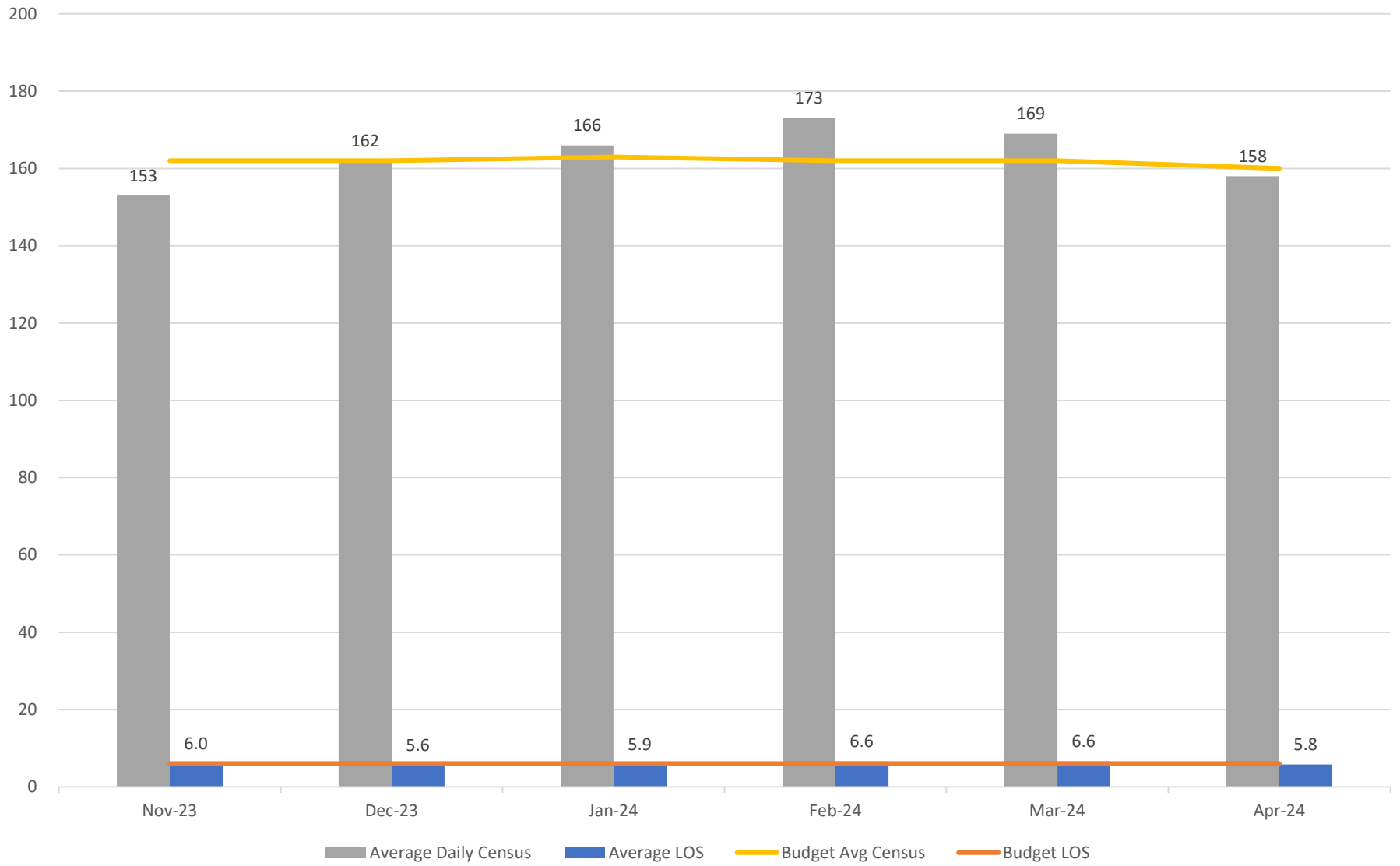


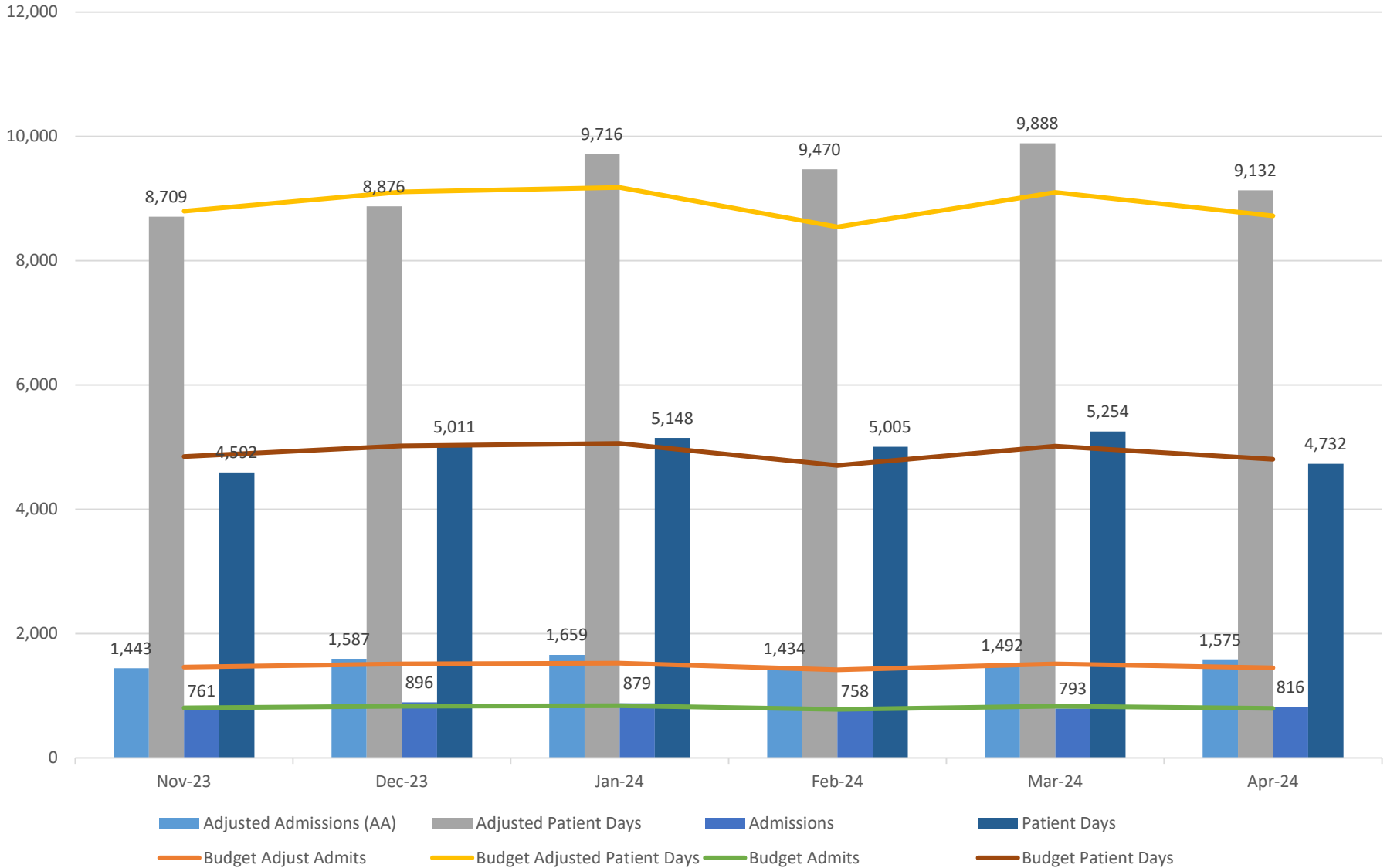


