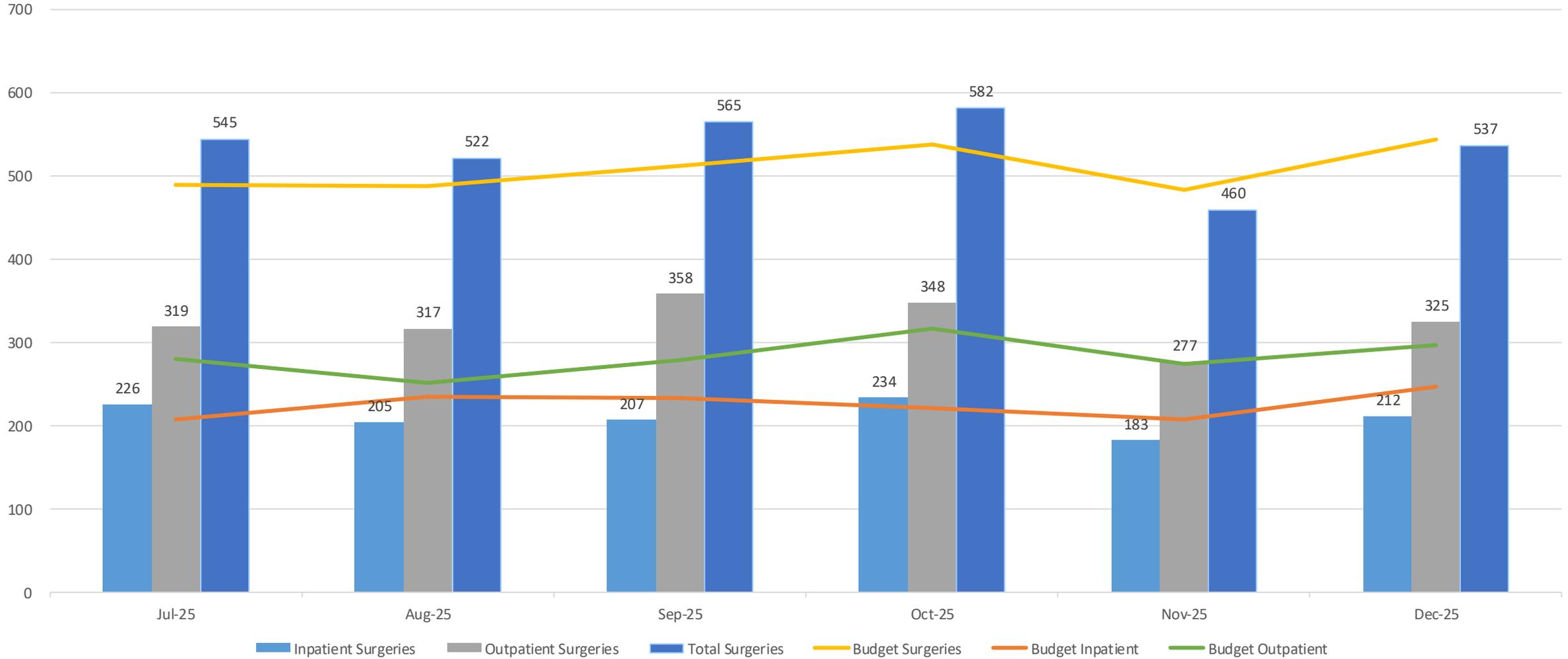
Emergency Room Volume



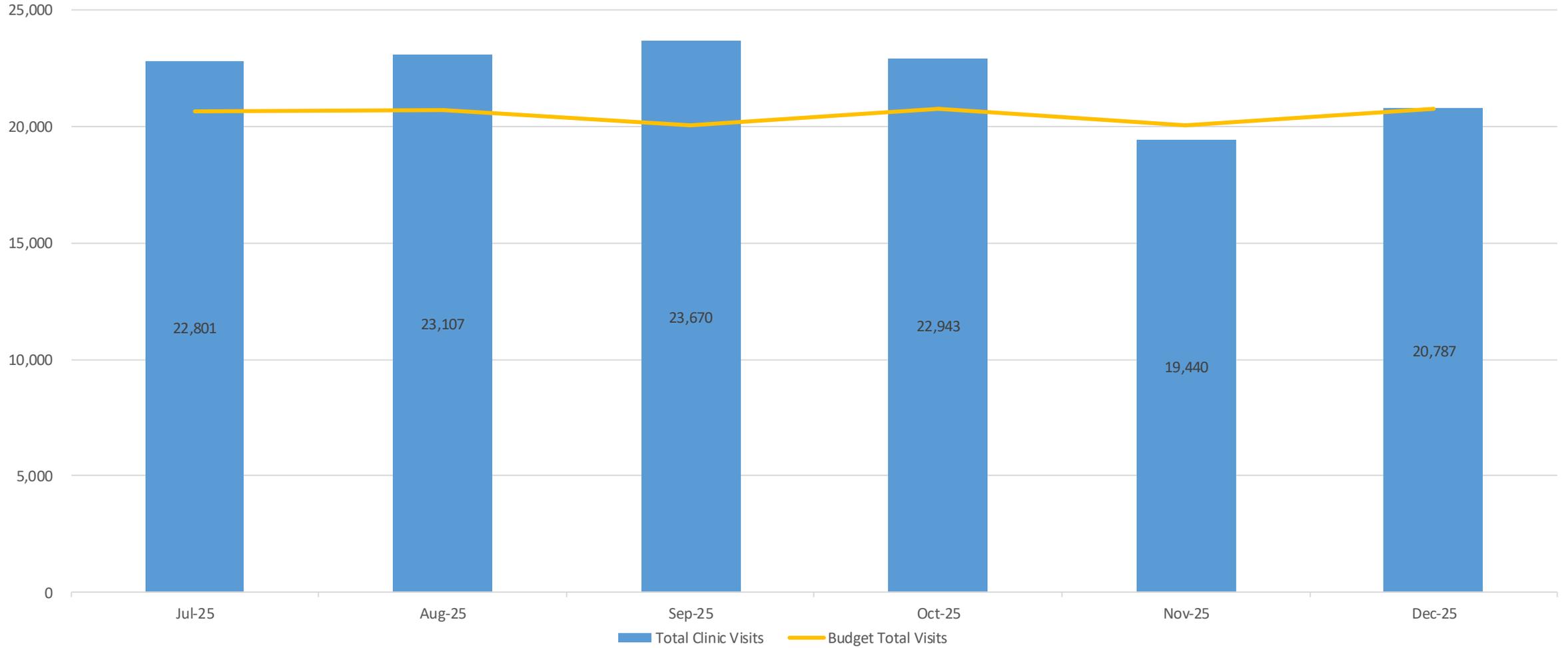
Trauma Activations



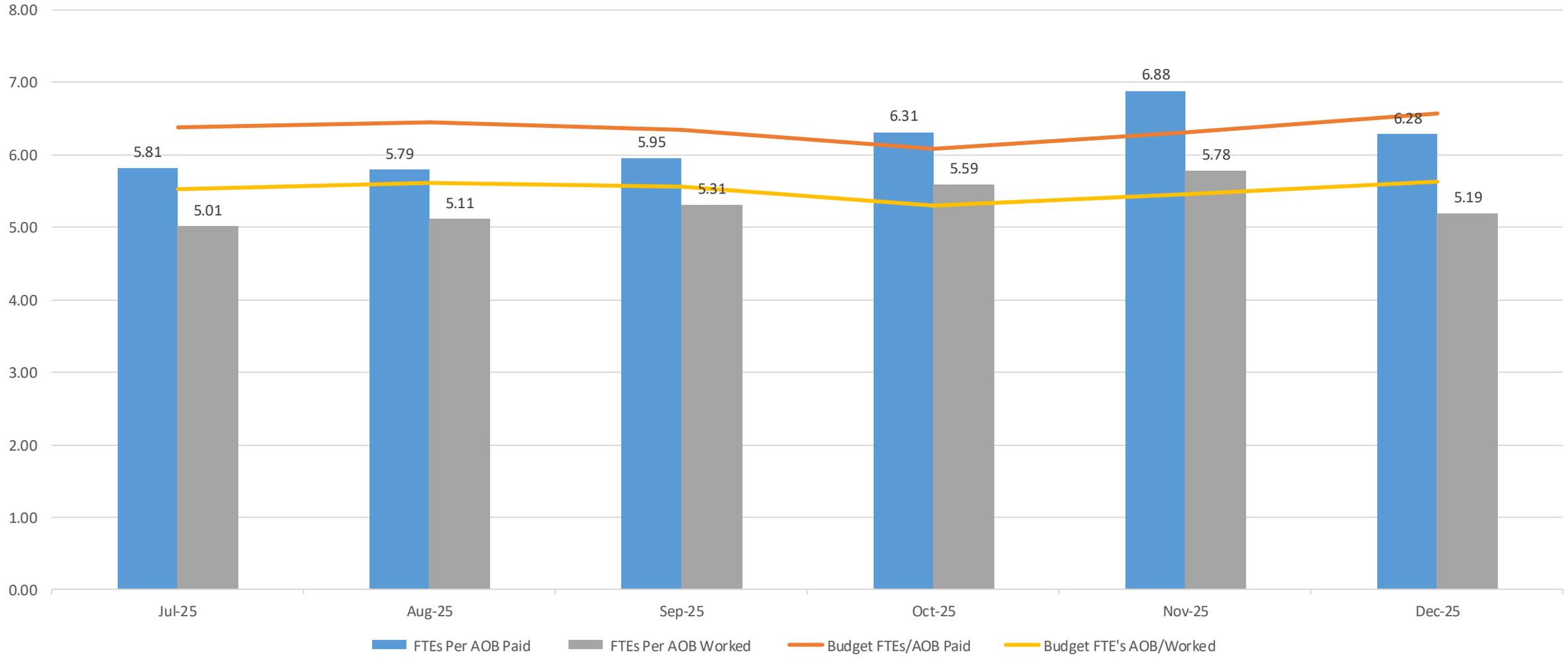
Surgical Volume



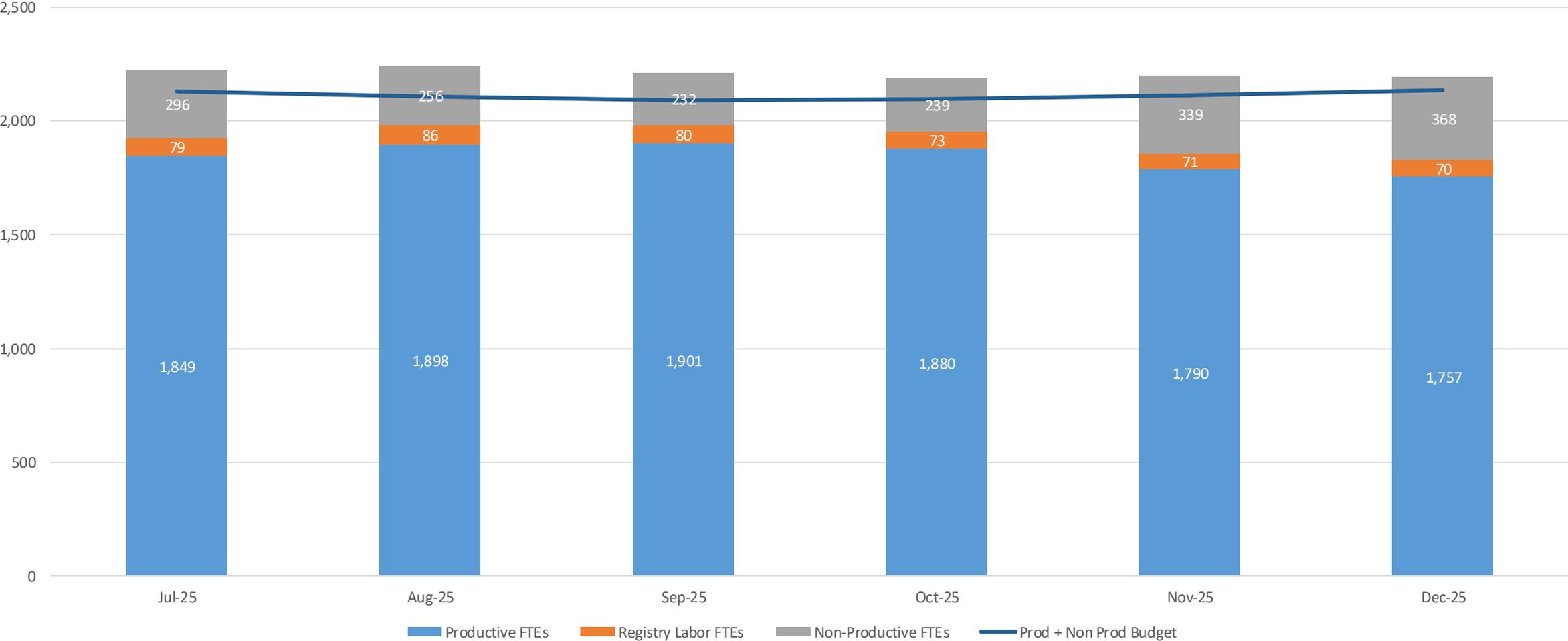
Clinic Visits



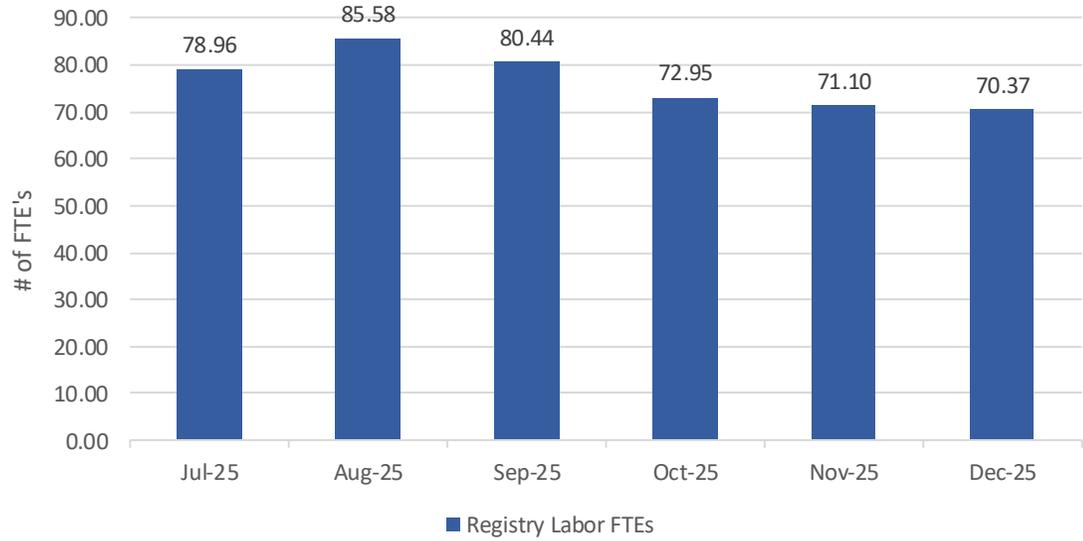
Labor Metrics



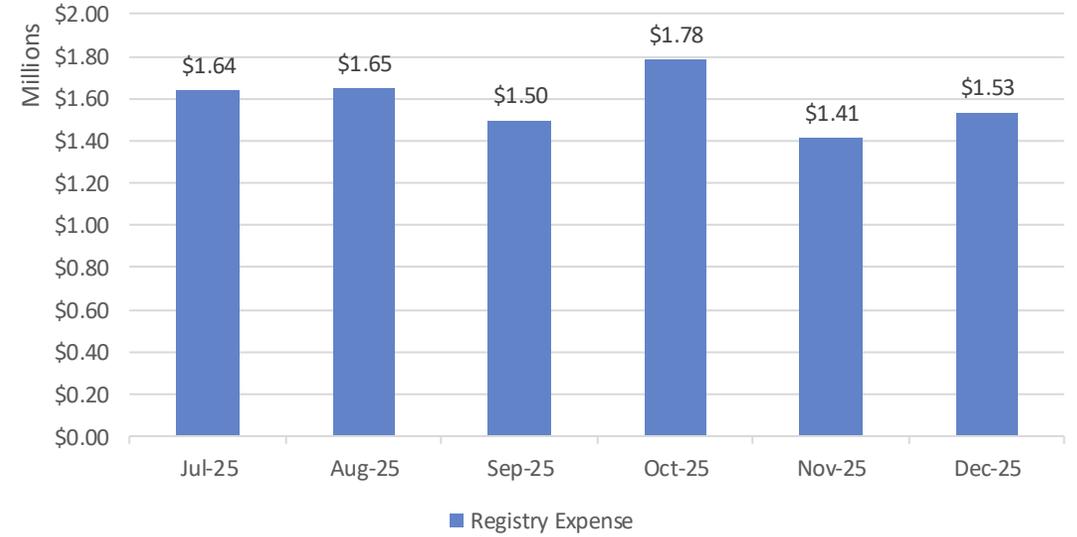
Productivity



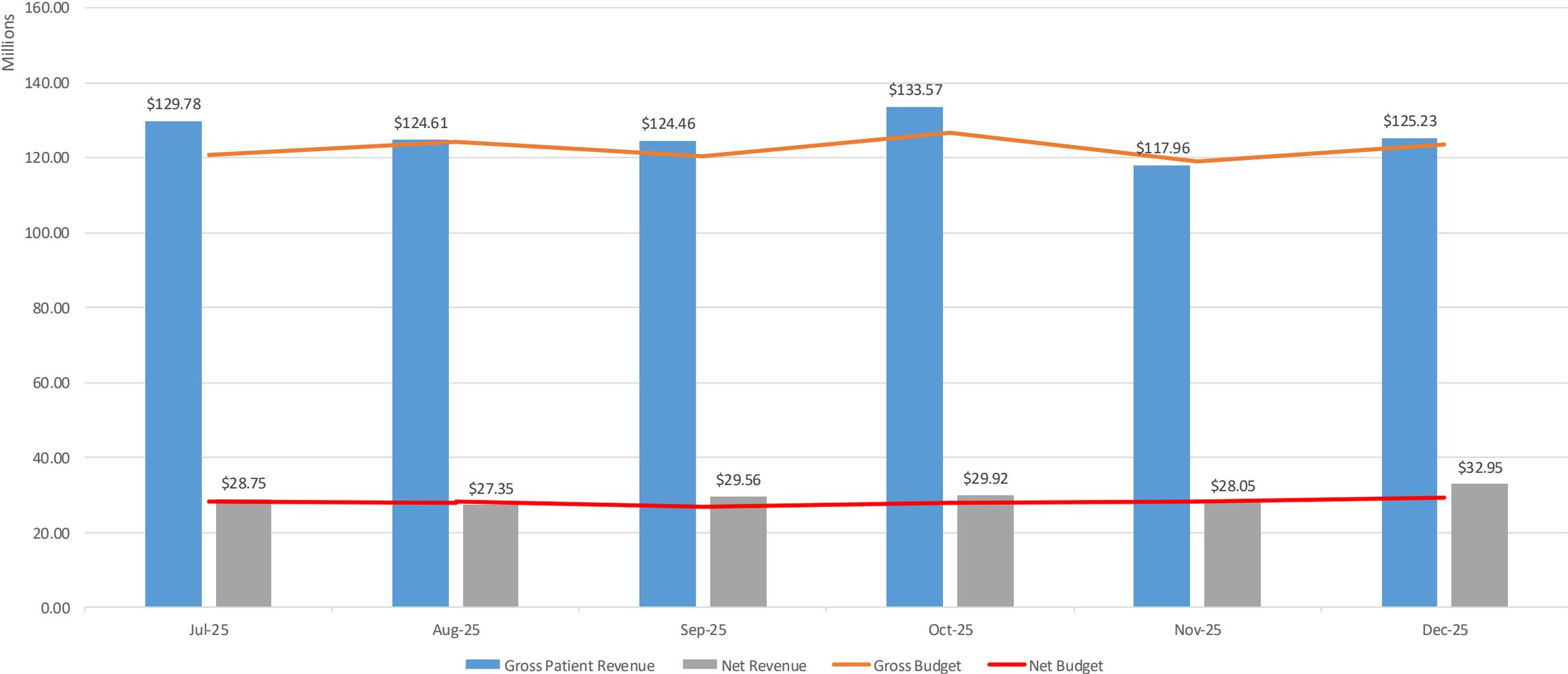
Registry FTE's



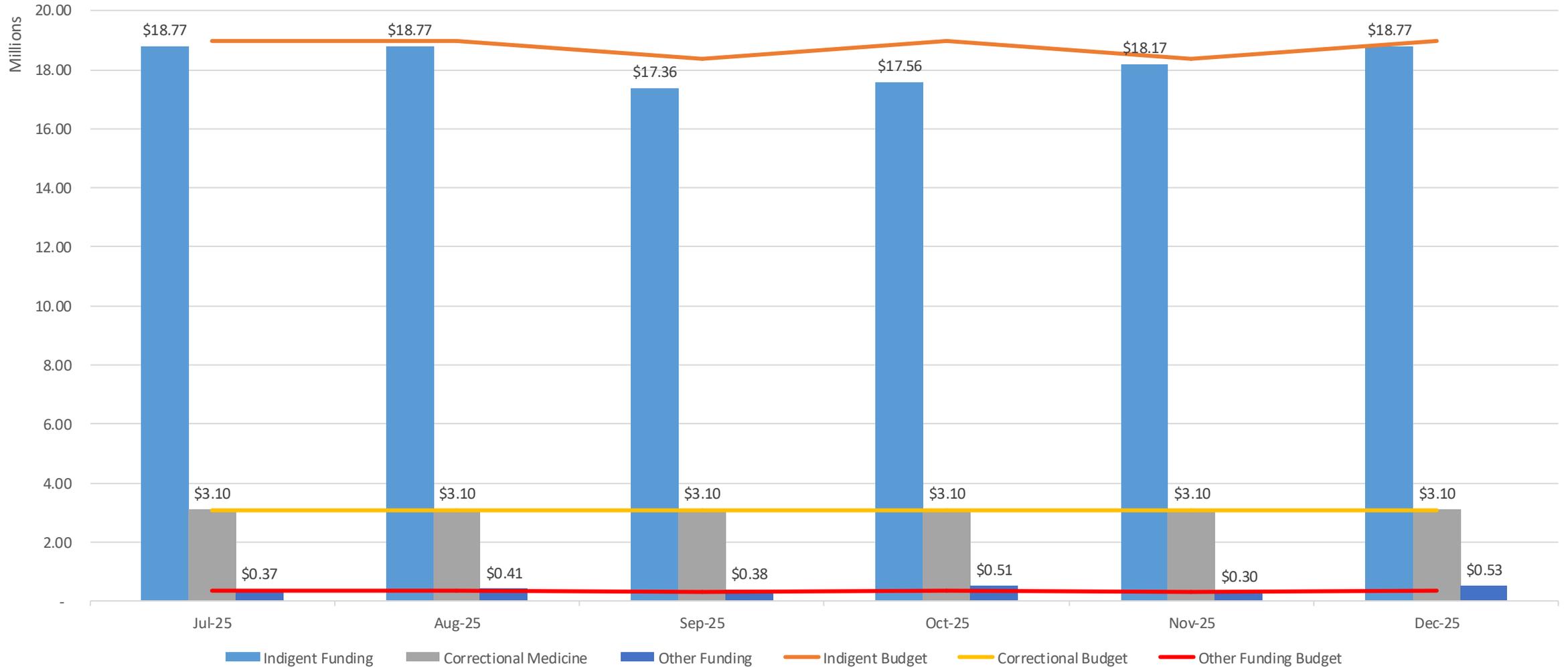
Registry Expense



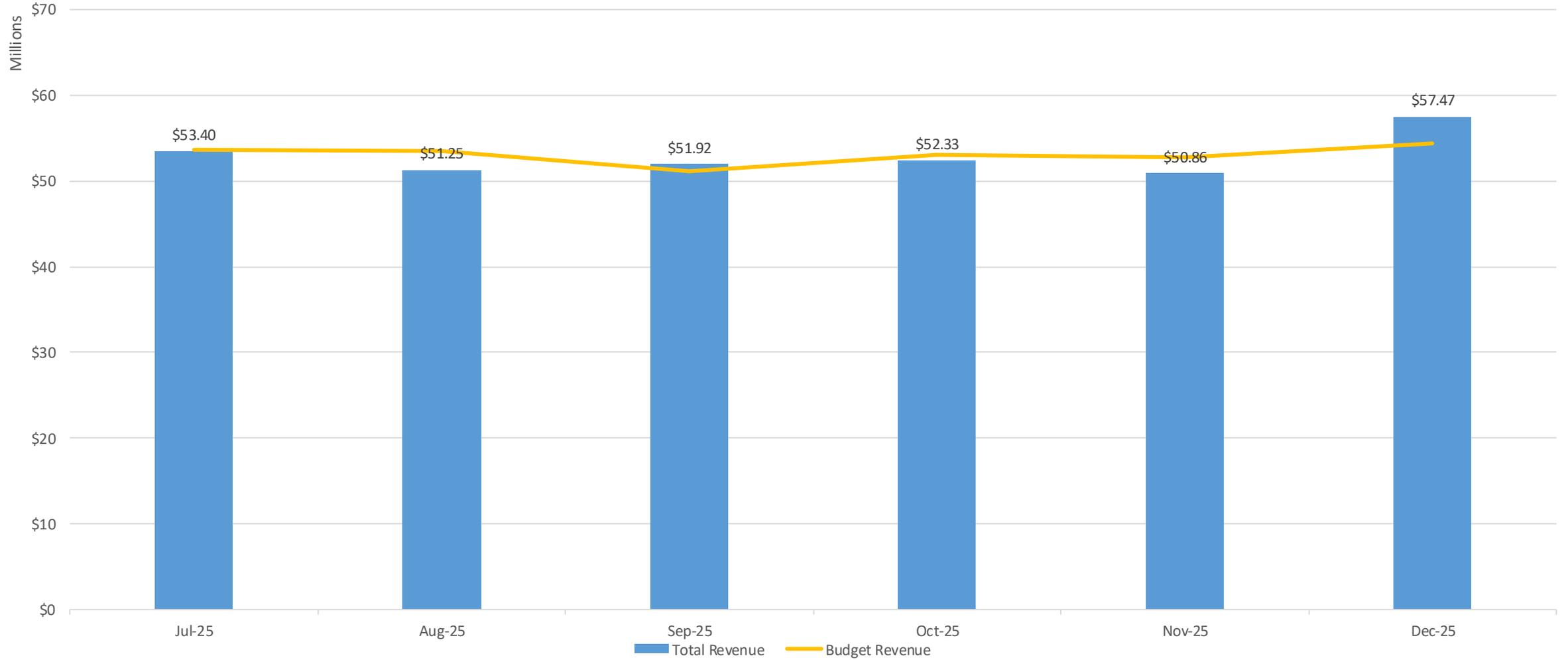
Patient Revenue



