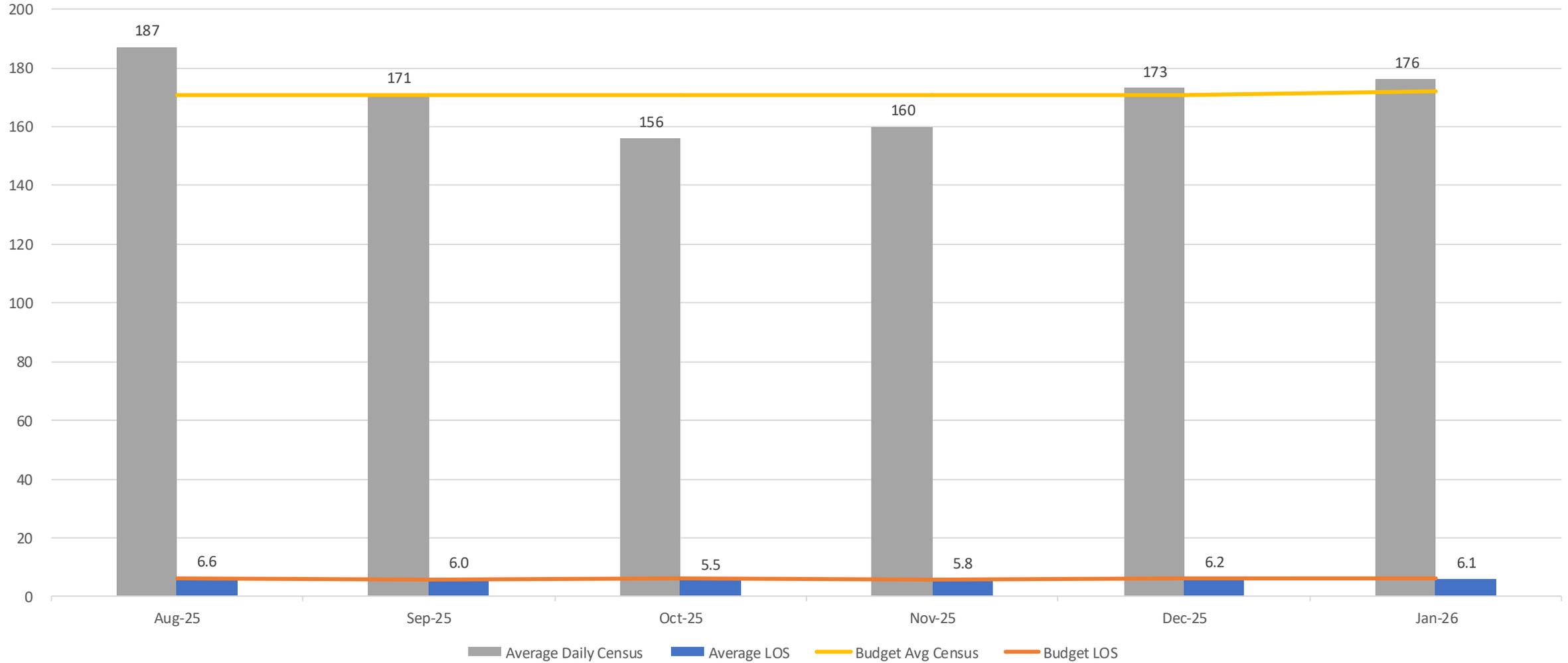




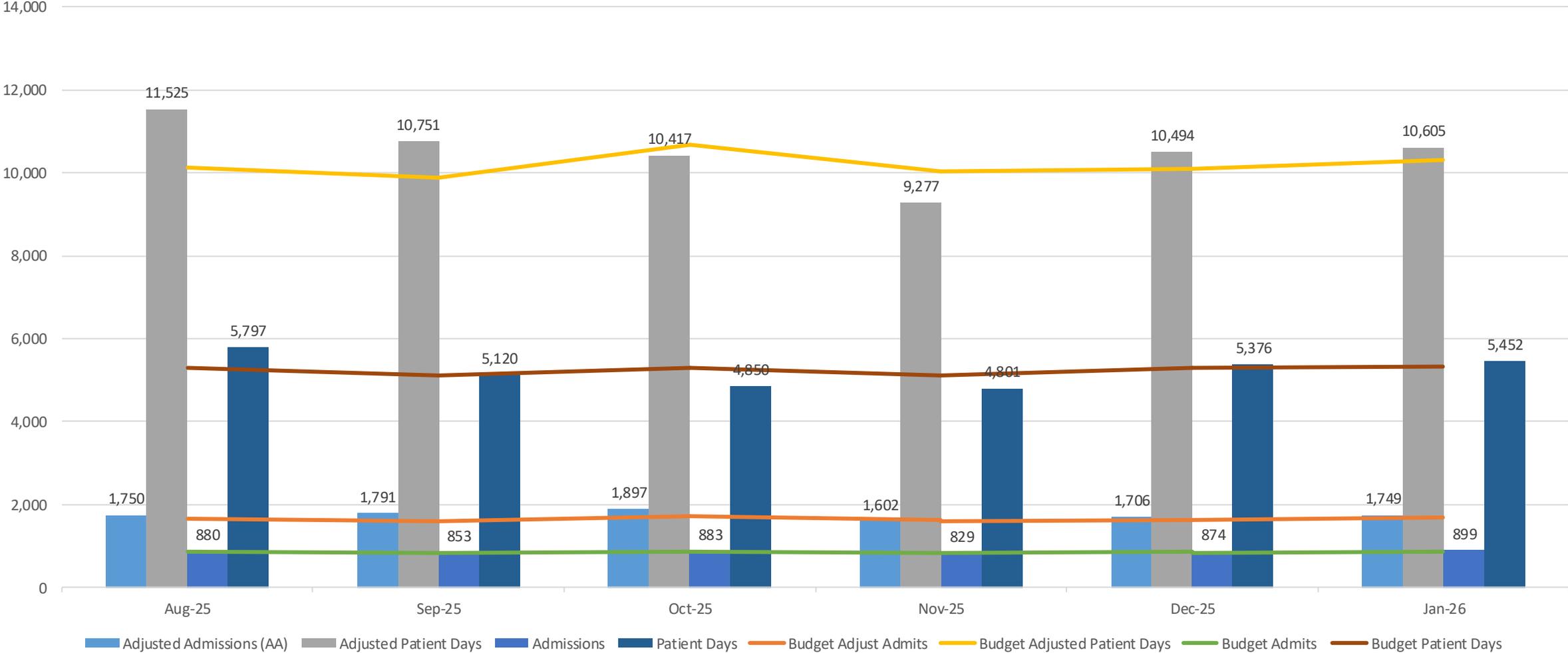
Board of Governors' Report

Kern Medical – January 2026

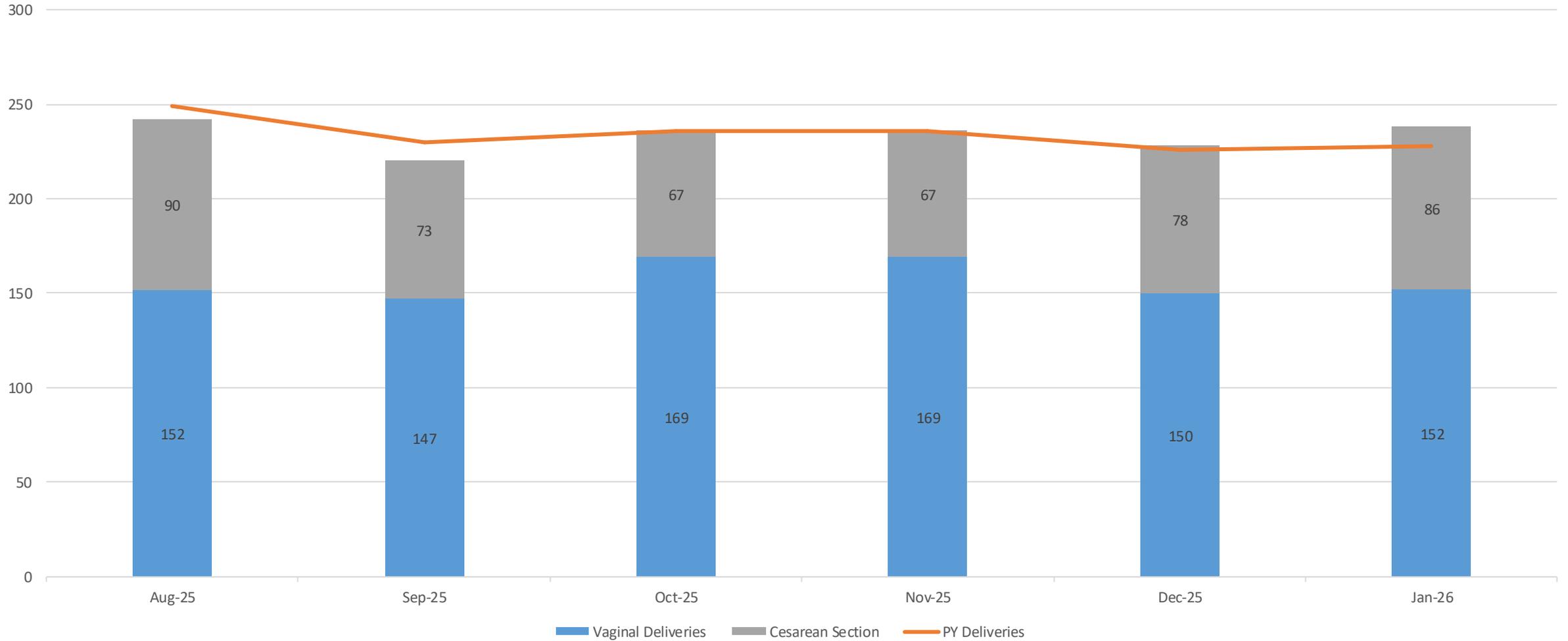
Census & ALOS



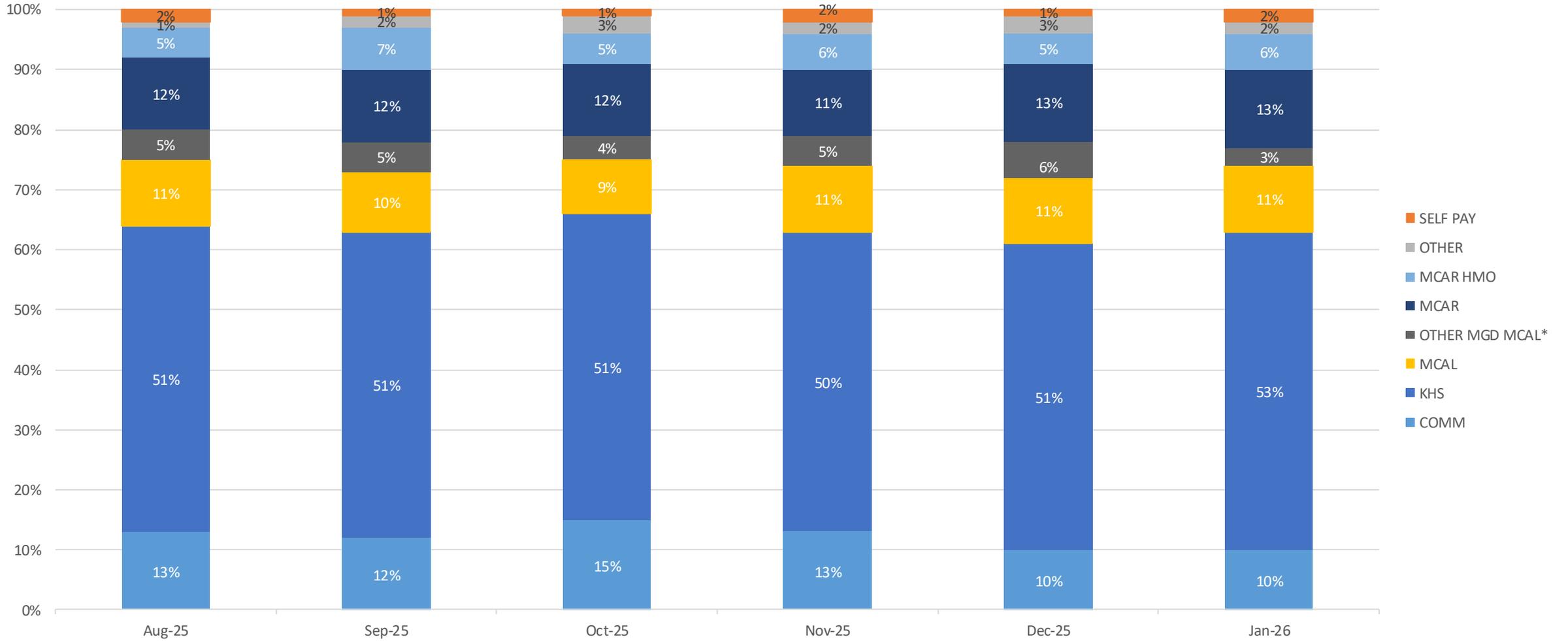
Hospital Volumes



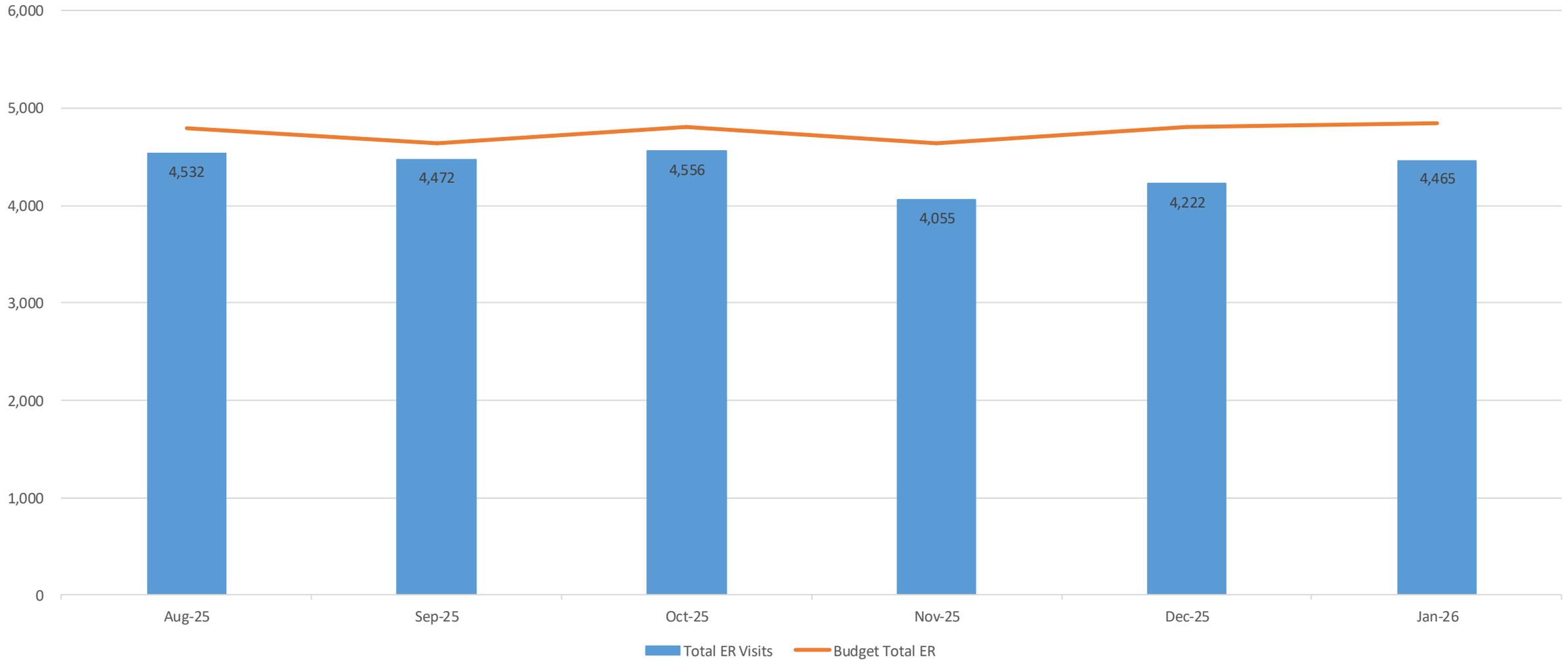
