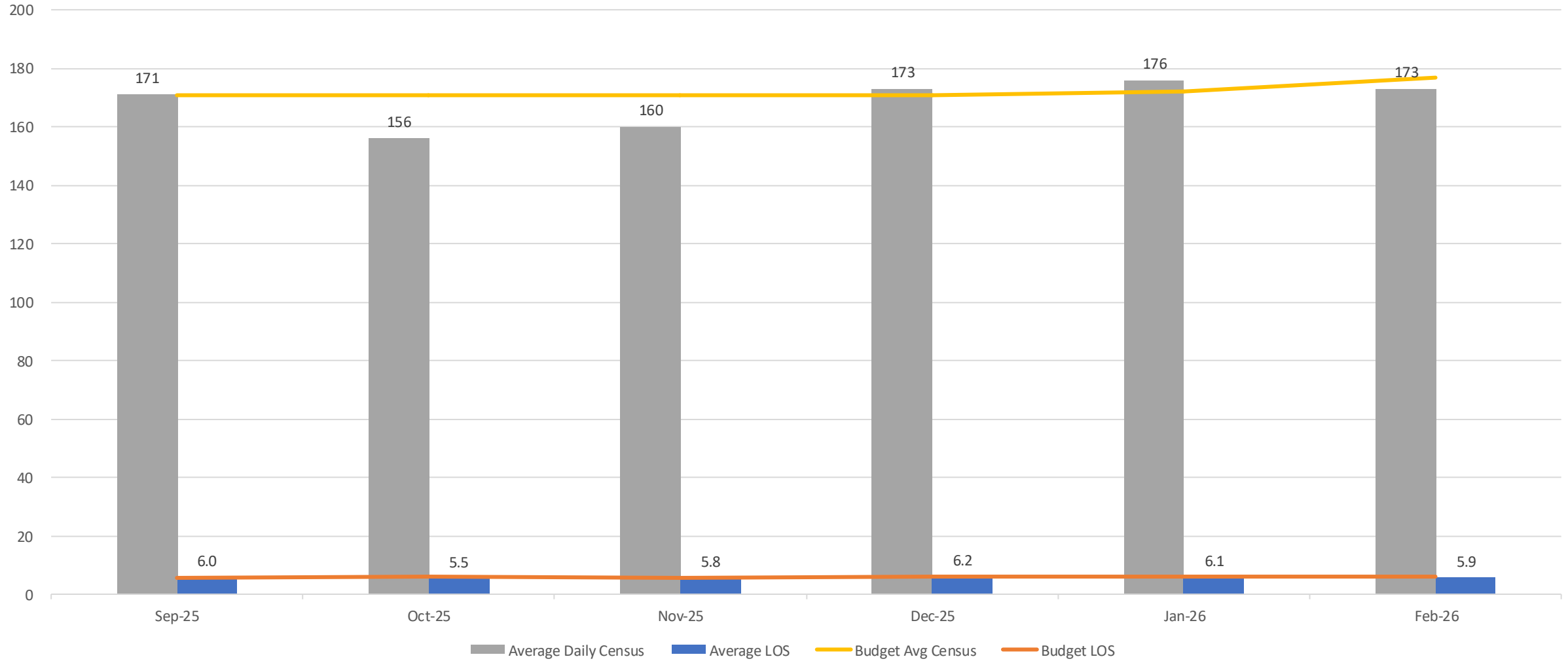




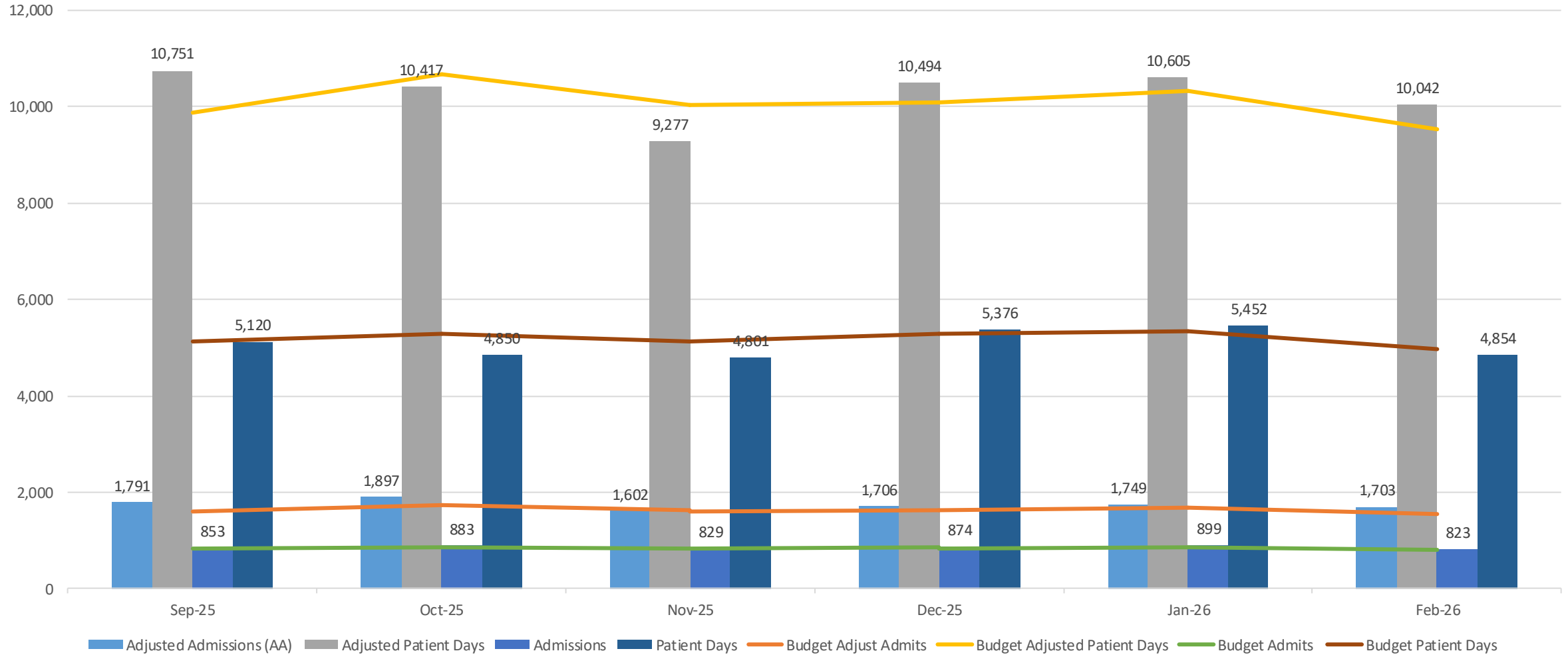
Board of Governors' Report

Kern Medical – February 2026

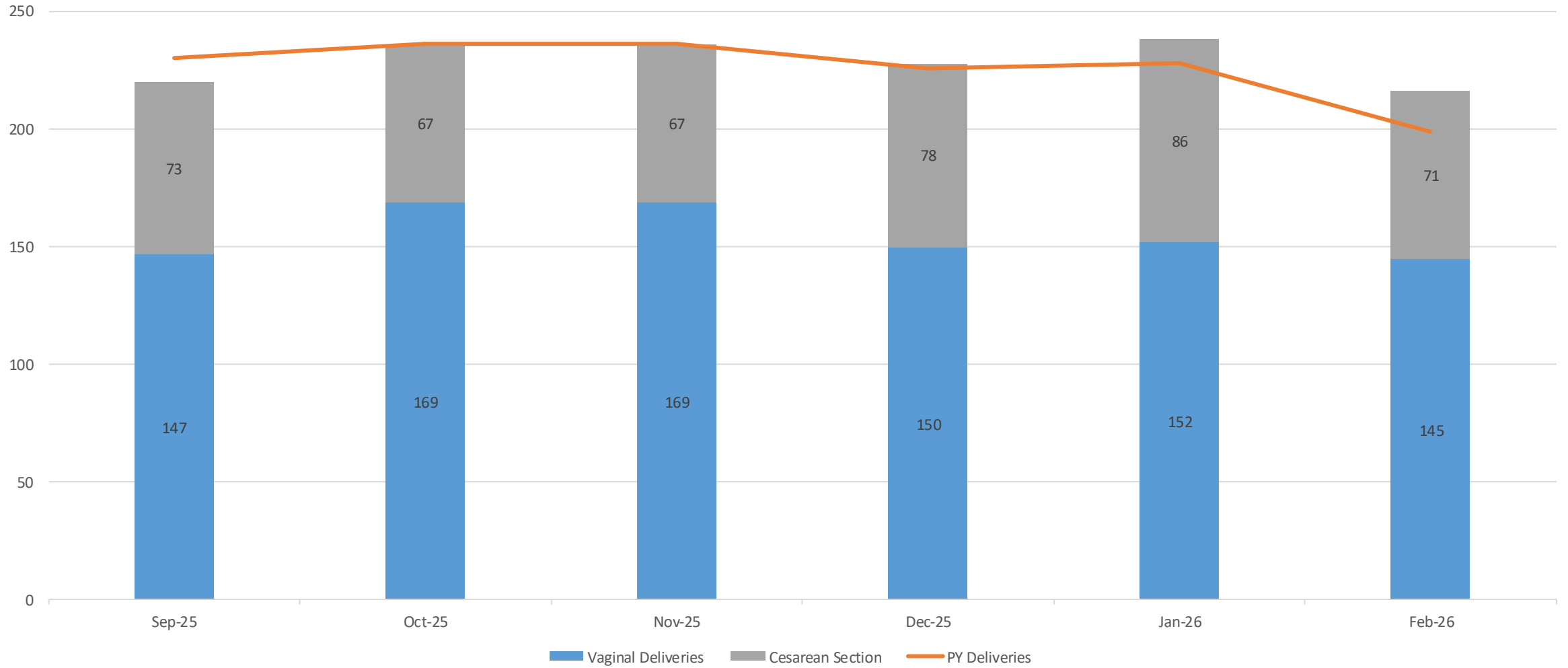
Census & ALOS



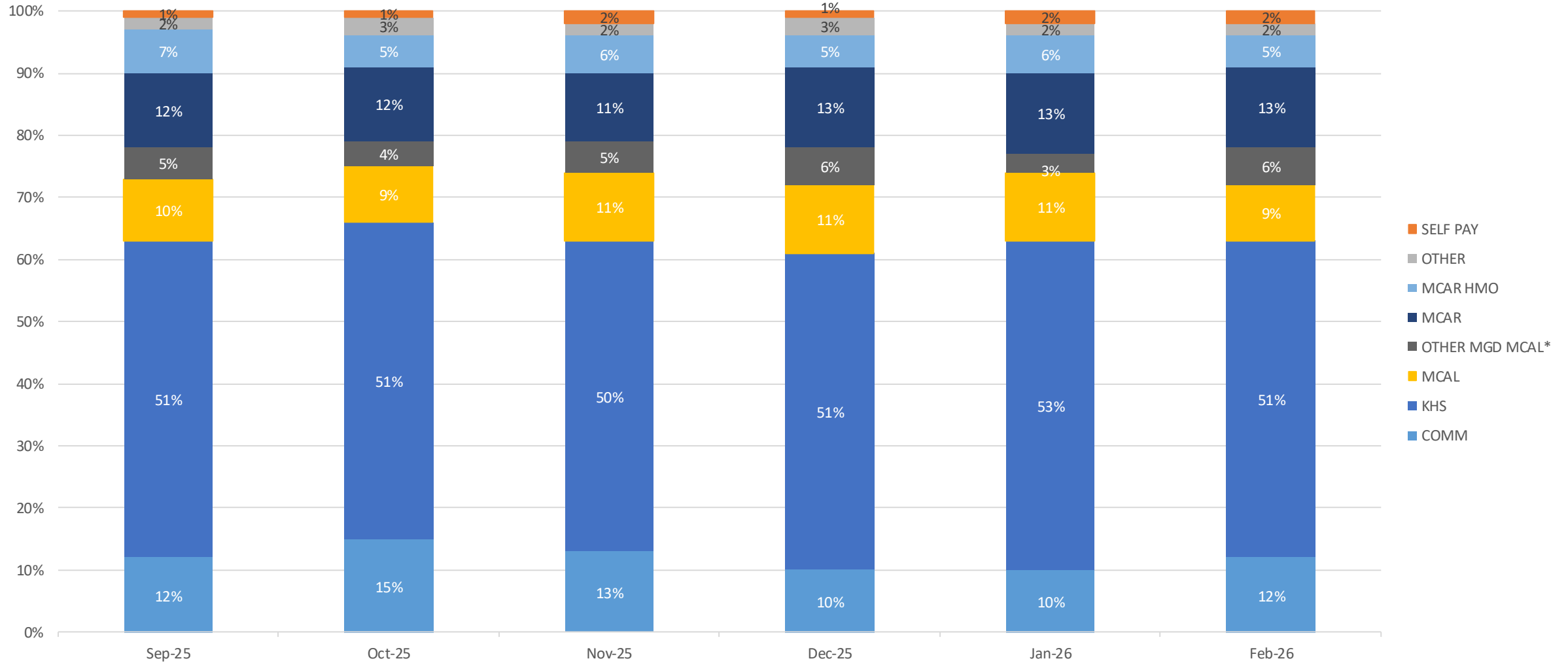
Hospital Volumes



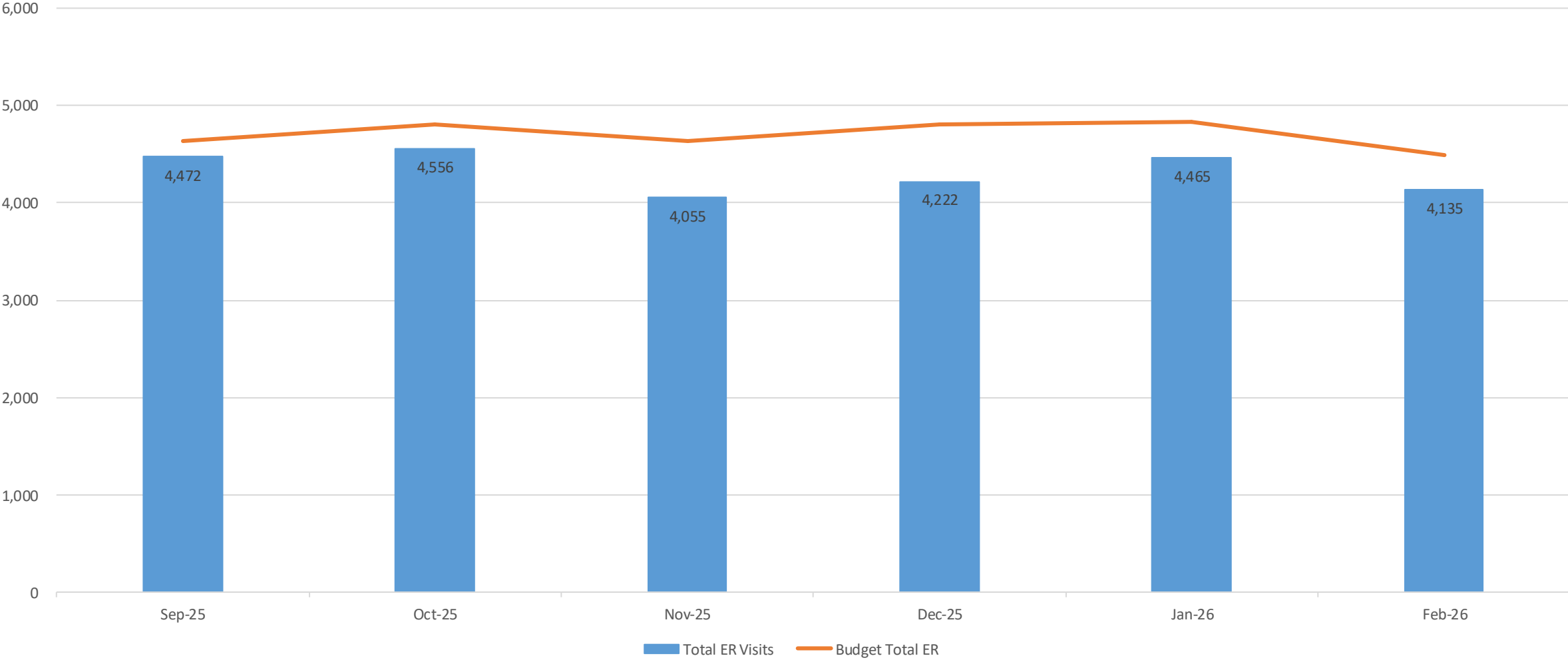