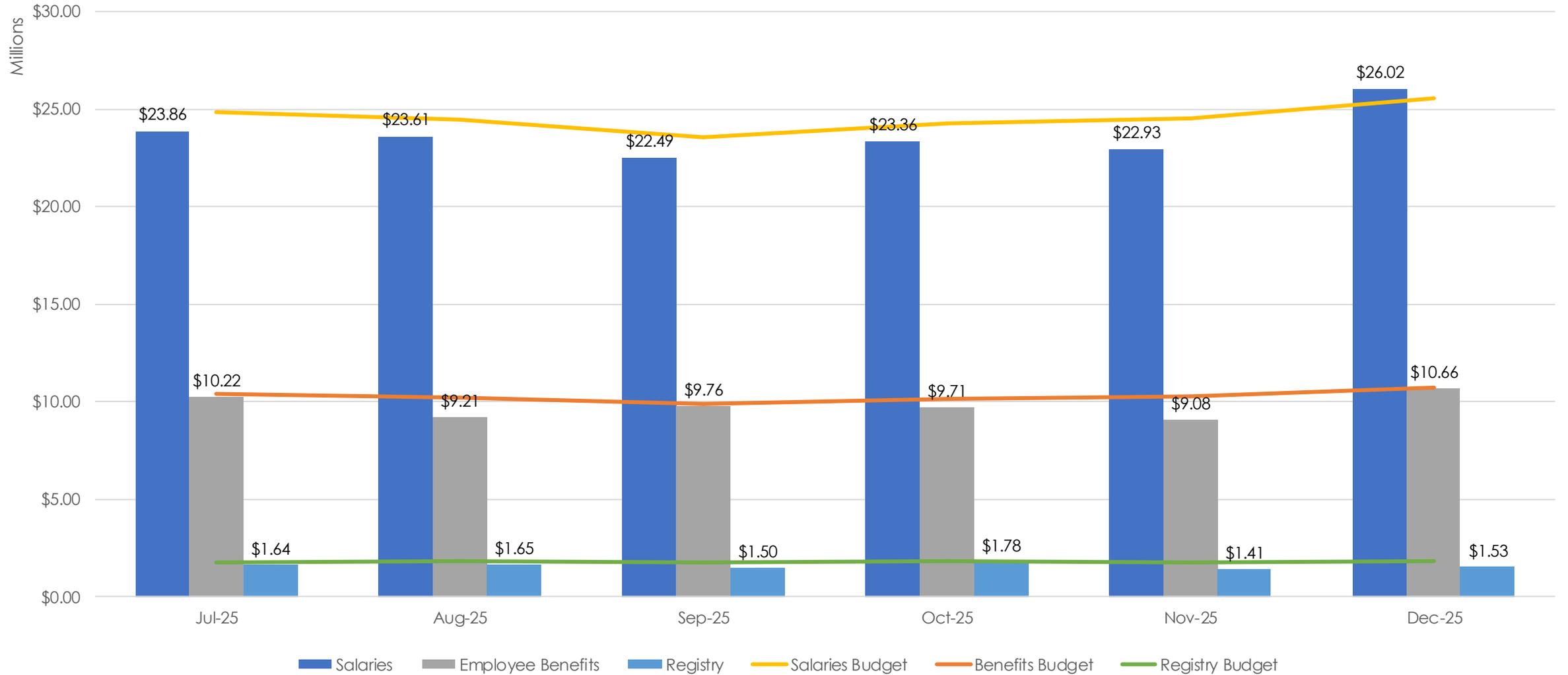
Indigent & Correctional Revenue



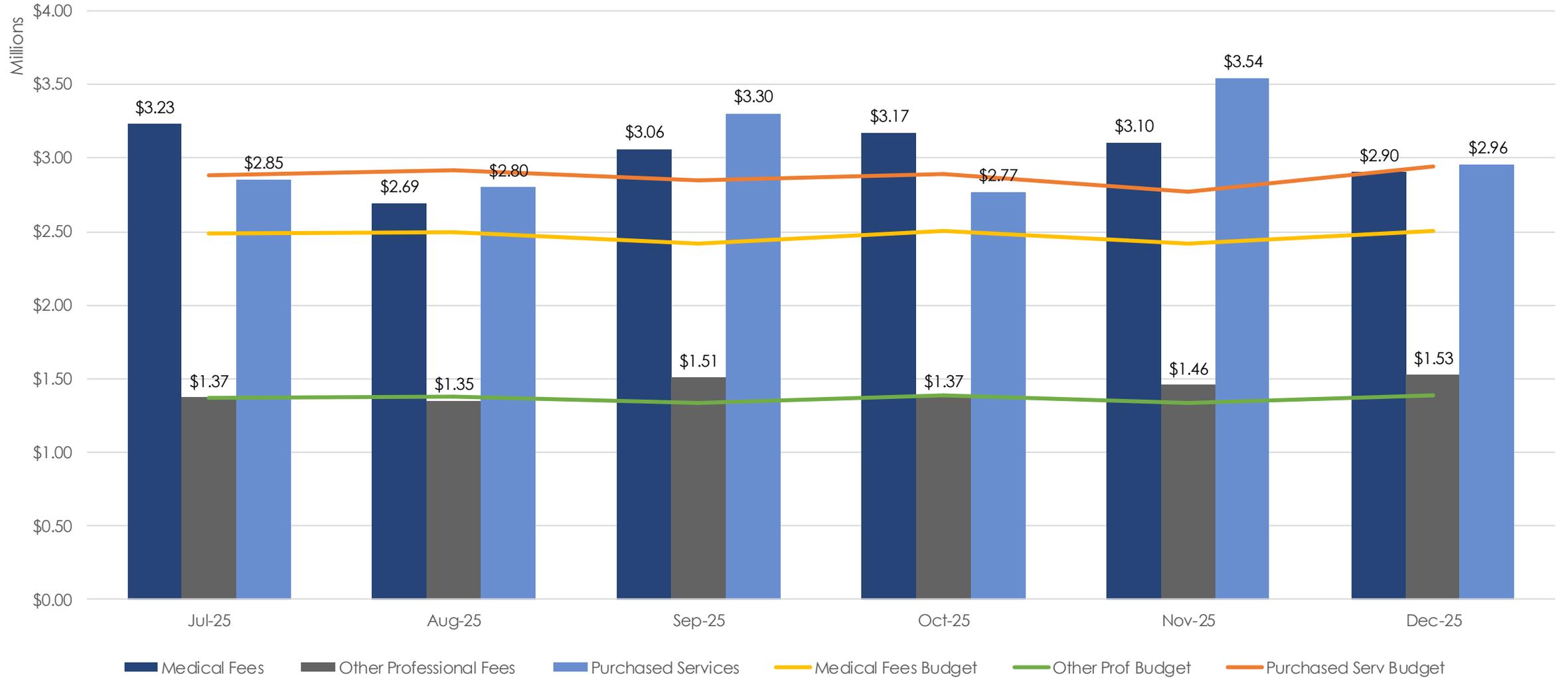
Total Revenue



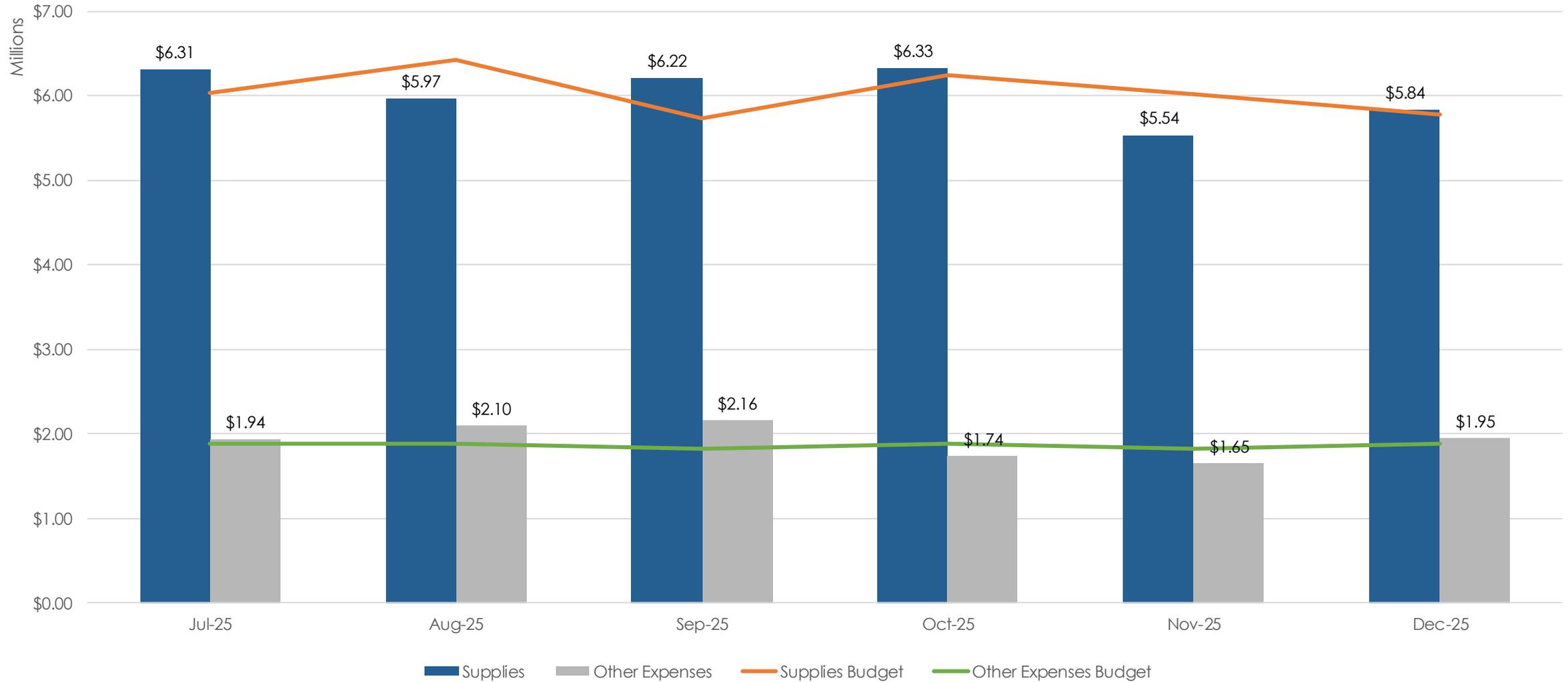
Expenses



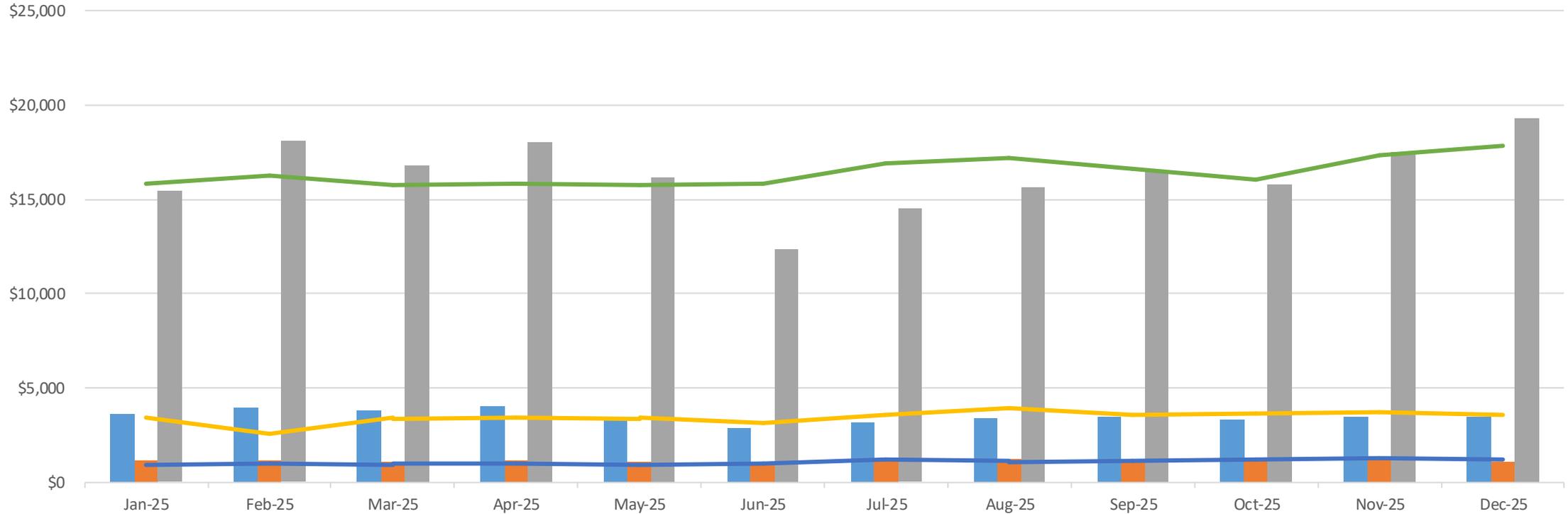
Expenses



Expenses

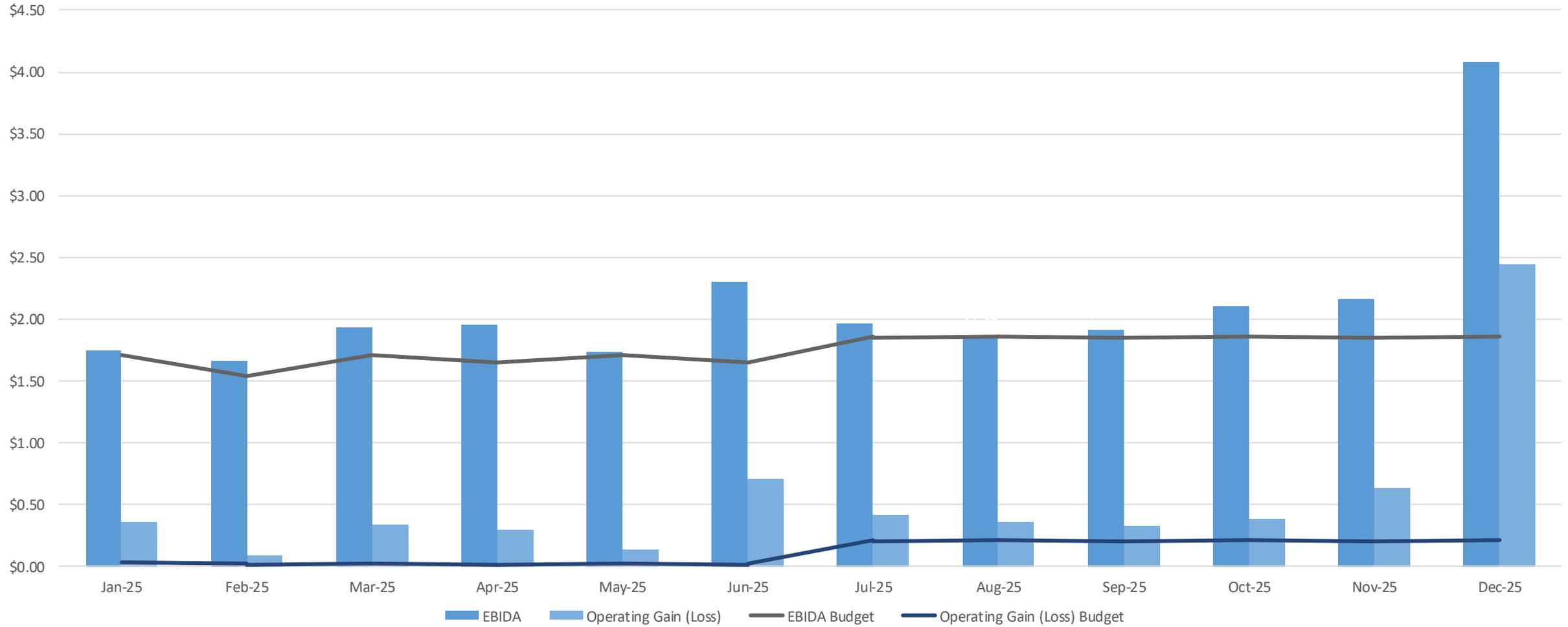


Operating Metrics

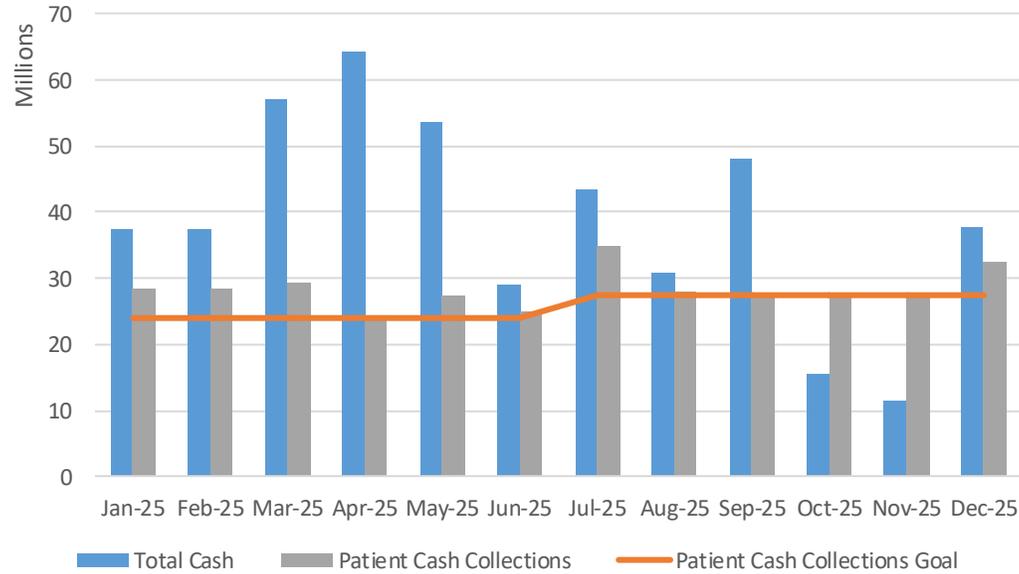


	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Supply Expense per AA	\$3,629	\$3,933	\$3,835	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338	\$3,458	\$3,421