Deliveries



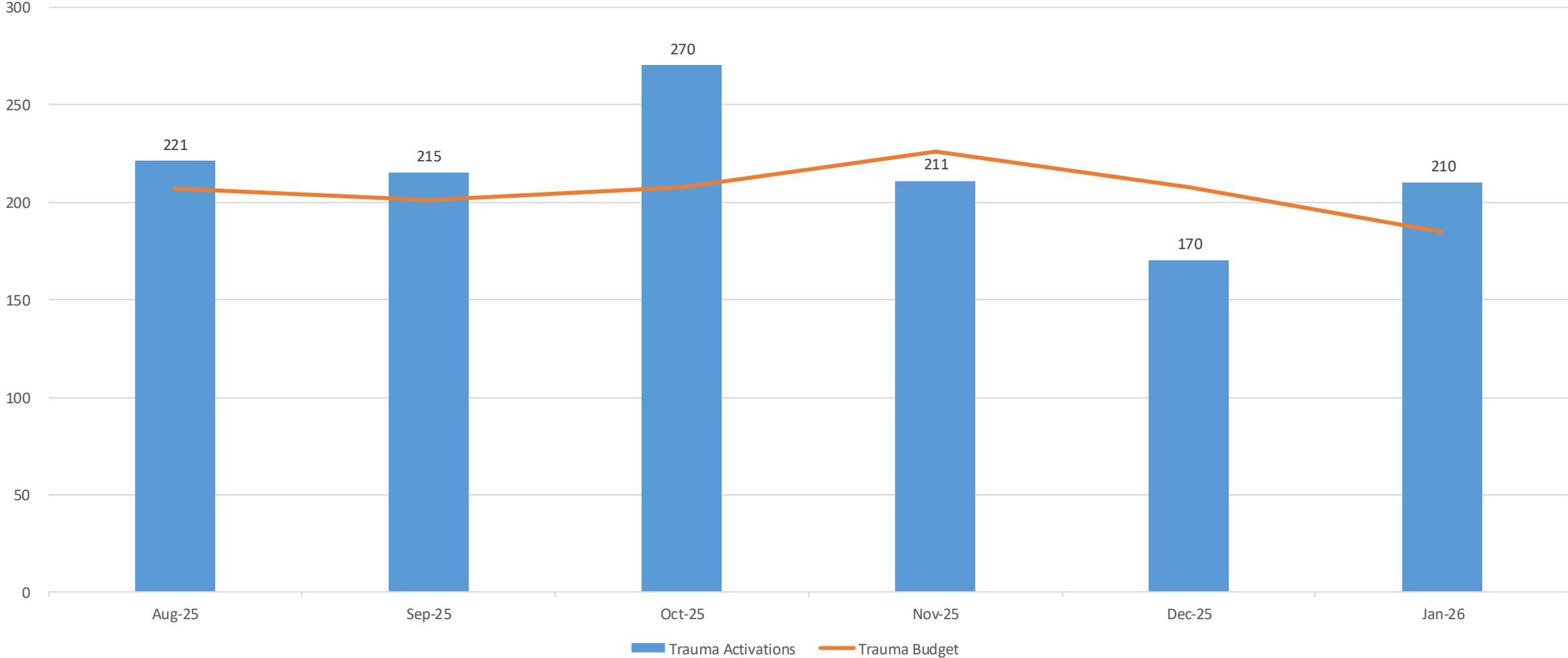
PAYER MIX



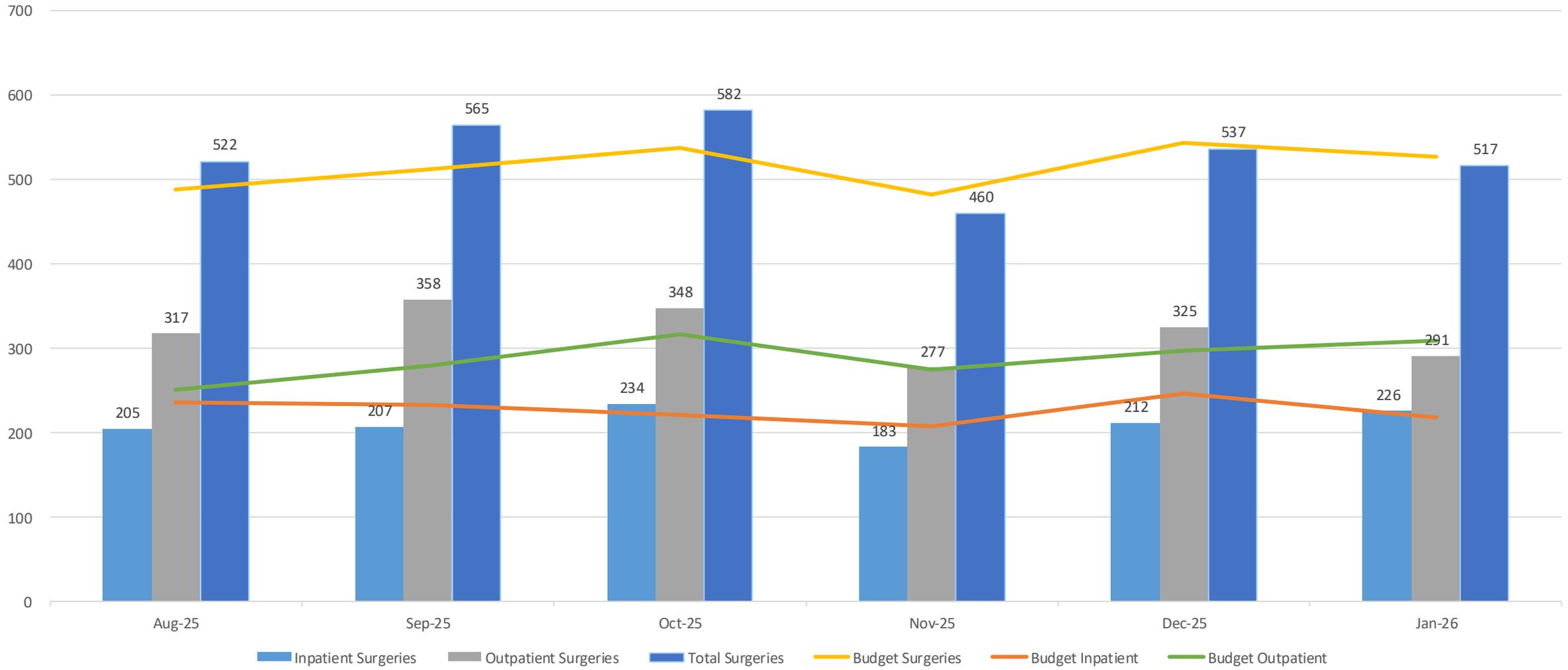
Emergency Room Volume



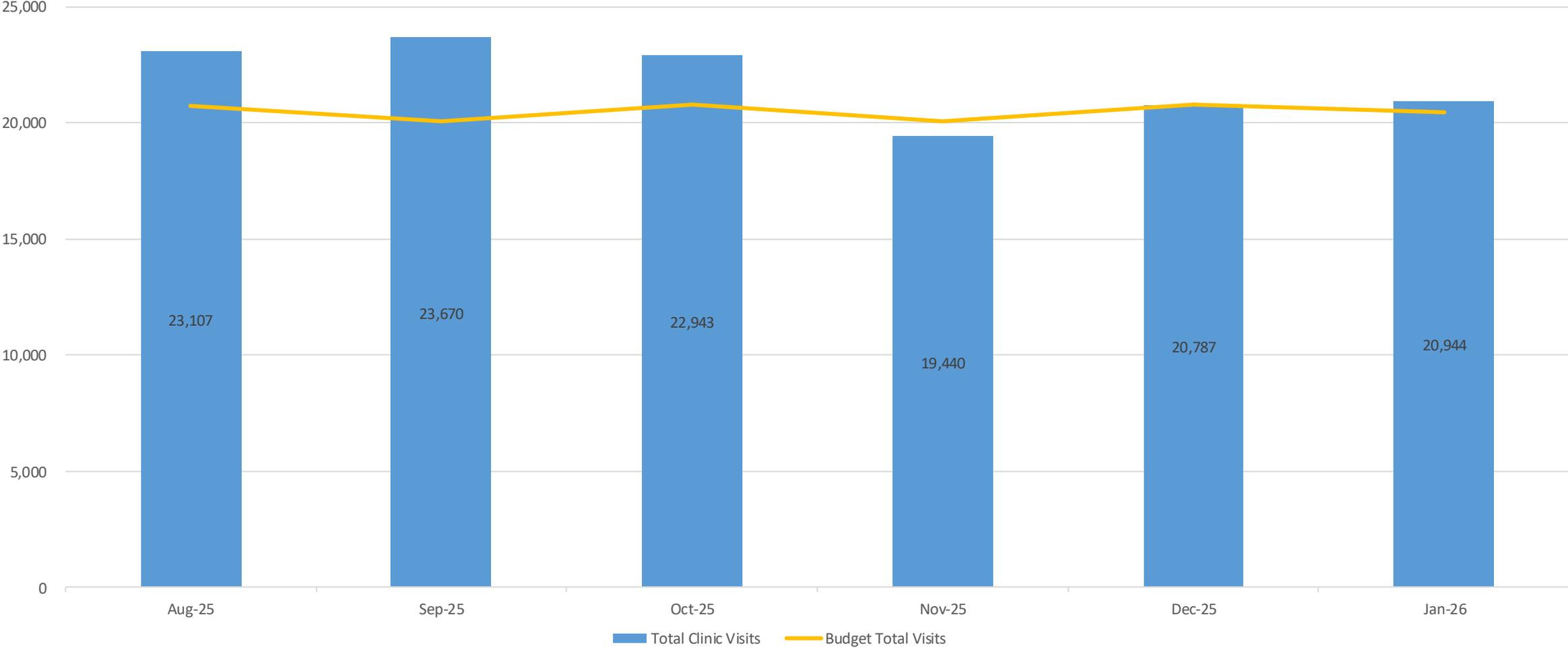
Trauma Activations



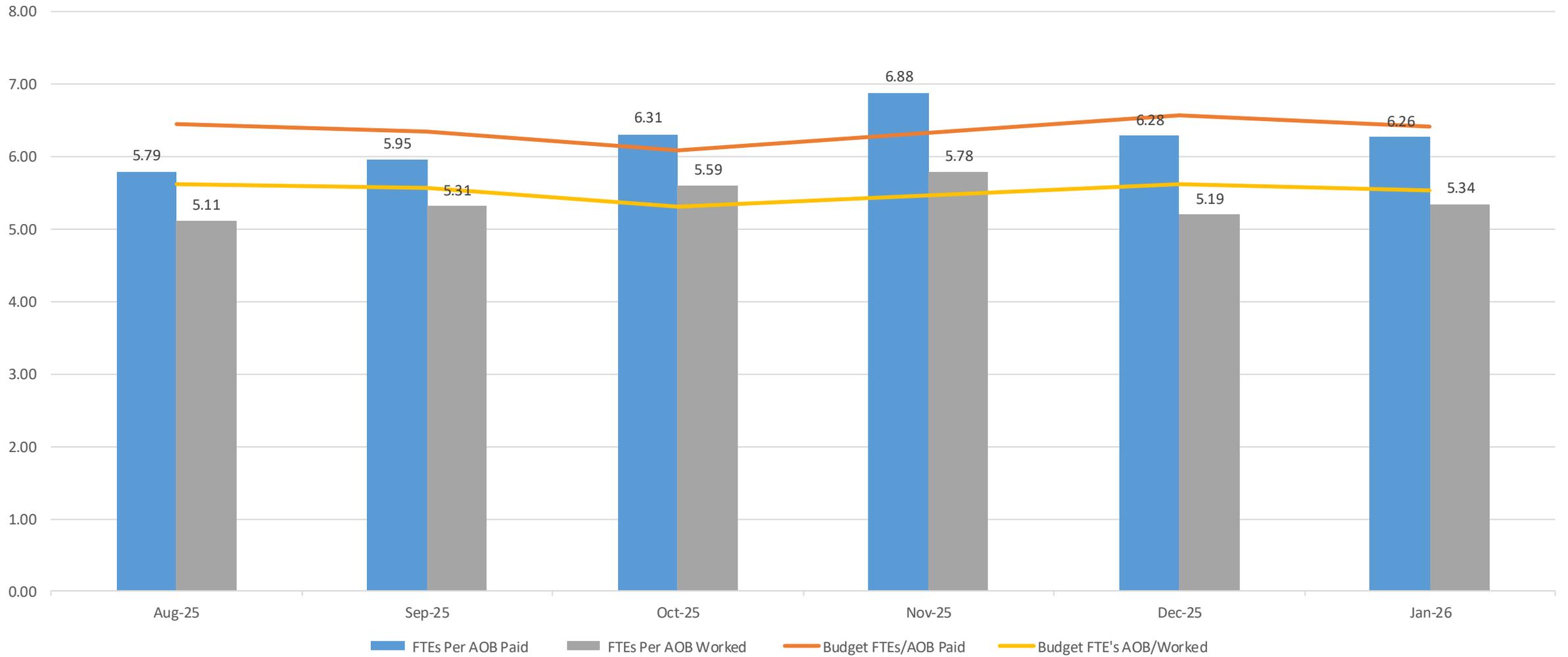
Surgical Volume



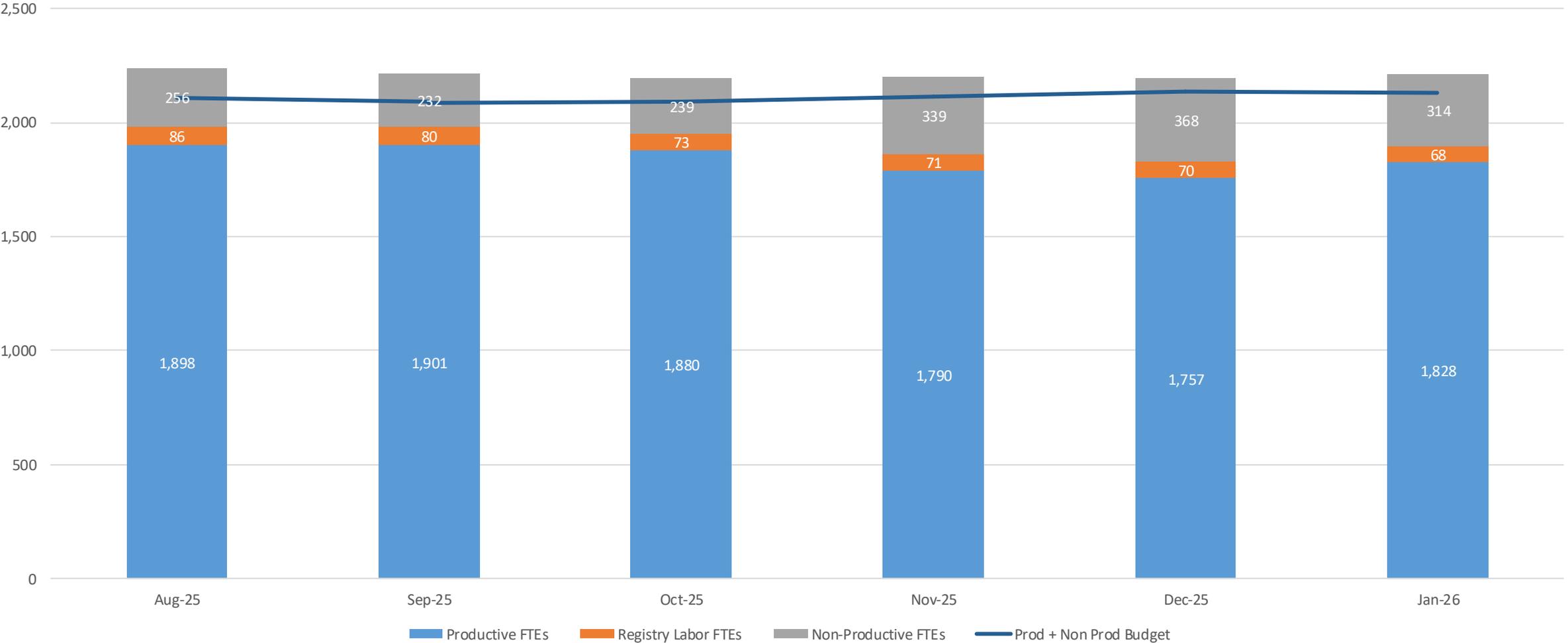
Clinic Visits