Deliveries



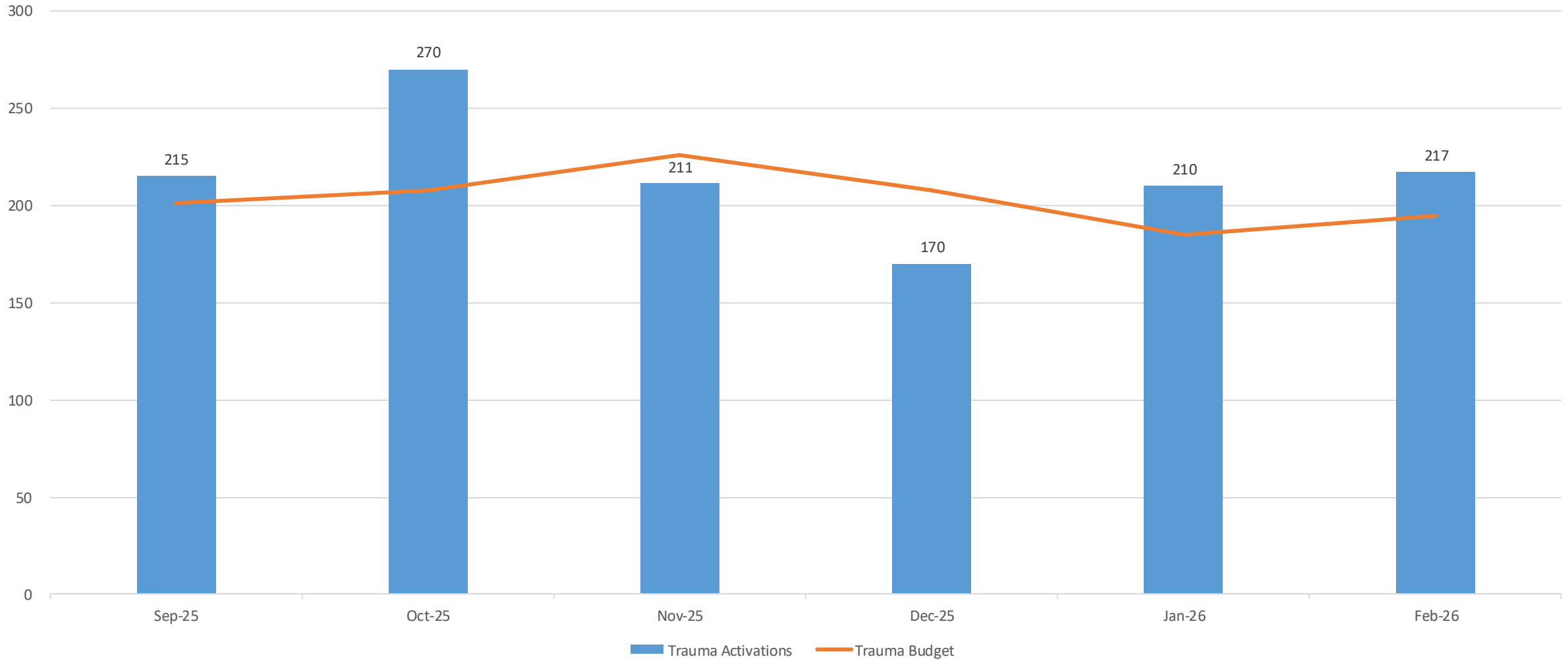
PAYER MIX



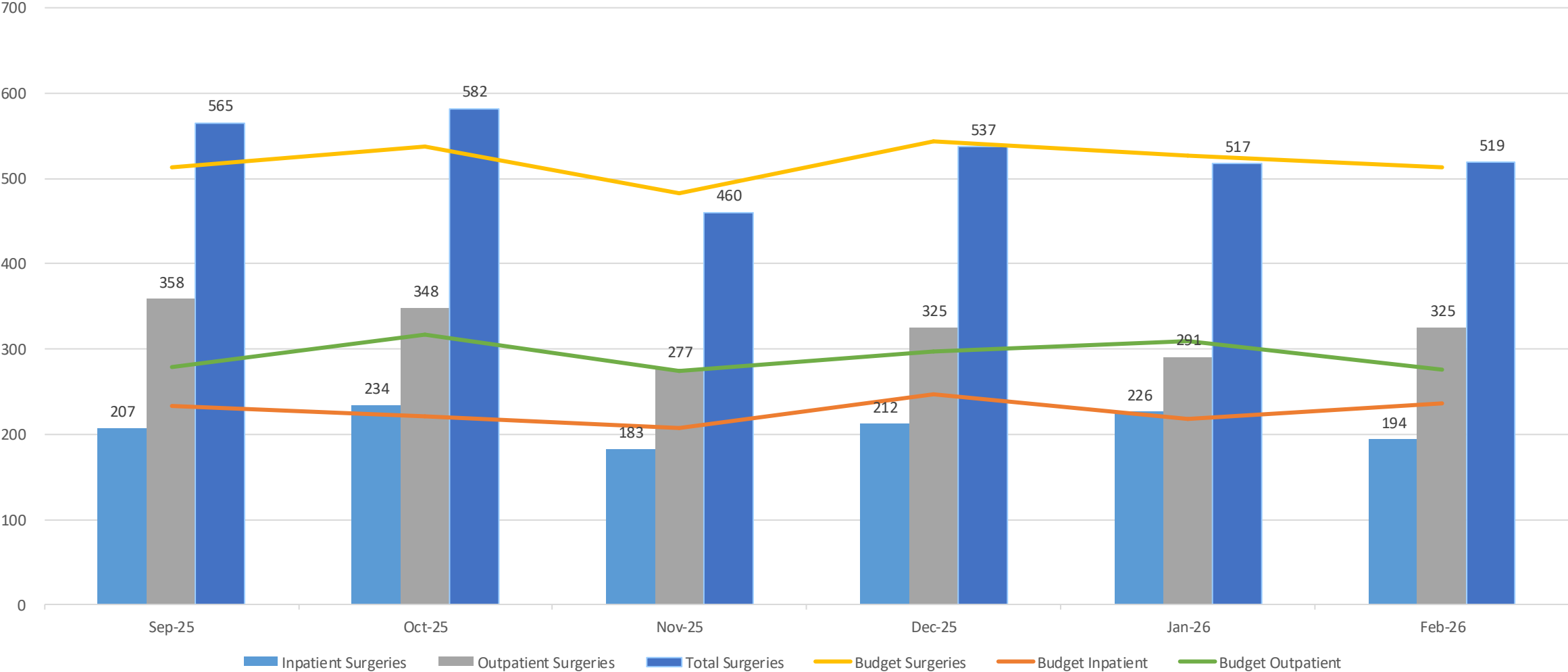
Emergency Room Volume



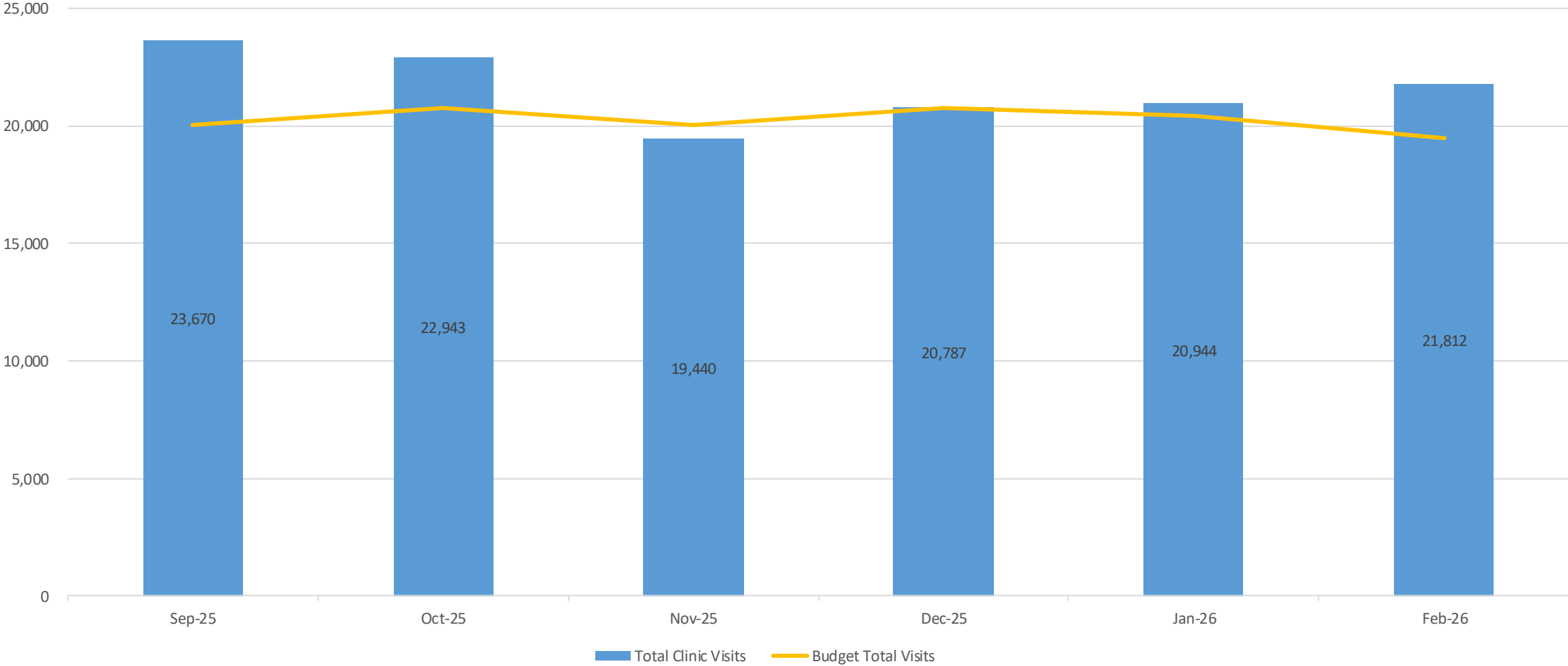
Trauma Activations



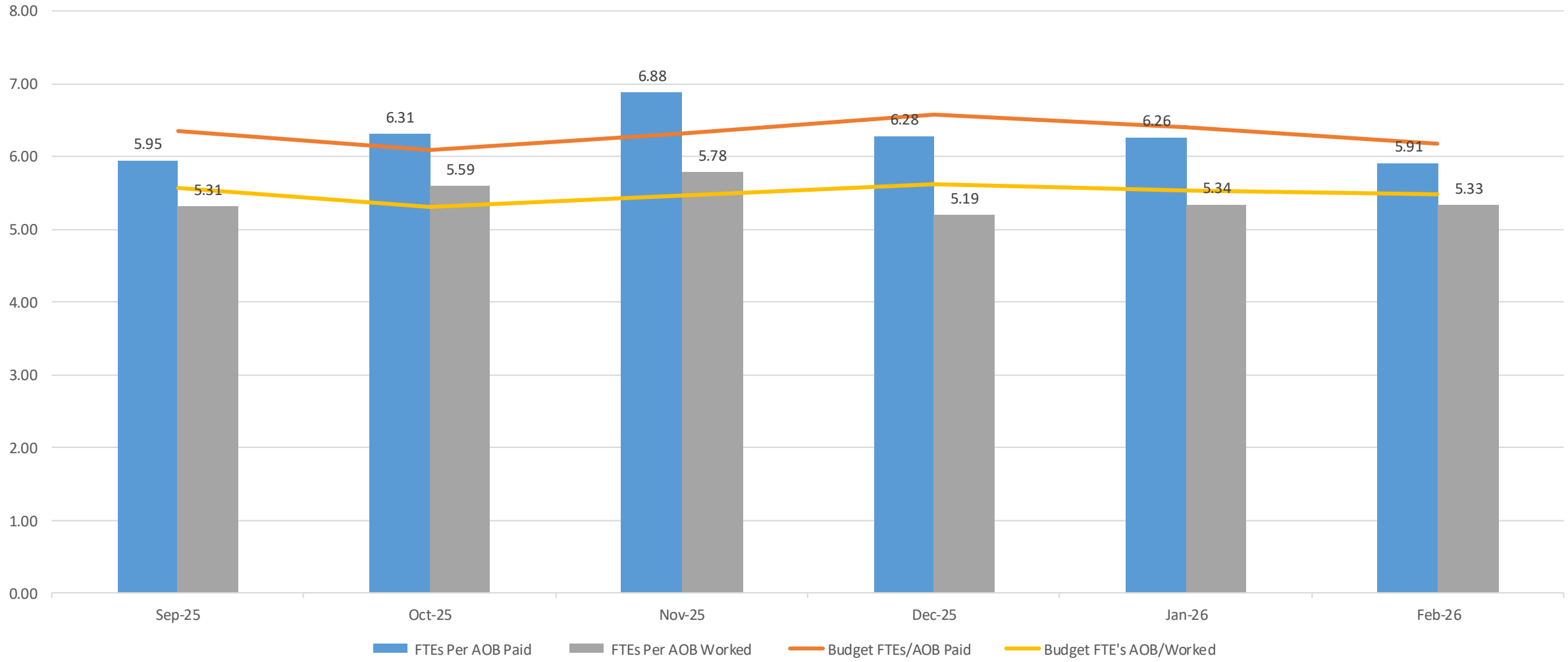
Surgical Volume



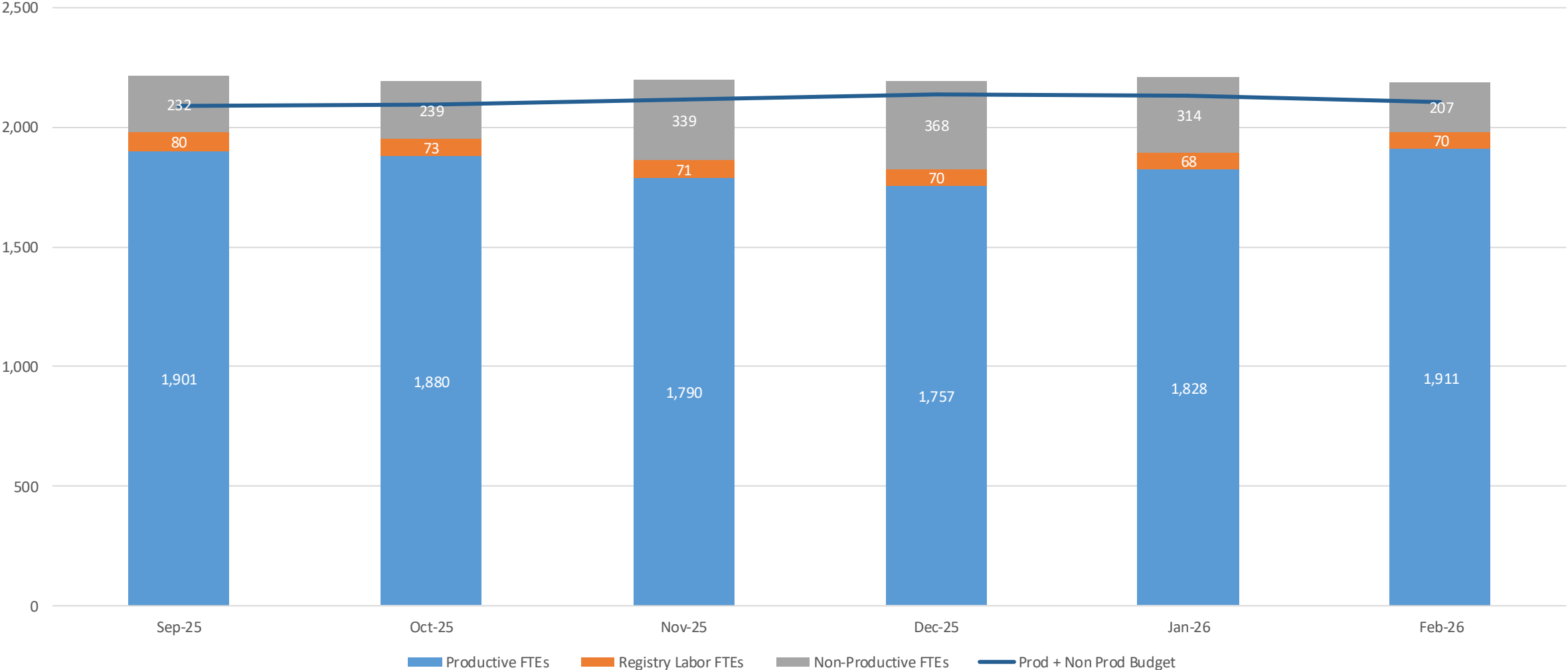
Clinic Visits