Pharm Cost per AA	\$1,125	\$1,161	\$1,070	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118	\$1,140	\$1,194	\$1,094
Net Revenue Per AA	\$15,411	\$18,087	\$16,764	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778	\$17,508	\$19,312
Budget Supp/AA	\$3,407	\$2,546	\$3,410	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604	\$3,686	\$3,532
Budget Pharm/AA	\$964	\$966	\$965	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142	\$1,162	\$1,228	\$1,162
Budget Net Rev/AA	\$15,811	\$16,229	\$15,781	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073	\$17,329	\$17,863

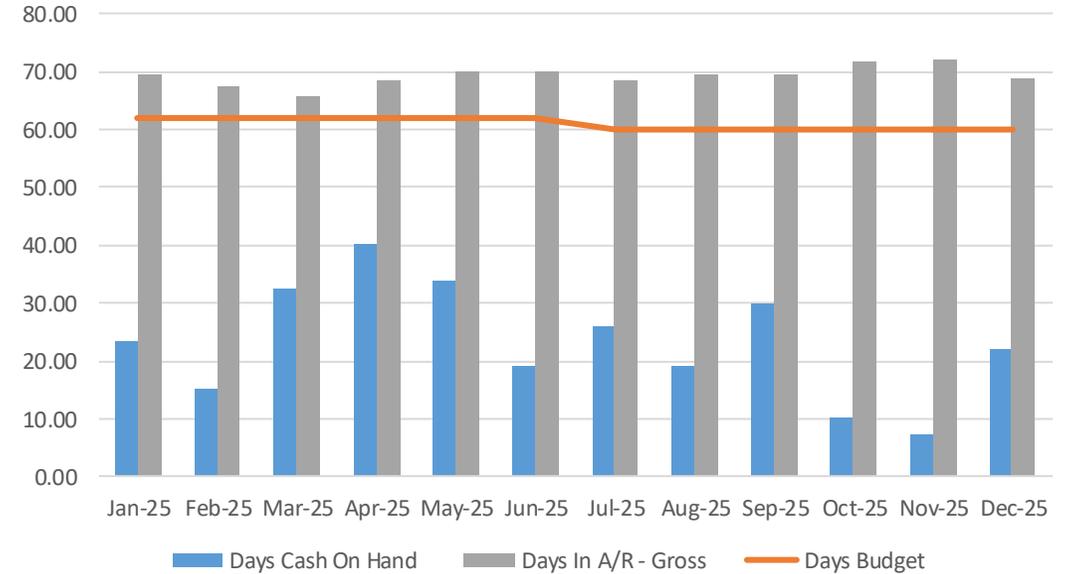
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



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

	OCTOBER	NOVEMBER	DECEMBER	BUDGET DECEMBER	VARIANCE POS (NEG)	PY DECEMBER
Gross Patient Revenue	\$ 133,573,836	\$ 117,957,124	\$ 125,231,020	\$ 123,496,982	1.4%	\$ 115,064,775
Contractual Deductions	(103,649,026)	(89,911,537)	(92,284,622)	(94,237,749)	(2%)	(73,544,646)
Net Revenue	29,924,811	28,045,587	32,946,398	29,259,233	13%	41,520,129
Indigent Funding	17,556,719	18,165,416	18,770,930	18,973,856	(1%)	23,695,729