**BOARD OF GOVERNORS' REPORT  
KERN MEDICAL – APRIL 2024**

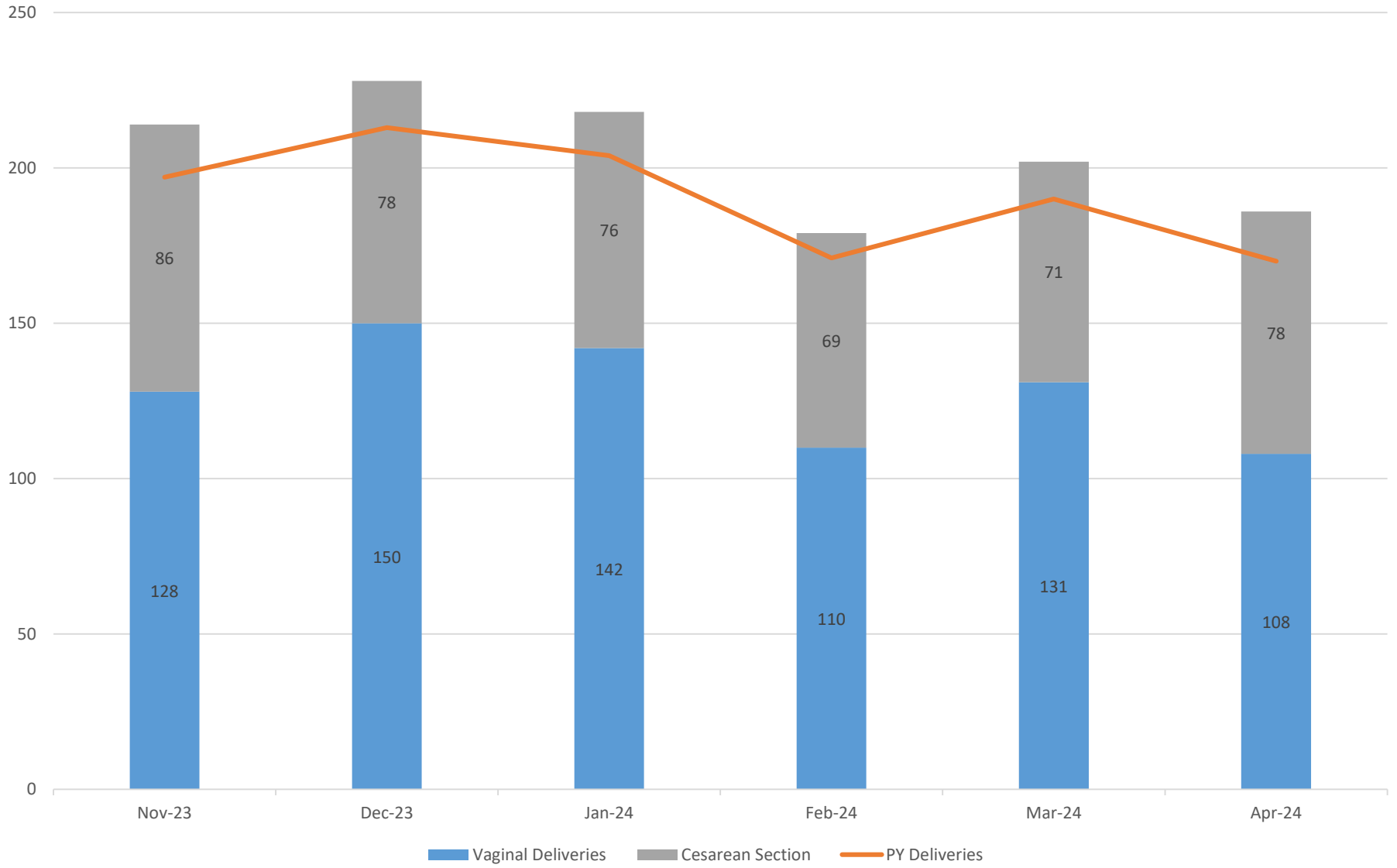
# Census & ALOS