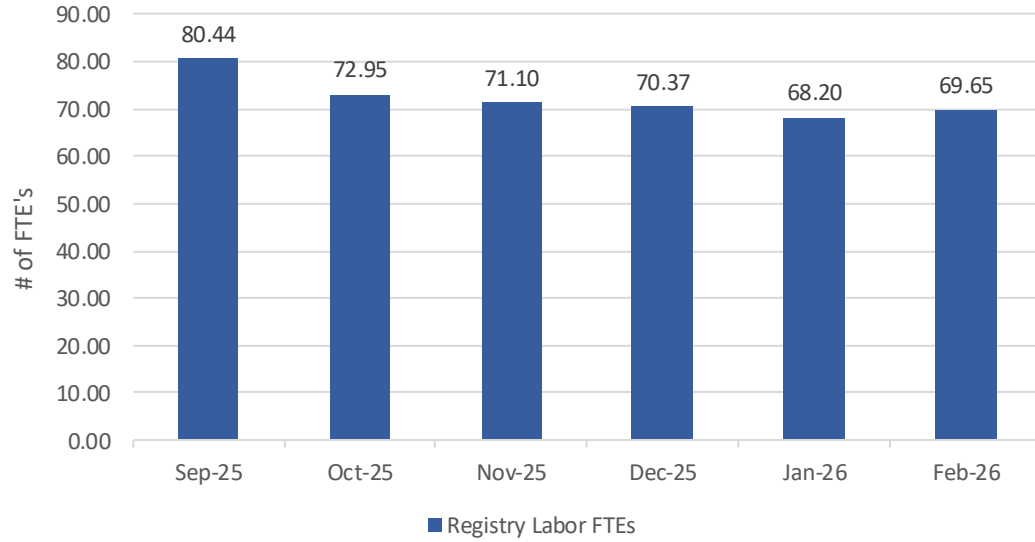
Labor Metrics



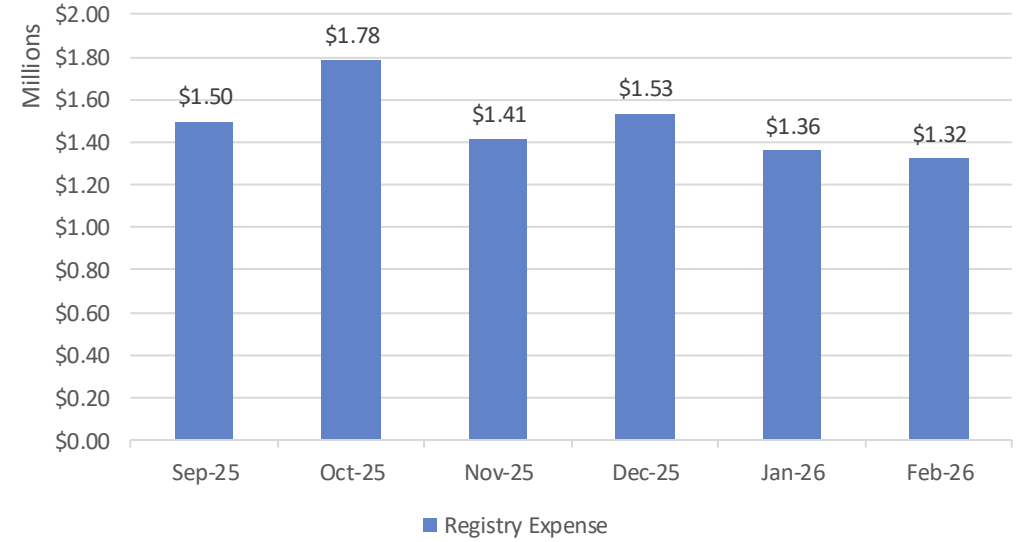
Productivity



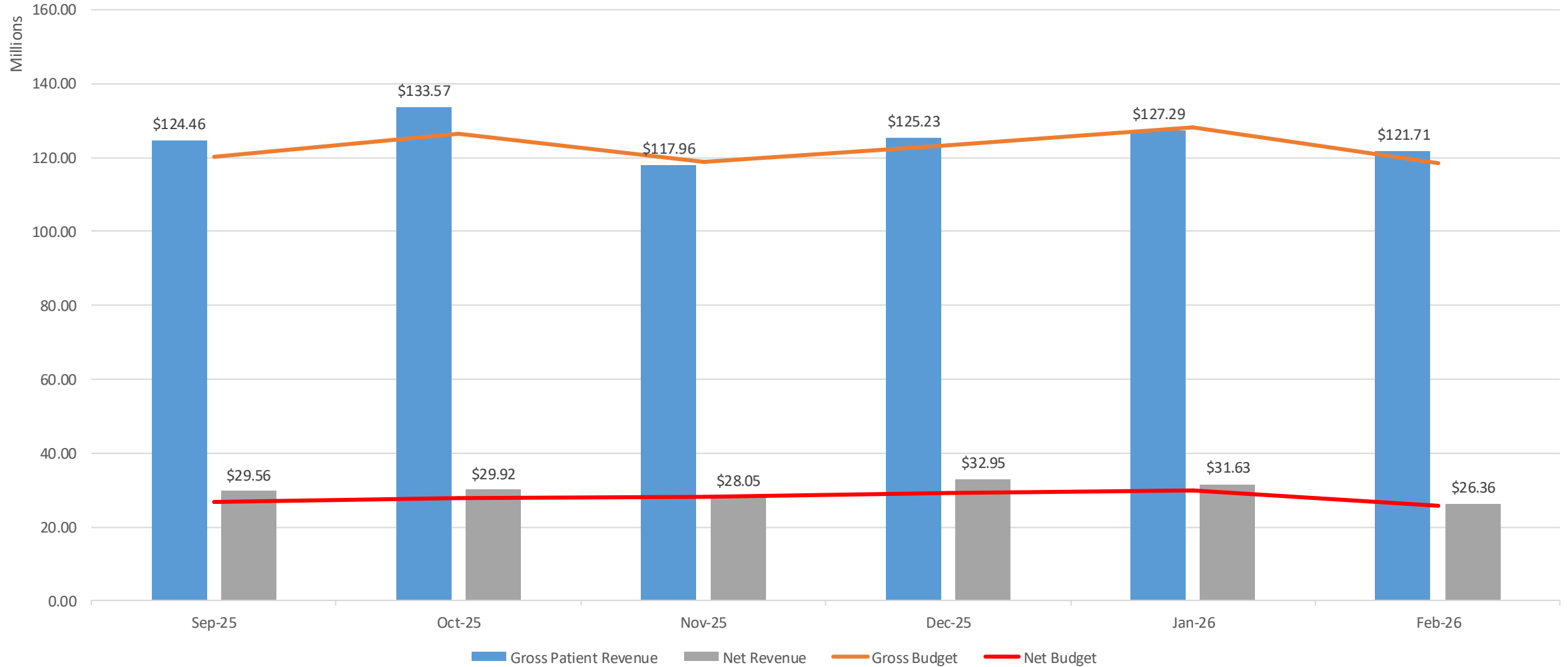
Registry FTE's



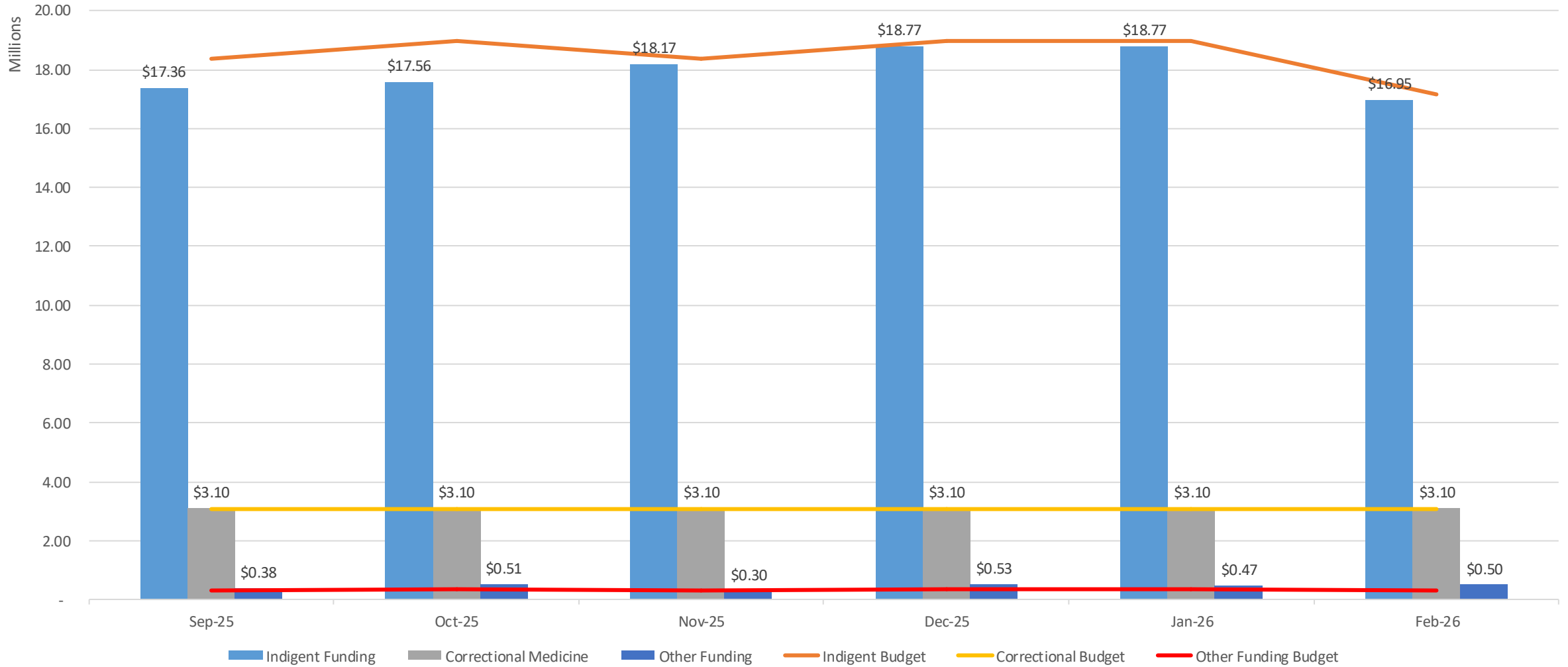
Registry Expense



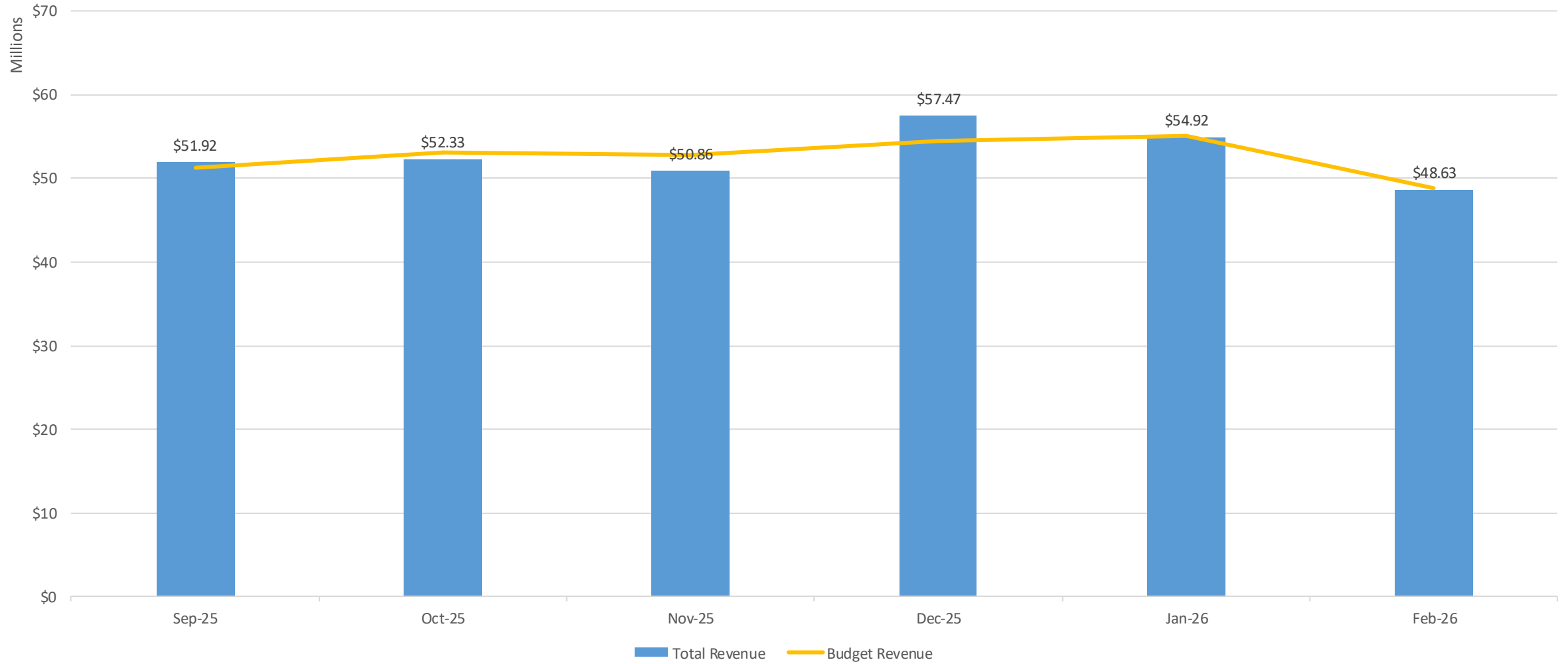
Patient Revenue