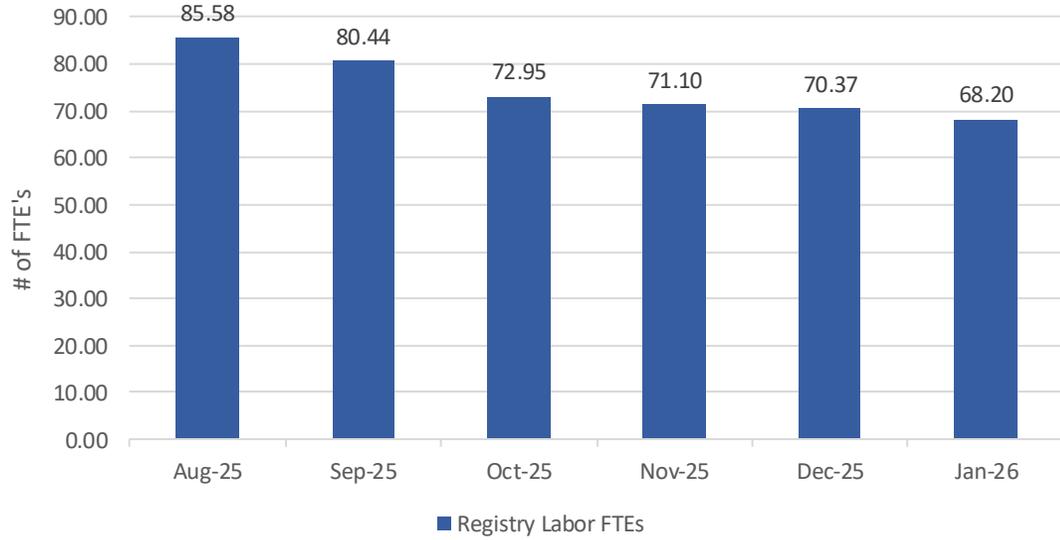
Labor Metrics



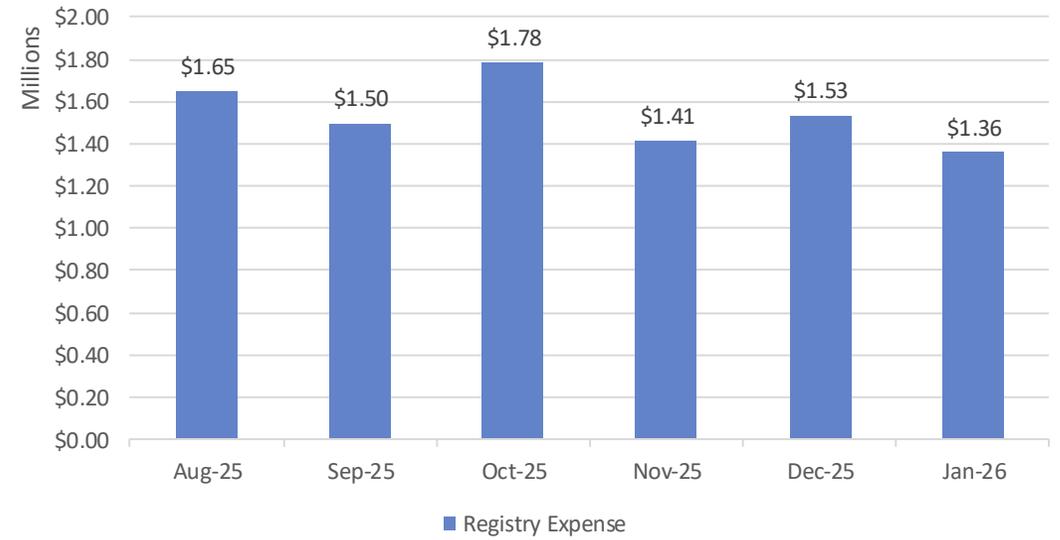
Productivity



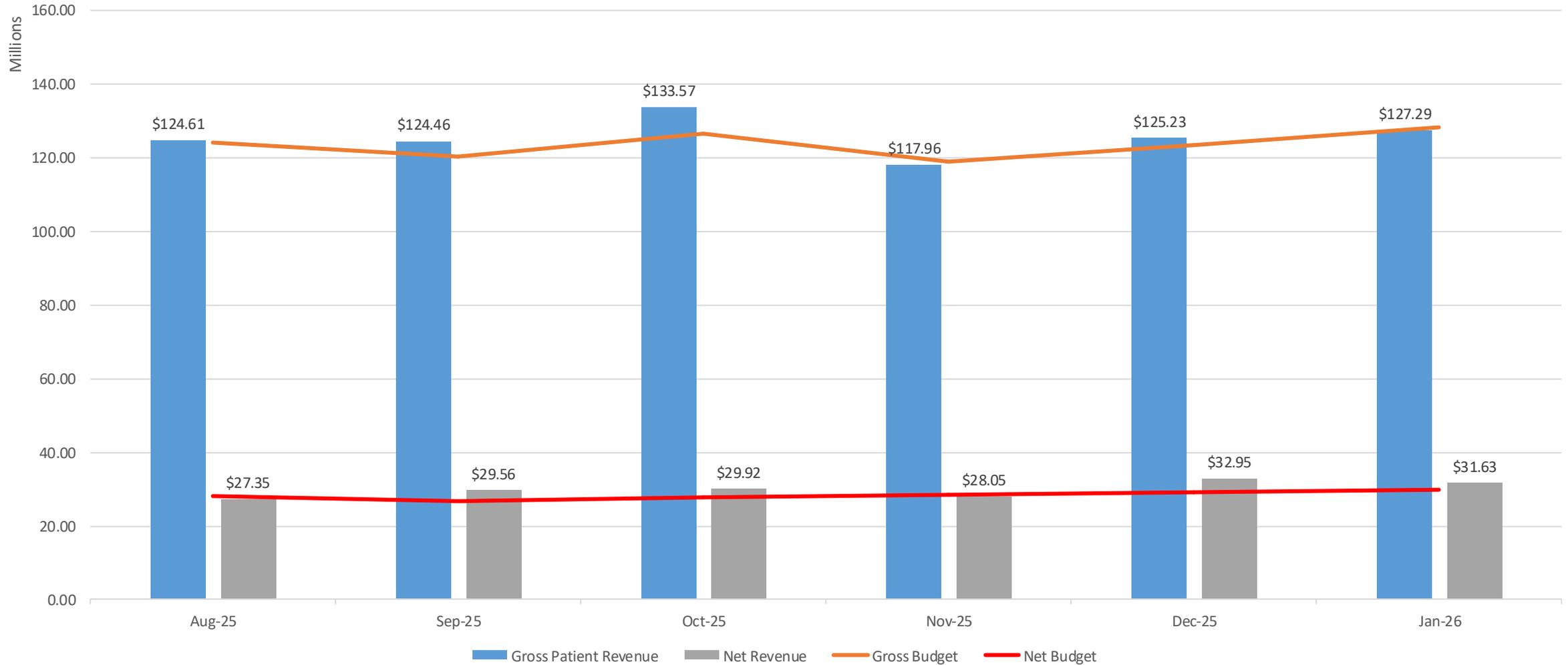
Registry FTE's



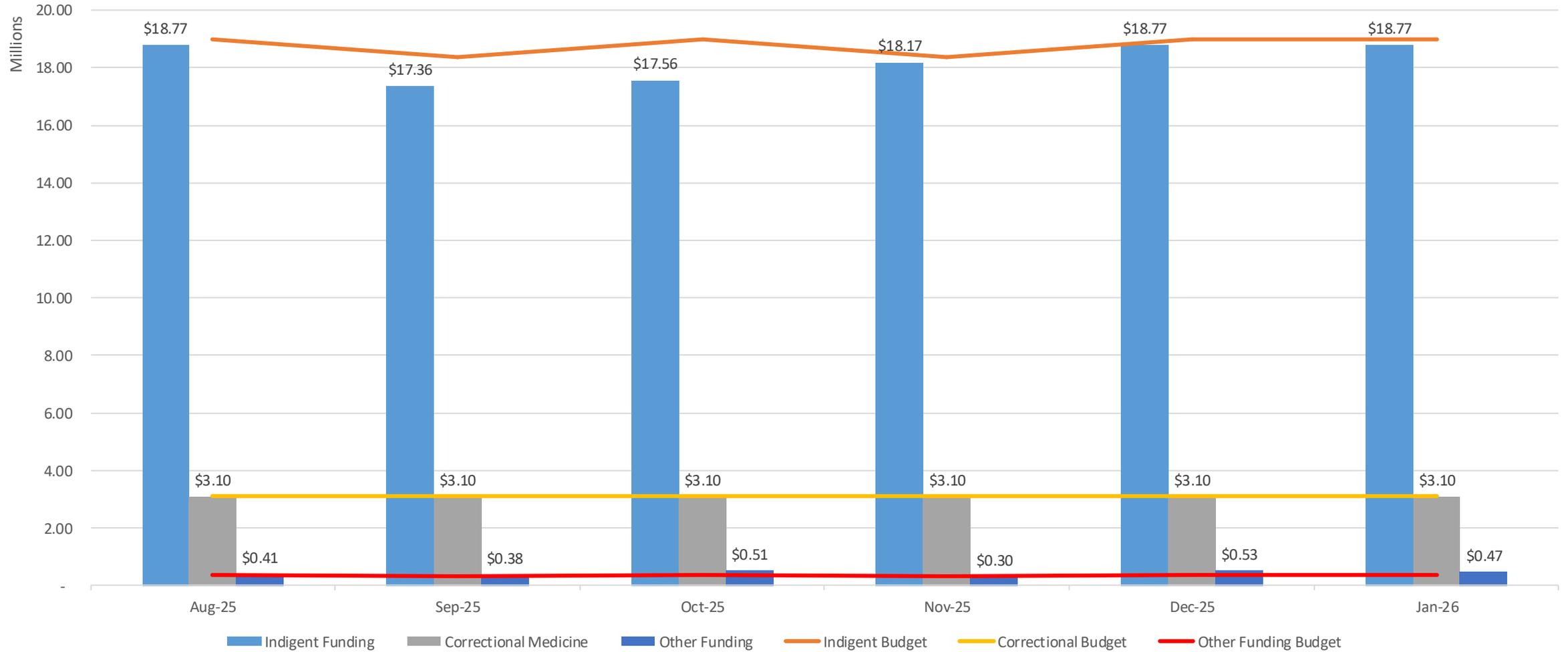
Registry Expense



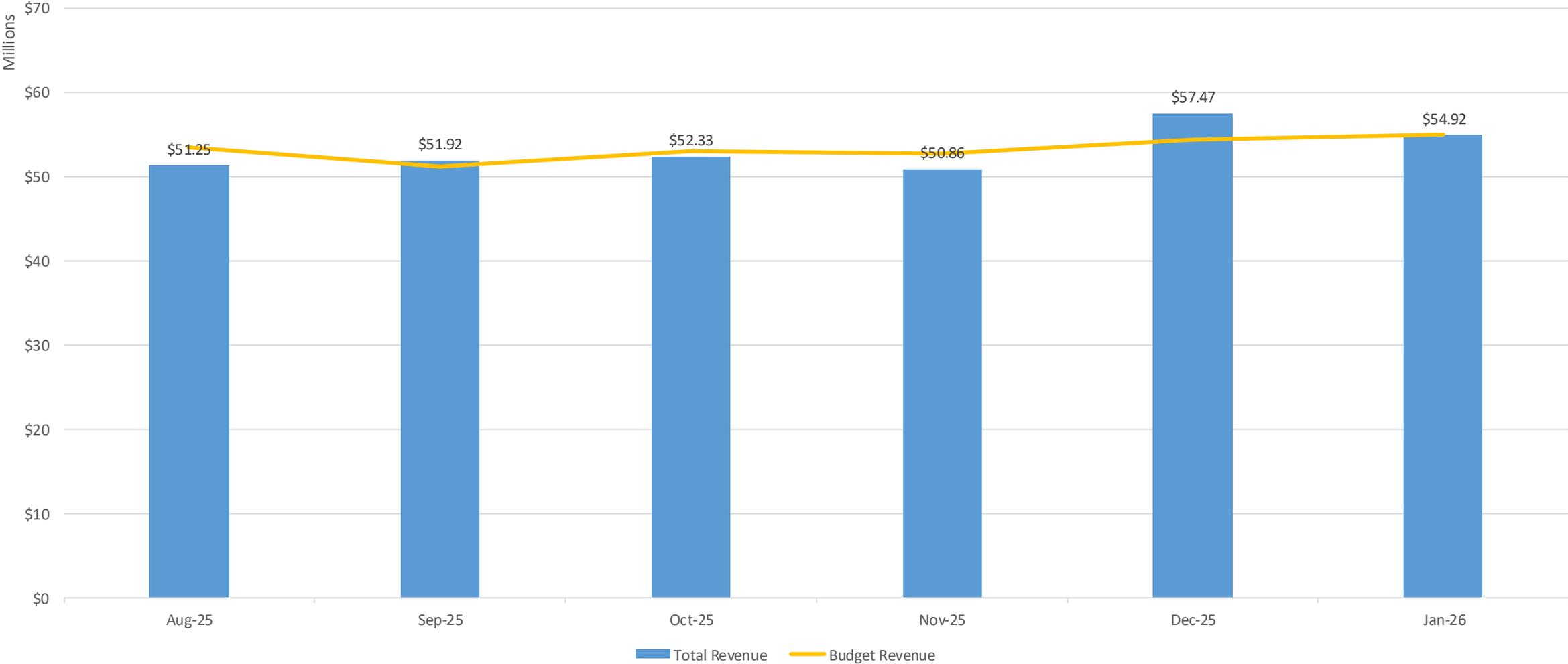
Patient Revenue