Correctional Medicine	3,097,714	3,097,714	3,097,714	3,095,522	0.1%	3,097,714
County Contribution	285,211	285,211	285,211	285,211	(0%)	574,550
Incentive Funding	227,651	18,320	241,992	72,378	234%	142,625
Net Patient Revenue	51,092,105	49,612,248	55,342,244	51,686,200	7%	69,030,746
Other Operating Revenue	1,214,107	1,236,097	2,106,511	2,746,242	(23%)	8,300,463
Other Non-Operating Revenue	25,042	16,501	18,697	12,151	54%	13,608
Total Revenues	52,331,253	50,864,846	57,467,452	54,444,593	6%	77,344,817
Expenses						
Salaries	23,357,235	22,926,500	26,017,998	25,567,724	2%	26,217,896
Employee Benefits	9,705,486	9,077,232	10,662,408	10,692,422	(0%)	(2,472,543)
Registry	1,784,612	1,412,551	1,533,990	1,818,373	(16%)	1,842,771
Medical Fees	3,168,861	3,101,977	2,901,740	2,502,143	16%	2,368,950
Other Professional Fees	1,369,689	1,456,563	1,526,005	1,384,644	10%	1,376,560
Supplies	6,331,649	5,538,741	5,835,699	5,785,323	1%	4,635,687
Purchased Services	2,767,273	3,539,365	2,958,214	2,941,674	1%	2,778,587
Other Expenses	1,739,158	1,650,679	1,947,493	1,890,090	3%	8,499,265
Operating Expenses	50,223,963	48,703,608	53,383,547	52,582,393	2%	45,247,173
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,107,290	\$ 2,161,238	\$ 4,083,906	\$ 1,862,200	119.3%	\$ 32,097,644
EBIDA Margin	4%	4%	7%	3%	108%	41%
Interest	259,455	288,247	298,365	339,518	(12%)	410,830
Depreciation	790,148	595,099	692,675	657,304	5%	753,057
Amortization	670,510	646,295	646,748	652,001	(1%)	588,661
Total Expenses	51,944,076	50,233,249	55,021,335	54,231,216	1%	46,999,720
Operating Gain (Loss)	\$ 387,177	\$ 631,597	\$ 2,446,117	\$ 213,377	1,046%	\$ 30,345,097
Operating Margin	0.74%	1.24%	4.26%	0.39%	986.1%	39.2%