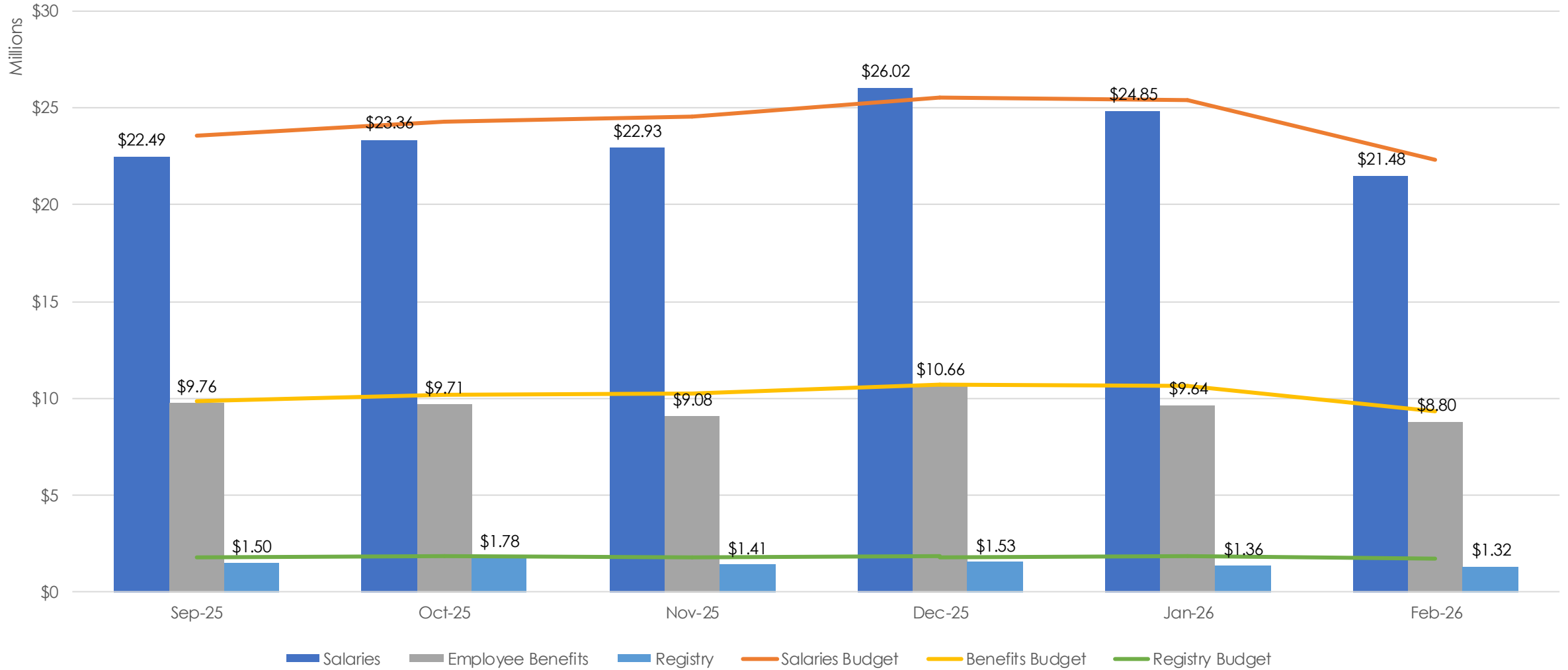
Indigent & Correctional Revenue



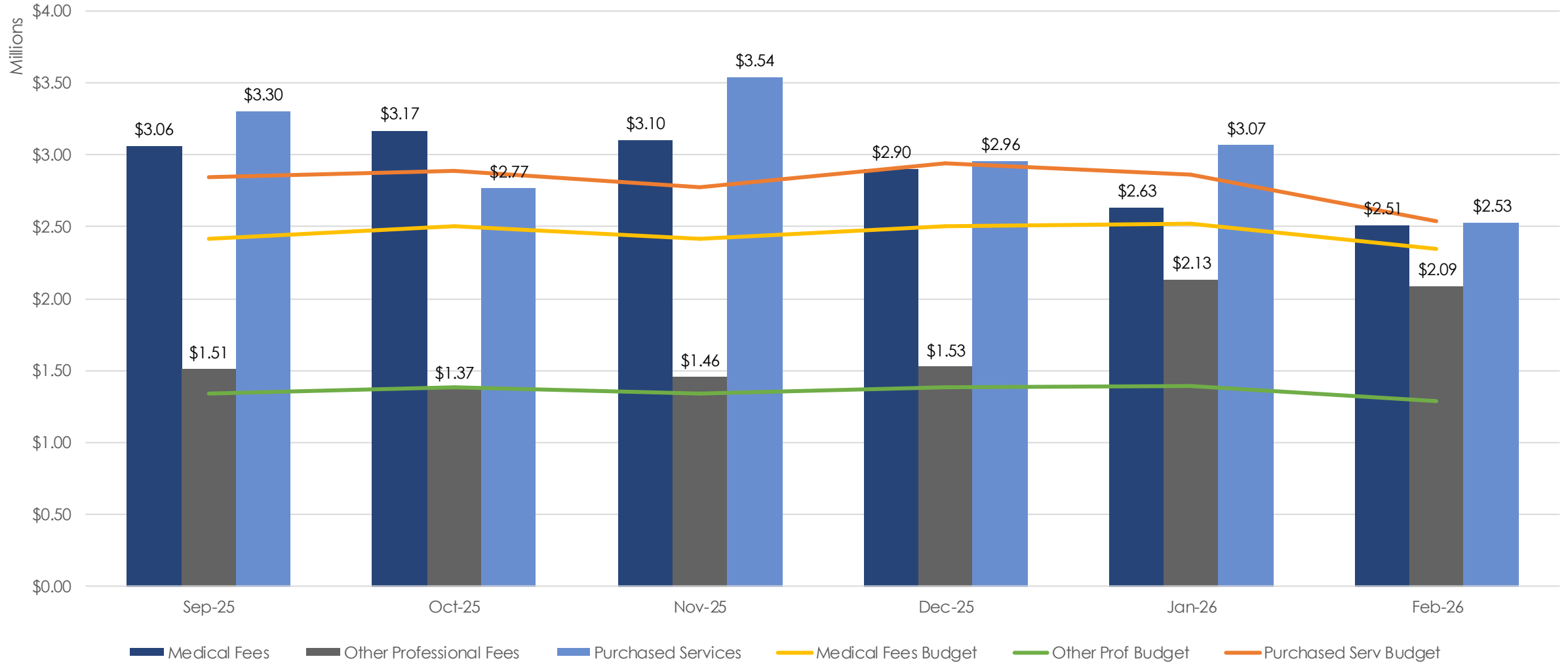
Total Revenue



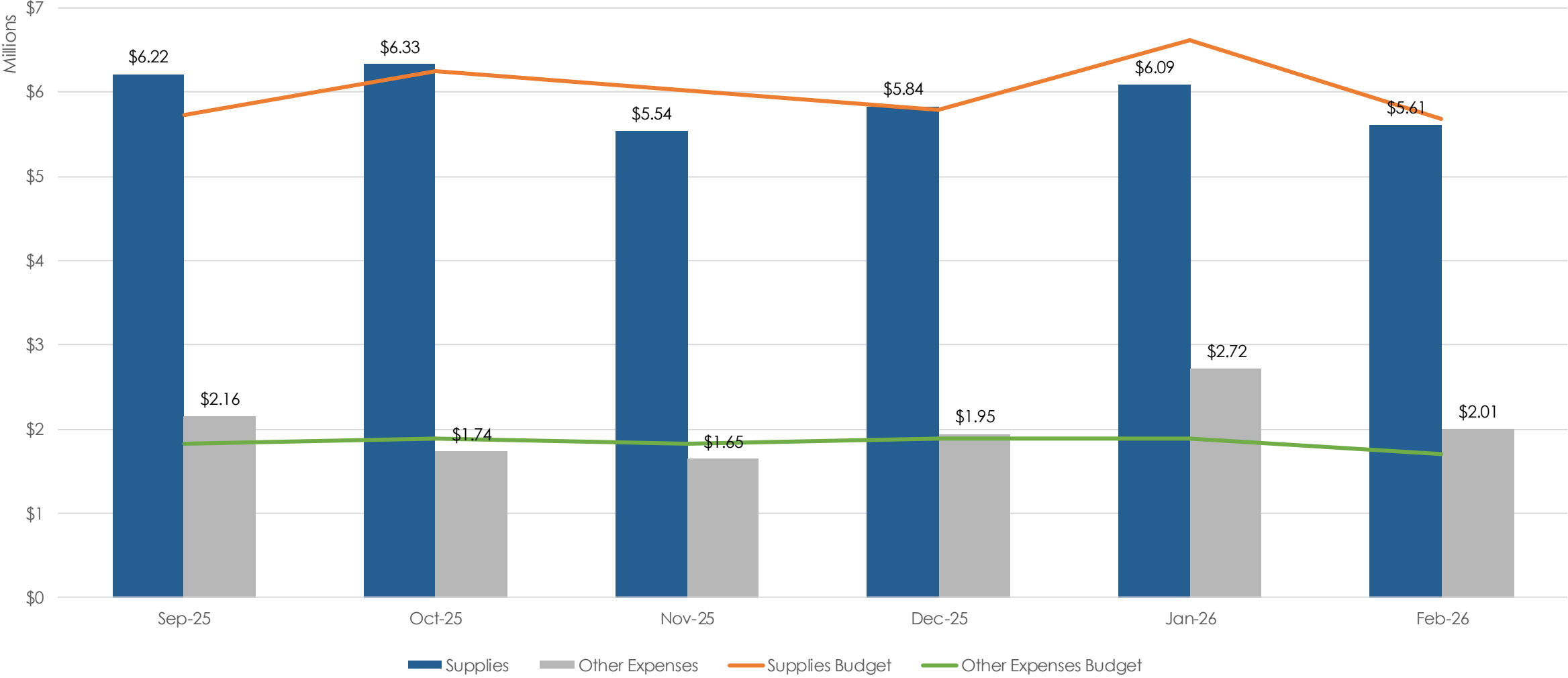
Expenses



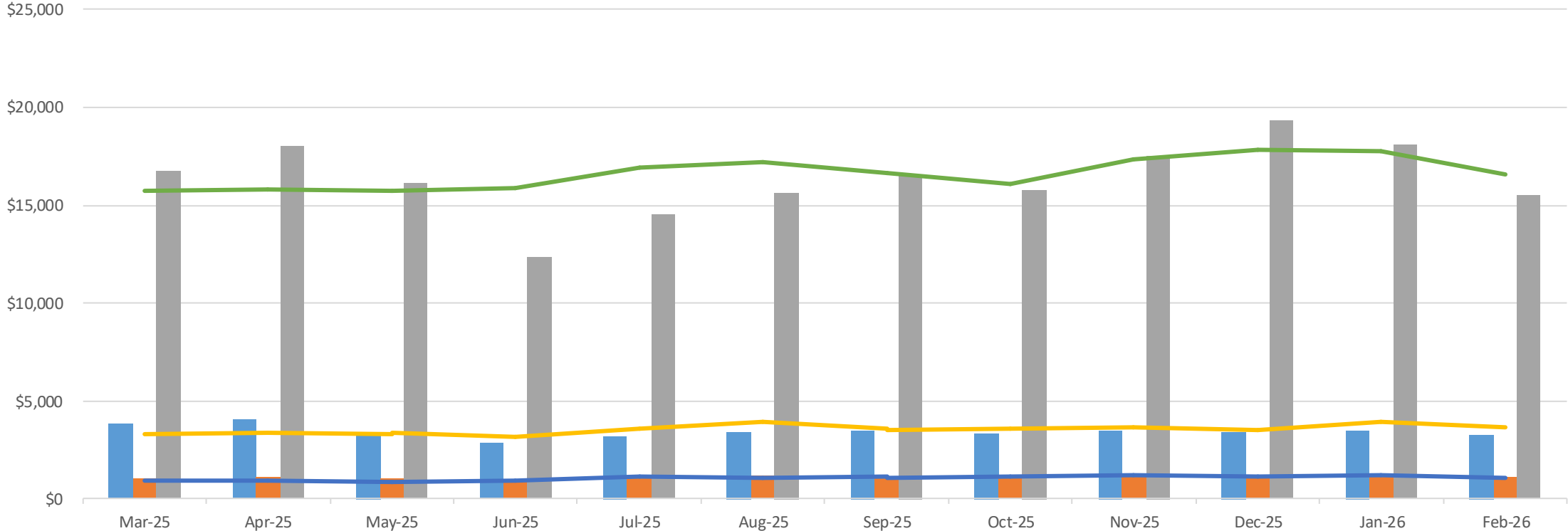
Expenses



Expenses

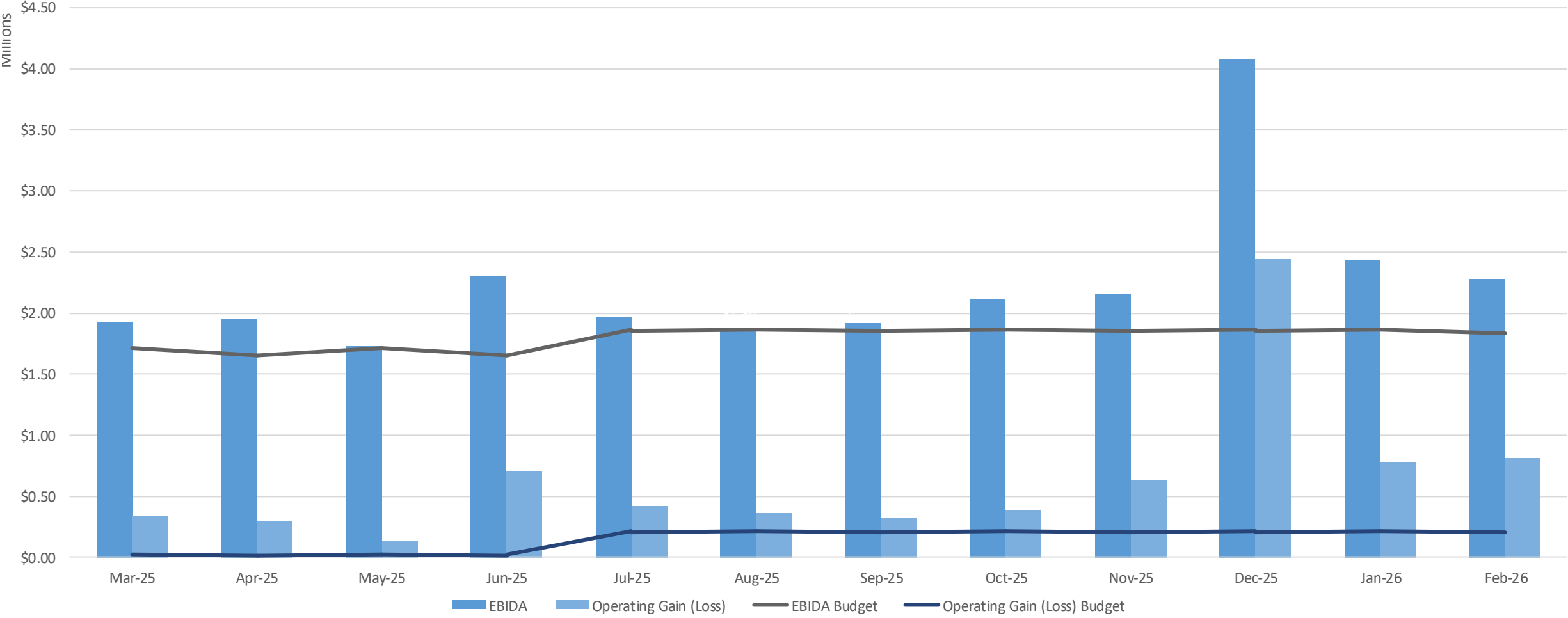


Operating Metrics