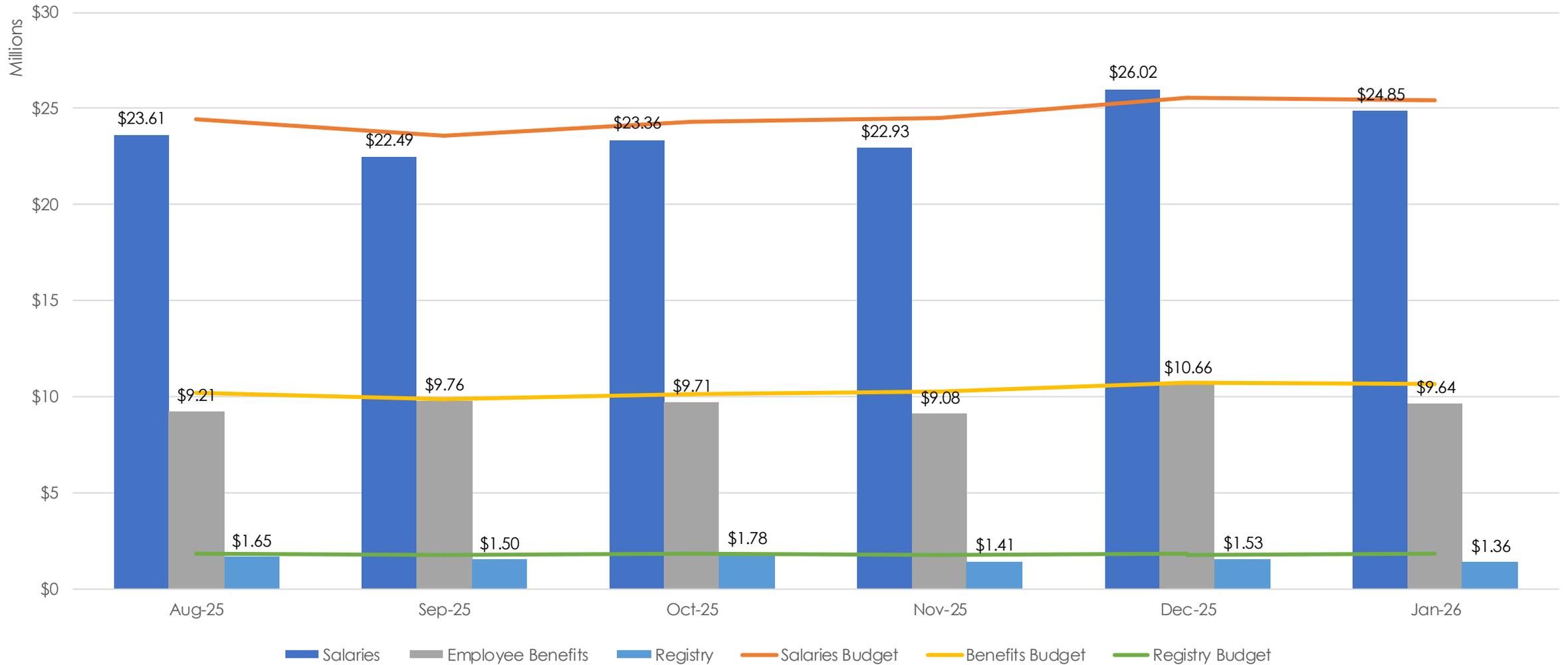
Indigent & Correctional Revenue



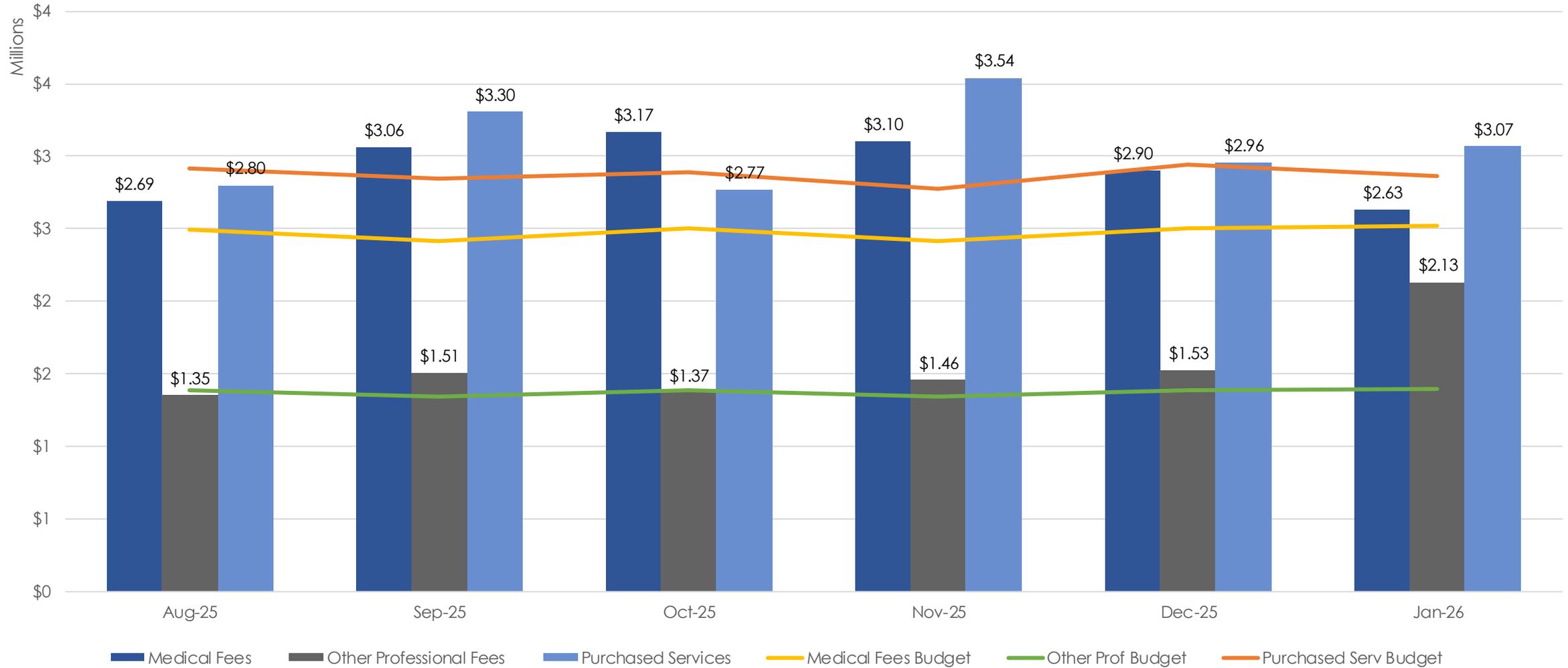
Total Revenue



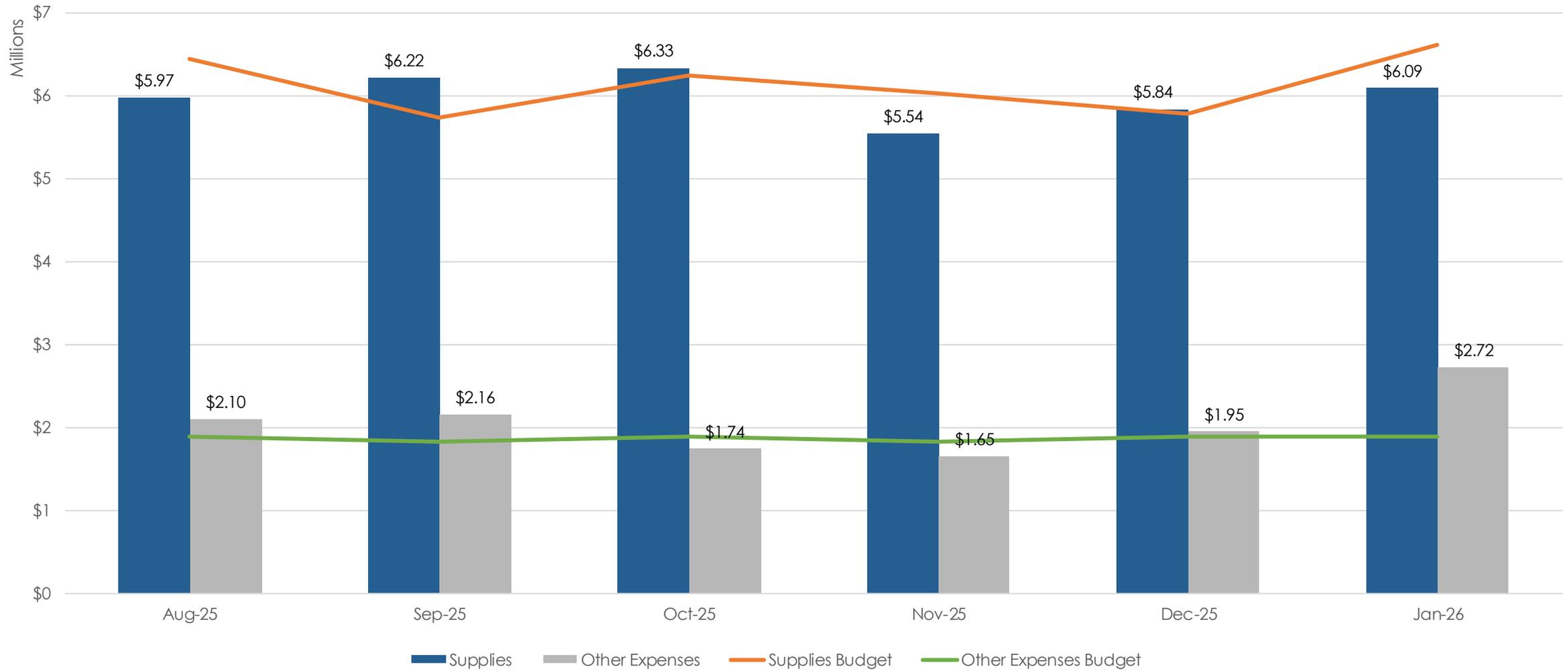
Expenses



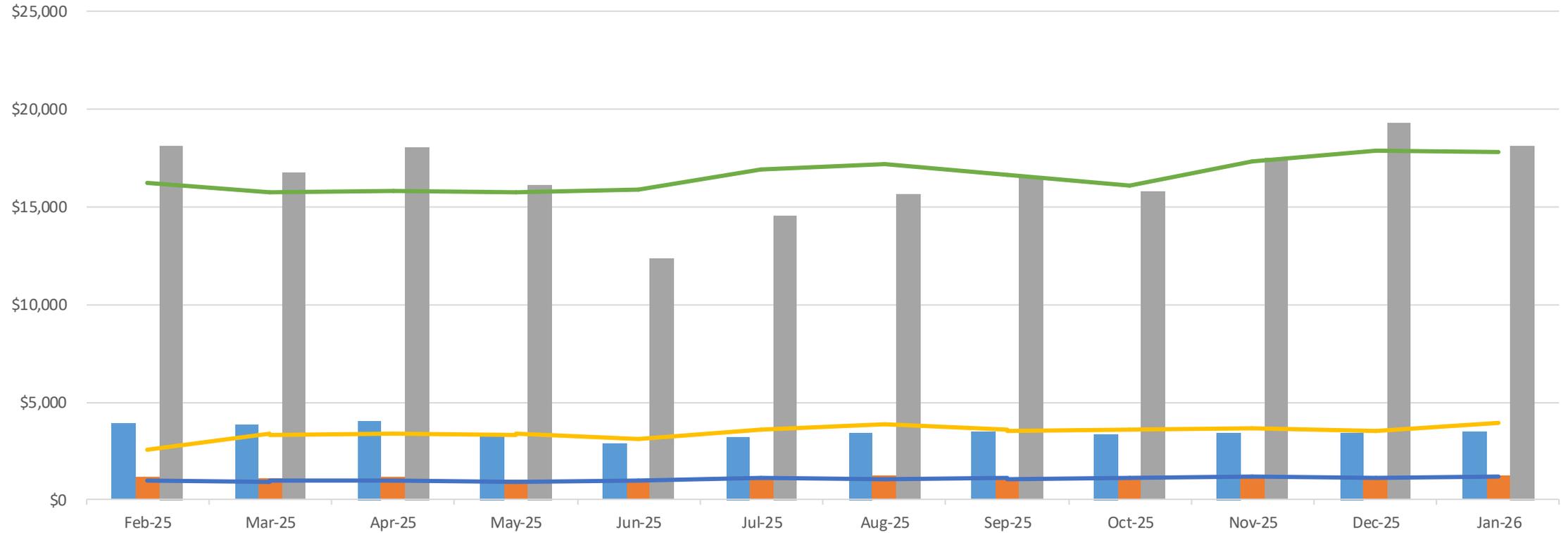
Expenses



Expenses

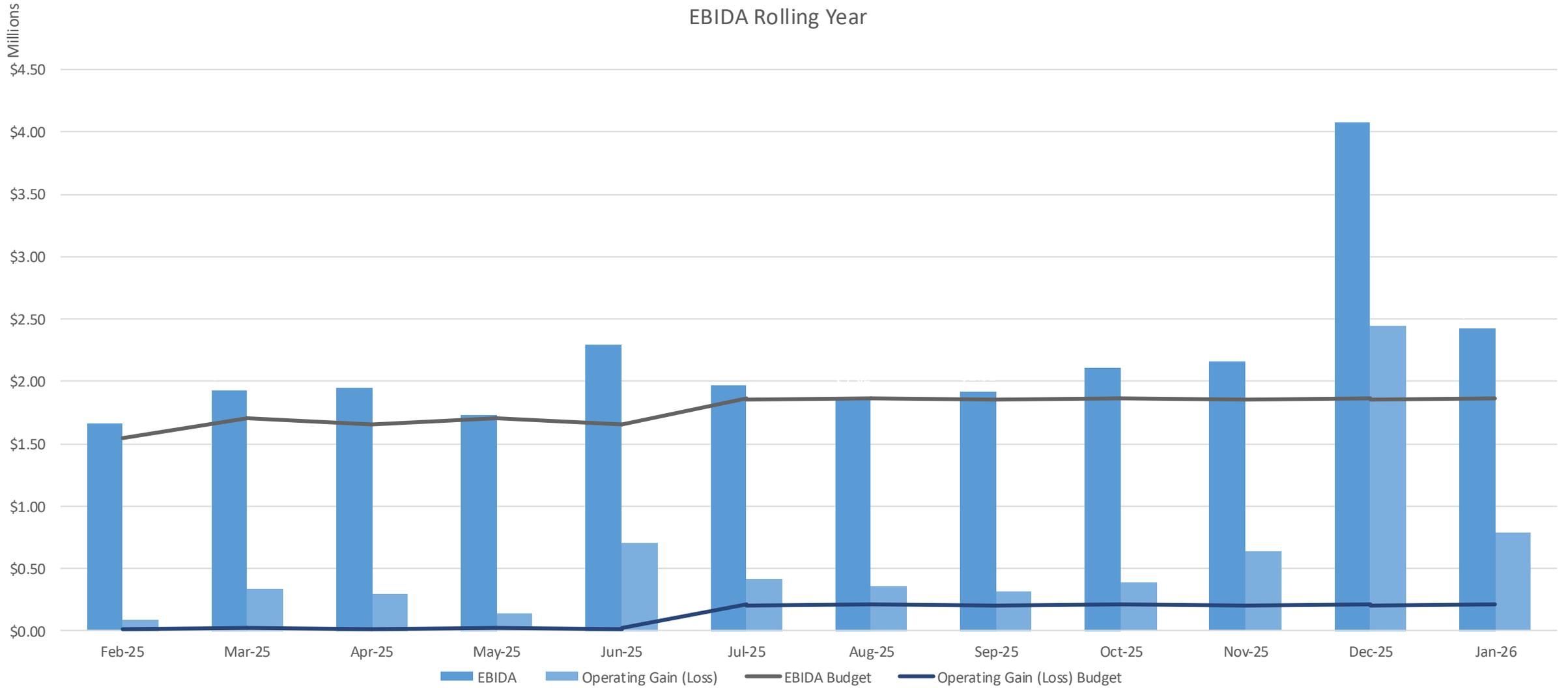


Operating Metrics