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

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 755,616,350	\$ 734,264,358	3%	\$ 693,608,778	9%
Contractual Deductions	(566,848,472)	(565,411,629)	0%	(528,466,077)	7%
Net Revenue	188,767,879	168,852,729	12%	165,142,700	14%
Indigent Funding	109,390,866	112,619,017	(3%)	115,595,505	(5%)
Correctional Medicine	18,586,281	18,573,134	0%	18,586,282	(0%)
County Contribution	1,711,265	1,711,266	(0%)	2,000,604	(14%)
Incentive Funding	791,112	429,596	84%	467,824	69%
Net Patient Revenue	319,247,403	302,185,741	6%	301,792,915	6%
Other Operating Revenue	10,031,712	16,300,275	(38%)	22,012,626	(54.43%)
Other Non-Operating Revenue	136,950	71,955	90%	75,952	80%
Total Revenues	329,416,064	318,557,971	3%	323,881,494	2%
Expenses					
Salaries	142,275,913	147,254,522	(3%)	135,076,331	5%
Employee Benefits	58,636,499	61,581,841	(5%)	43,820,758	34%
Registry	9,511,689	10,834,228	(12%)	11,935,698	(20%)
Medical Fees	18,156,822	14,816,894	23%	14,010,432	30%
Other Professional Fees	8,584,653	8,202,472	5%	8,535,074	0.6%
Supplies	36,206,001	36,244,413	(0%)	32,443,489	12%
Purchased Services	18,223,025	17,255,996	6%	17,681,676	3%
Other Expenses	11,409,835	11,218,597	2%	18,023,604	(37%)
Operating Expenses	303,004,437	307,408,963	(1%)	281,527,063	8%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 26,411,628	\$ 11,149,008	137%	\$ 42,354,431	(37.6%)
EBIDA Margin	8%	3%	129%	13%	(39%)
Interest	1,644,844	2,029,559	(19%)	2,200,738	(25%)
Depreciation	4,142,082	3,943,821	5%	4,283,742	(3%)
Amortization	3,751,120	3,912,009	(4%)	3,724,168	1%
Total Expenses	312,542,482	317,294,352	(1%)	291,735,710	7%
Operating Gain (Loss)	\$ 16,873,582	\$ 1,263,618	1,235%	\$ 32,145,784	(48%)
Operating Margin	5.1%	0.4%	1,191.3%	9.9%	(48%)

**KERN MEDICAL
BALANCE SHEET**

	DECEMBER 2025	DECEMBER 2024
ASSETS:		
<i>Total Cash</i>	\$ 37,597,188	\$ 62,051,103
Patient Receivables Subtotal	281,897,633	271,660,959
Contractual Subtotal	(213,936,063)	(228,952,984)
<i>Net Patient Receivable</i>	67,961,571	42,707,974
Total Indigent Receivable	267,653,376	252,281,767
Total Other Receivable	20,336,926	15,805,554
Total Prepaid Expenses	5,825,710	5,866,669
Total Inventory	5,879,515	4,780,251
<i>Total Current Assets</i>	405,254,285	383,493,318
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	275,657,148	270,747,103
Total Construction in Progress	18,191,817	12,198,900
<i>Total Property, Plant & Equipment</i>	293,848,965	282,946,003
Total Accumulated Depr & Amortization	(188,266,356)	(175,996,271)
<i>Net Property, Plant, and Equipment</i>	105,582,609	106,949,732
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 624,297,305	\$ 614,975,768

**KERN MEDICAL
BALANCE SHEET**

	DECEMBER 2025	DECEMBER 2024
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 9,311,521	\$ 14,183,525
Total Accrued Compensation	40,980,492	30,071,806
Total Due Government Agencies	3,578,892	5,096,504
Total Other Accrued Liabilities	45,323,154	65,120,188
<i>Total Current Liabilities</i>	99,194,059	114,472,023
Unfunded Pension Liability	331,776,526	344,447,058
Other Long-Term Liabilities	69,836,686	81,627,265
<i>Total Long-Term Liabilities</i>	401,613,212	426,074,323
<i>Total Liabilities</i>	500,807,271	540,546,346
<i>Total Net Position</i>	123,490,034	74,429,421
<i>Total Liabilities and Net Position</i>	\$ 624,297,305	\$ 614,975,768

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date December 2025	Fiscal Year-End June 2025	Fiscal Year-to-Date December 2024	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 178,782,533	\$ 318,273,169	\$ 155,560,927	\$ 292,533,084
Cash received for other operations	118,915,083	262,872,978	111,842,800	233,602,712
Cash paid for salaries and benefits	(188,636,016)	(382,309,780)	(186,715,229)	(339,411,493)
Cash paid for services and supplies	(95,801,580)	(198,862,050)	(81,950,258)	(186,981,598)
Net cash (used in) provided by operating activities	<u>13,260,019</u>	<u>(25,683)</u>	<u>(1,261,760)</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	-	-	20,000,000	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(4,003,469)</u>	<u>20,000,000</u>	<u>(641,950)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(4,506,716)	(13,228,131)	(5,112,625)	(18,896,864)
Payments on right-of-usage lease liability	492,289	(3,802,269)	(1,494,065)	3,896,089
Interest paid - right-of-usage lease liability	2,012	-	(4,359)	31,211
Payments on SBITA liability	(391,067)	(817,100)	(378,138)	(752,150)
Interest paid - SBITA	(277)	-	(307)	2,013
Net cash used by capital and related financing activities	<u>(4,403,760)</u>	<u>(17,847,500)</u>	<u>(6,989,494)</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	8,856,259	(21,691,174)	11,748,746	(16,618,946)
CASH AND CASH EQUIVALENTS, beginning of year	<u>28,740,929</u>	<u>50,432,103</u>	<u>50,302,358</u>	<u>66,921,303</u>
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 37,597,188</u>	<u>\$ 28,740,929</u>	<u>\$ 62,051,103</u>	<u>\$ 50,302,358</u>