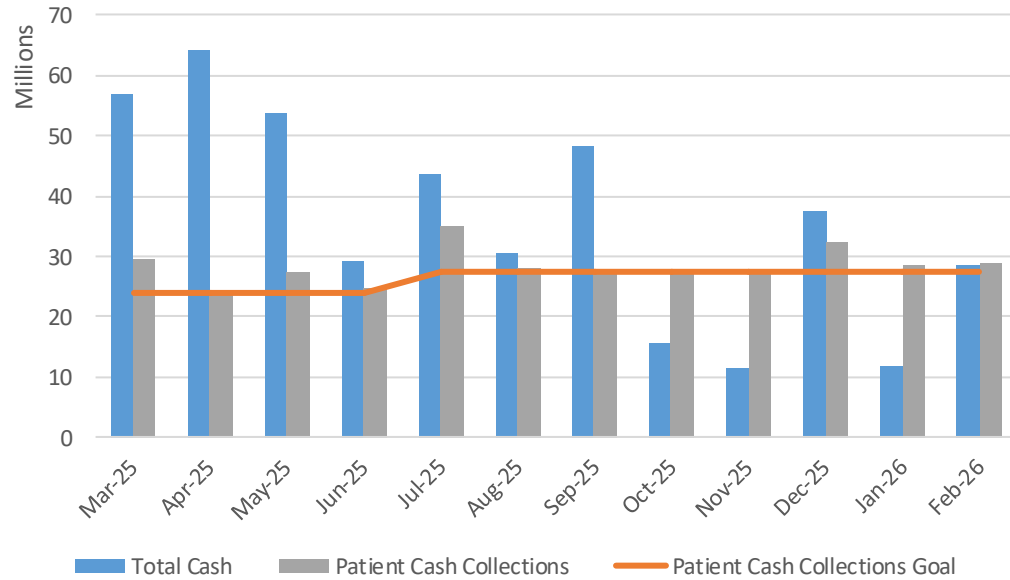


	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Supply Expense per AA	\$3,835	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338	\$3,458	\$3,421	\$3,482	\$3,298
Pharm Cost per AA	\$1,070	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118	\$1,140	\$1,194	\$1,094	\$1,211	\$1,093