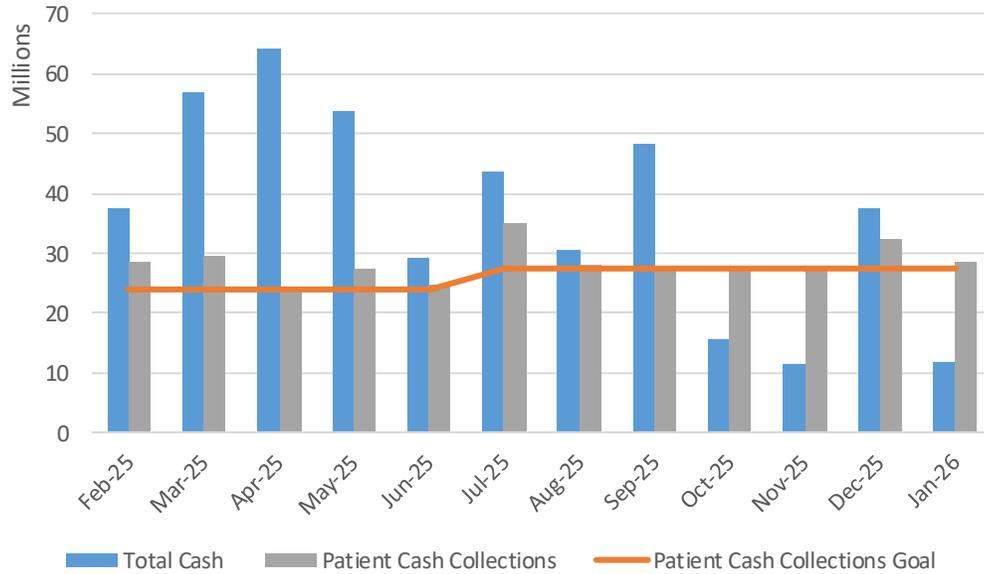


	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Supply Expense per AA	\$3,933	\$3,835	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338	\$3,458	\$3,421	\$3,482
Pharm Cost per AA	\$1,161	\$1,070	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118	\$1,140	\$1,194	\$1,094	\$1,211