Net Revenue Per AA	\$16,764	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778	\$17,508	\$19,312	\$18,085	\$15,482
Budget Supp/AA	\$3,410	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604	\$3,686	\$3,532	\$3,943	\$3,669
Budget Pharm/AA	\$965	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142	\$1,162	\$1,228	\$1,162	\$1,230	\$1,065
Budget Net Rev/AA	\$15,781	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073	\$17,329	\$17,863	\$17,783	\$16,593

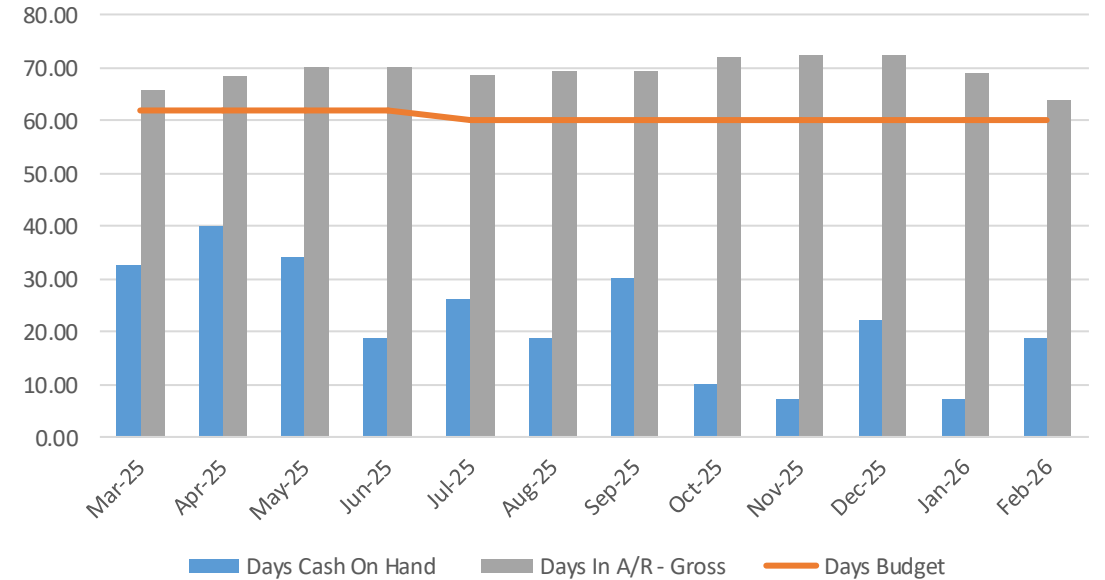
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
February 28, 2026