Net Revenue Per AA	\$18,087	\$16,764	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778	\$17,508	\$19,312	\$18,085
Budget Supp/AA	\$2,546	\$3,410	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604	\$3,686	\$3,532	\$3,943
Budget Pharm/AA	\$966	\$965	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142	\$1,162	\$1,228	\$1,162	\$1,230
Budget Net Rev/AA	\$16,229	\$15,781	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073	\$17,329	\$17,863	\$17,783

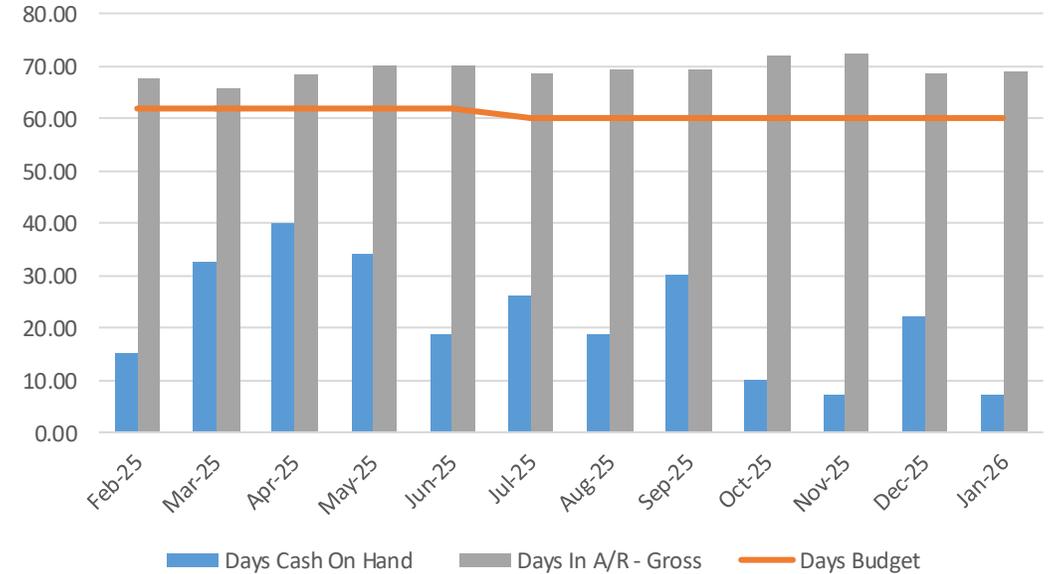
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
January 31, 2026

	NOVEMBER	DECEMBER	JANUARY	BUDGET JANUARY	VARIANCE POS (NEG)	PY JANUARY
Gross Patient Revenue	\$ 117,957,124	\$ 125,231,020	\$ 127,287,097	\$ 128,126,944	(0.7%)	\$ 120,905,961
Contractual Deductions	(89,911,537)	(92,284,622)	(95,661,587)	(98,297,064)	(3%)	(79,220,012)
Net Revenue	28,045,587	32,946,398	31,625,509	29,829,880	6%	41,685,949
Indigent Funding	18,165,416	18,770,930	18,770,930	18,973,856	(1%)	26,159,047
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%)	285,210
Incentive Funding	18,320	241,992	183,817	72,378	154%	101,384
Net Patient Revenue	49,612,248	55,342,244	53,963,180	52,256,847	3%	71,329,302
Other Operating Revenue	1,236,097	2,106,511	938,832	2,746,242	(66%)	4,699,376
Other Non-Operating Revenue	16,501	18,697	15,486	12,248	26%	10,830
Total Revenues	50,864,846	57,467,452	54,917,498	55,015,337	(0%)	76,039,508
Expenses						
Salaries	22,926,500	26,017,998	24,850,652	25,410,329	(2%)	23,186,713
Employee Benefits	9,077,232	10,662,408	9,638,359	10,626,600	(9%)	(1,845,896)
Registry	1,412,551	1,533,990	1,355,982	1,831,868	(26%)	1,740,893
Medical Fees	3,101,977	2,901,740	2,631,537	2,522,122	4%	2,918,625
Other Professional Fees	1,456,563	1,526,005	2,131,463	1,393,936	53%	1,342,129
Supplies	5,538,741	5,835,699	6,088,466	6,614,635	(8%)	5,285,881
Purchased Services	3,539,365	2,958,214	3,066,890	2,861,814	7%	2,806,856
Other Expenses	1,650,679	1,947,493	2,724,575	1,890,090	44%	8,574,046
Operating Expenses	48,703,608	53,383,547	52,487,925	53,151,394	(1%)	44,009,248
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,161,238	\$ 4,083,906	\$ 2,429,573	\$ 1,863,943	30.3%	\$ 32,030,260
EBIDA Margin	4%	7%	4%	3%	31%	42%
Interest	288,247	298,365	300,878	339,518	(11%)	369,559
Depreciation	595,099	692,675	696,790	657,304	6%	454,840
Amortization	646,295	646,748	648,952	652,001	(0%)	585,896
Total Expenses	50,233,249	55,021,335	54,134,545	54,800,217	(1%)	45,419,544
Operating Gain (Loss)	\$ 631,597	\$ 2,446,117	\$ 782,953	\$ 215,120	264%	\$ 30,619,965
Operating Margin	1.24%	4.26%	1.43%	0.39%	264.6%	40.3%

KERN MEDICAL
Year-to-Date Analysis: Revenues & Expenses
January 31, 2026

	ACTUAL	BUDGET	VARIANCE		PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)		FYTD	POS (NEG)
Gross Patient Revenue	\$ 882,903,447	\$ 862,391,302	2%	\$	814,514,738	8%
Contractual Deductions	(674,693,629)	(663,708,693)	2%		(623,435,918)	8%
Net Revenue	208,209,818	198,682,609	5%		191,078,820	9%
Indigent Funding	128,161,796	131,592,873	(3%)		135,914,032	(6%)
Correctional Medicine	21,683,995	21,668,656	0%		21,683,996	(0%)
County Contribution	1,996,476	1,996,476	(0%)		2,285,814	(13%)
Incentive Funding	974,928	501,974	94%		569,208	71%
Net Patient Revenue	361,027,013	354,442,588	2%		351,531,870	3%
Other Operating Revenue	10,970,544	19,046,517	(42%)		23,986,201	(54.26%)
Other Non-Operating Revenue	152,435	84,203	81%		86,782	76%
Total Revenues	372,149,992	373,573,308	(0%)		375,604,853	(1%)
Expenses						
Salaries	167,126,566	172,664,851	(3%)		158,263,044	6%
Employee Benefits	68,274,858	72,208,441	(5%)		53,881,496	27%
Registry	10,867,671	12,666,096	(14%)		13,676,591	(21%)
Medical Fees	20,788,359	17,339,016	20%		16,929,057	23%
Other Professional Fees	10,716,116	9,596,408	12%		9,877,203	8.5%
Supplies	42,294,467	42,859,048	(1%)		38,551,433	10%
Purchased Services	21,289,915	20,117,810	6%		20,488,532	4%
Other Expenses	14,134,410	13,108,687	8%		19,836,516	(29%)
Operating Expenses	355,492,361	360,560,357	(1%)		331,503,872	7%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 16,657,631	\$ 13,012,951	28%	\$	44,100,981	(62.2%)
EBIDA Margin	4%	3%	28%		12%	(62%)
Interest	1,945,722	2,369,077	(18%)		2,548,907	(24%)
Depreciation	4,838,872	4,601,125	5%		4,738,582	2%
Amortization	4,400,072	4,564,010	(4%)		4,310,064	2%
Total Expenses	366,677,027	372,094,569	(1%)		343,101,425	7%
Operating Gain (Loss)	\$ 5,472,966	\$ 1,478,739	270%	\$	32,503,428	(83%)
Operating Margin	1.5%	0.4%	271.5%		8.7%	(83%)

**KERN MEDICAL
BALANCE SHEET**

	JANUARY 2026	JANUARY 2025
ASSETS:		
<i>Total Cash</i>	\$ 11,659,445	\$ 37,476,849
Patient Receivables Subtotal	264,679,635	274,895,266
Contractual Subtotal	(206,561,568)	(234,622,092)
<i>Net Patient Receivable</i>	58,118,067	40,273,174
Total Indigent Receivable	281,634,517	262,275,327
Total Other Receivable	24,031,078	16,227,302
Total Prepaid Expenses	7,493,022	5,994,568
Total Inventory	5,983,744	4,839,038
<i>Total Current Assets</i>	388,919,873	367,086,259
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	278,233,798	270,273,007
Total Construction in Progress	19,130,234	12,281,117
<i>Total Property, Plant & Equipment</i>	297,364,032	282,554,124
Total Accumulated Depr & Amortization	(189,612,097)	(177,037,008)
<i>Net Property, Plant, and Equipment</i>	107,751,935	105,517,116
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 610,132,219	\$ 597,136,092

**KERN MEDICAL
BALANCE SHEET**

	JANUARY 2026	JANUARY 2025
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 6,367,314	\$ 6,565,791
Total Accrued Compensation	37,957,702	33,634,115
Total Due Government Agencies	3,702,886	5,312,016
Total Other Accrued Liabilities	46,497,032	51,059,521
<i>Total Current Liabilities</i>	94,524,934	96,571,443
Unfunded Pension Liability	331,776,526	344,447,058
Other Long-Term Liabilities	71,741,342	81,330,526
<i>Total Long-Term Liabilities</i>	403,517,868	425,777,584
<i>Total Liabilities</i>	498,042,801	522,349,027
<i>Total Net Position</i>	112,089,417	74,787,066
<i>Total Liabilities and Net Position</i>	\$ 610,132,219	\$ 597,136,092

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date January 2026	Fiscal Year-End June 2025	Fiscal Year-to-Date January 2025	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 208,067,976	\$ 318,273,169	\$ 183,931,847	\$ 292,533,084
Cash received for other operations	122,885,545	262,872,978	127,243,556	233,602,712
Cash paid for salaries and benefits	(226,147,818)	(382,309,780)	(216,400,372)	(339,411,493)
Cash paid for services and supplies	(115,872,188)	(198,862,050)	(110,705,485)	(186,981,598)
Net cash (used in) provided by operating activities	<u>(11,066,486)</u>	<u>(25,683)</u>	<u>(15,930,454)</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	-
Net cash provided by (used in) noncapital financing activities	<u>-</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	(8,021,783)	(13,228,131)	(4,720,746)	(18,896,864)
Payments on right-of-usage lease liability	2,462,210	(3,802,269)	(1,727,182)	3,896,089
Interest paid - right-of-usage lease liability	1,233	-	(5,015)	31,211
Payments on SBITA liability	(456,333)	(817,100)	(441,760)	(752,150)
Interest paid - SBITA	(324)	-	(352)	2,013
Net cash used by capital and related financing activities	<u>(6,014,998)</u>	<u>(17,847,500)</u>	<u>(6,895,055)</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	<u>(17,081,484)</u>	<u>(21,691,174)</u>	<u>(12,825,509)</u>	<u>(16,618,946)</u>
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>\$ 11,659,445</u>	<u>\$ 28,740,929</u>	<u>\$ 37,476,849</u>	<u>\$ 50,302,358</u>