	DECEMBER	JANUARY	FEBRUARY	BUDGET FEBRUARY	VARIANCE POS (NEG)	PY FEBRUARY
Gross Patient Revenue	\$ 125,231,020	\$ 127,287,097	\$ 121,705,651	\$ 118,641,378	2.6%	\$ 112,256,882
Contractual Deductions	(92,284,622)	(95,661,587)	(95,345,216)	(92,914,379)	3%	(70,773,512)
Net Revenue	32,946,398	31,625,509	26,360,436	25,726,999	2%	41,483,370
Indigent Funding	18,770,930	18,770,930	16,954,388	17,137,677	(1%)	21,595,341
Correctional Medicine	3,097,714	3,097,714	3,097,713	3,095,522	0.1%	3,097,714
County Contribution	285,211	285,211	285,211	285,211	(0%)	469,110
Incentive Funding	241,992	183,817	212,224	65,373	225%	96,574
Net Patient Revenue	55,342,244	53,963,180	46,909,971	46,310,782	1%	66,742,109
Other Operating Revenue	2,106,511	938,832	1,716,341	2,480,477	(31%)	3,863,343
Other Non-Operating Revenue	18,697	15,486	6,802	11,384	(40%)	11,876
Total Revenues	57,467,452	54,917,498	48,633,113	48,802,642	(0.3%)	70,617,328
Expenses						
Salaries	26,017,998	24,850,652	21,479,147	22,341,670	(4%)	21,211,902
Employee Benefits	10,662,408	9,638,359	8,802,854	9,343,286	(6%)	(3,624,086)
Registry	1,533,990	1,355,982	1,320,370	1,709,095	(23%)	1,581,610
Medical Fees	2,901,740	2,631,537	2,510,508	2,344,223	7%	2,615,078
Other Professional Fees	1,526,005	2,131,463	2,087,480	1,289,816	62%	1,398,802
Supplies	5,835,699	6,088,466	5,614,647	5,688,839	(1%)	4,773,906
Purchased Services	2,958,214	3,066,890	2,529,985	2,541,001	(0%)	2,481,956
Other Expenses	1,947,493	2,724,575	2,005,768	1,707,178	17%	8,233,564
Operating Expenses	53,383,547	52,487,925	46,350,760	46,965,108	(1%)	38,672,732
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 4,083,906	\$ 2,429,573	\$ 2,282,353	\$ 1,837,535	24.2%	\$ 31,944,596
EBIDA Margin	7%	4%	5%	4%	25%	45%
Interest	298,365	300,878	295,068	328,195	(10%)	335,002
Depreciation	692,675	696,790	532,429	657,304	(19%)	670,818
Amortization	646,748	648,952	640,357	652,001	(2%)	585,896
Total Expenses	55,021,335	54,134,545	47,818,614	48,602,608	(2%)	40,264,448
Operating Gain (Loss)	\$ 2,446,117	\$ 782,953	\$ 814,499	\$ 200,035	307%	\$ 30,352,880
Operating Margin	4.26%	1.43%	1.67%	0.41%	308.6%	43.0%

KERN MEDICAL
Year-to-Date Analysis: Revenues & Expenses
February 28, 2026

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 1,004,609,098	\$ 981,032,679	2%	\$ 926,771,620	8%
Contractual Deductions	(770,038,845)	(756,623,072)	2%	(709,959,259)	8%
Net Revenue	234,570,254	224,409,607	5%	216,812,361	8%
Indigent Funding	145,116,184	148,730,550	(2%)	151,668,854	(4%)
Correctional Medicine	24,781,707	24,764,178	0%	24,781,709	(0%)
County Contribution	2,281,687	2,281,687	(0%)	2,754,924	(17%)
Incentive Funding	1,187,152	567,347	109%	665,782	78%
Net Patient Revenue	407,936,984	400,753,370	2%	396,683,630	3%
Other Operating Revenue	12,686,884	21,526,994	(41%)	25,123,743	(49.50%)
Other Non-Operating Revenue	159,237	95,587	67%	98,658	61%
Total Revenues	420,783,106	422,375,951	(0%)	421,906,032	(0%)
Expenses					
Salaries	188,605,713	195,006,521	(3%)	179,474,946	5%
Employee Benefits	77,077,713	81,551,727	(5%)	62,164,044	24%
Registry	12,188,041	14,375,191	(15%)	15,258,201	(20%)
Medical Fees	23,298,867	19,683,239	18%	19,544,135	19%
Other Professional Fees	12,803,596	10,886,224	18%	11,276,005	13.5%
Supplies	47,909,113	48,547,887	(1%)	44,147,400	9%
Purchased Services	23,819,900	22,658,811	5%	22,970,488	4%
Other Expenses	16,140,179	14,815,865	9%	21,308,945	(24%)
Operating Expenses	401,843,122	407,525,465	(1%)	376,144,165	7%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 18,939,984	\$ 14,850,486	28%	\$ 45,761,867	(58.6%)
EBIDA Margin	5%	4%	28%	11%	(59%)
Interest	2,240,790	2,697,273	(17%)	2,862,519	(22%)
Depreciation	5,371,301	5,258,428	2%	5,409,400	(1%)
Amortization	5,040,428	5,216,012	(3%)	4,895,960	3%
Total Expenses	414,495,641	420,697,177	(1%)	389,312,045	6%
Operating Gain (Loss)	\$ 6,287,465	\$ 1,678,773	275%	\$ 32,593,987	(81%)
Operating Margin	1.5%	0.4%	275.9%	7.7%	(81%)

**KERN MEDICAL
BALANCE SHEET**

	FEBRUARY 2026	FEBRUARY 2025
ASSETS:		
<i>Total Cash</i>	\$ 28,605,867	\$ 24,162,892
Patient Receivables Subtotal	252,512,409	276,472,653
Contractual Subtotal	(197,334,213)	(236,281,788)
<i>Net Patient Receivable</i>	55,178,196	40,190,865
Total Indigent Receivable	275,935,495	273,448,811
Total Other Receivable	21,049,293	13,966,826
Total Prepaid Expenses	6,743,466	5,658,036
Total Inventory	5,998,509	4,784,791
<i>Total Current Assets</i>	393,510,826	362,212,220
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	278,233,589	270,274,566
Total Construction in Progress	19,688,855	13,103,672
<i>Total Property, Plant & Equipment</i>	297,922,444	283,378,238
Total Accumulated Depr & Amortization	(190,784,884)	(178,293,722)
<i>Net Property, Plant, and Equipment</i>	107,137,560	105,084,516
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 614,108,798	\$ 591,829,453

**KERN MEDICAL
BALANCE SHEET**

	FEBRUARY 2026	FEBRUARY 2025
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 5,786,233	\$ 6,709,861
Total Accrued Compensation	38,429,785	33,395,373
Total Due Government Agencies	3,886,174	5,436,281
Total Other Accrued Liabilities	49,900,979	45,931,052
<i>Total Current Liabilities</i>	98,003,172	91,472,566
Unfunded Pension Liability	331,776,526	344,447,058
Other Long-Term Liabilities	71,425,183	81,032,204
<i>Total Long-Term Liabilities</i>	403,201,709	425,479,262
<i>Total Liabilities</i>	501,204,881	516,951,828
<i>Total Net Position</i>	112,903,916	74,877,625
<i>Total Liabilities and Net Position</i>	\$ 614,108,798	\$ 591,829,453

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date February 2026	Fiscal Year-End June 2025	Fiscal Year-to-Date February 2025	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 237,368,282	\$ 318,273,169	\$ 209,747,697	\$ 292,533,084
Cash received for other operations	154,765,401	262,872,978	139,408,227	233,602,712
Cash paid for salaries and benefits	(255,957,736)	(382,309,780)	(246,133,565)	(339,411,493)
Cash paid for services and supplies	(139,420,610)	(198,862,050)	(131,143,630)	(186,981,598)
Net cash (used in) provided by operating activities	<u>(3,244,663)</u>	<u>(25,683)</u>	<u>(28,121,270)</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	(8,580,195)	(13,228,131)	(5,544,860)	(18,896,864)
Payments on right-of-usage lease liability	2,211,950	(3,802,269)	(1,961,709)	3,896,089
Interest paid - right-of-usage lease liability	449	-	(5,675)	31,211
Payments on SBITA liability	(522,232)	(817,100)	(505,554)	(752,150)
Interest paid - SBITA	(371)	-	(397)	2,013
Net cash used by capital and related financing activities	<u>(6,890,399)</u>	<u>(17,847,500)</u>	<u>(8,018,195)</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	(135,062)	(21,691,174)	(26,139,465)	(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>\$ 28,605,867</u>	<u>\$ 28,740,929</u>	<u>\$ 24,162,892</u>	<u>\$ 50,302,358</u>