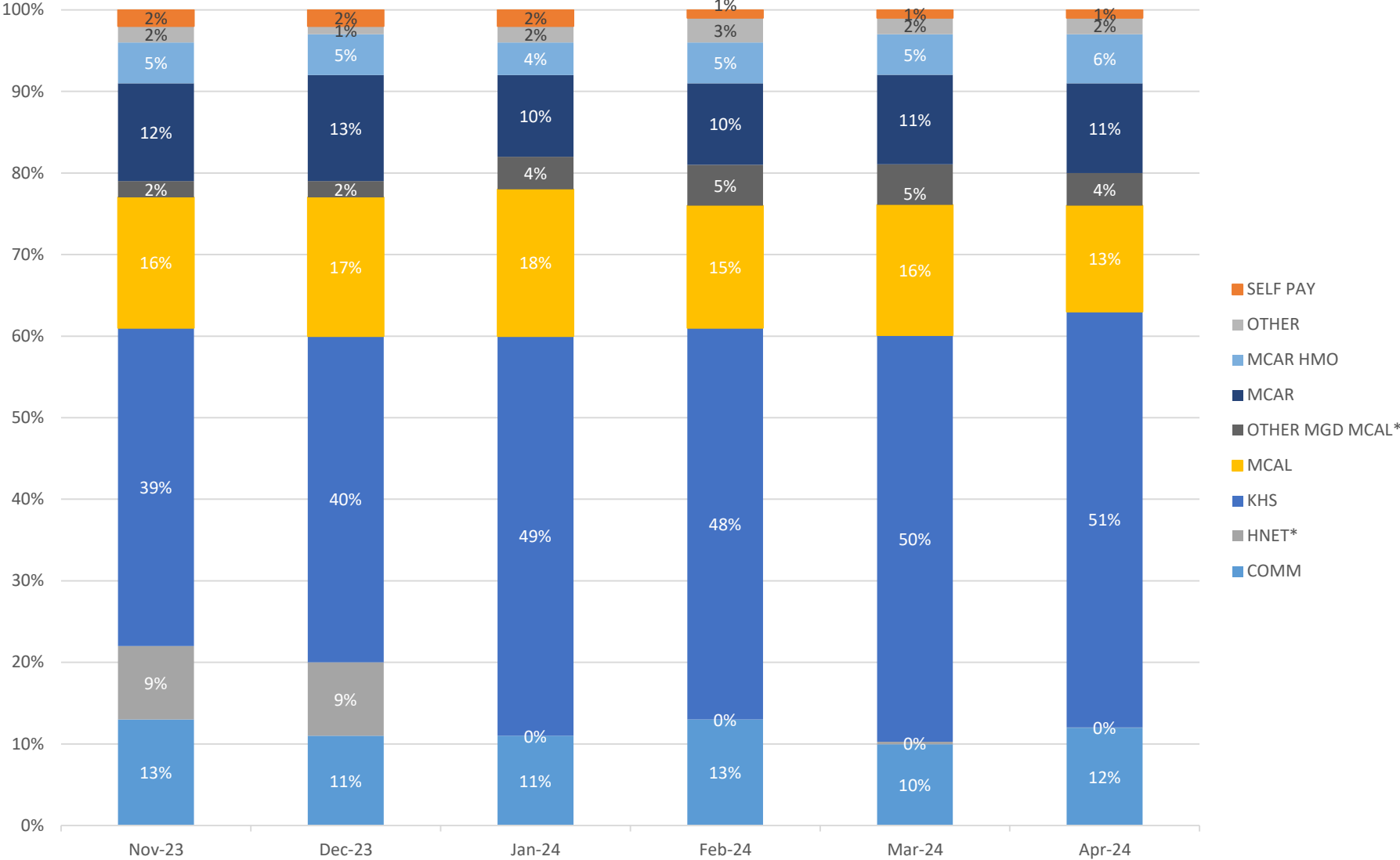
# Hospital Volumes



# Deliveries

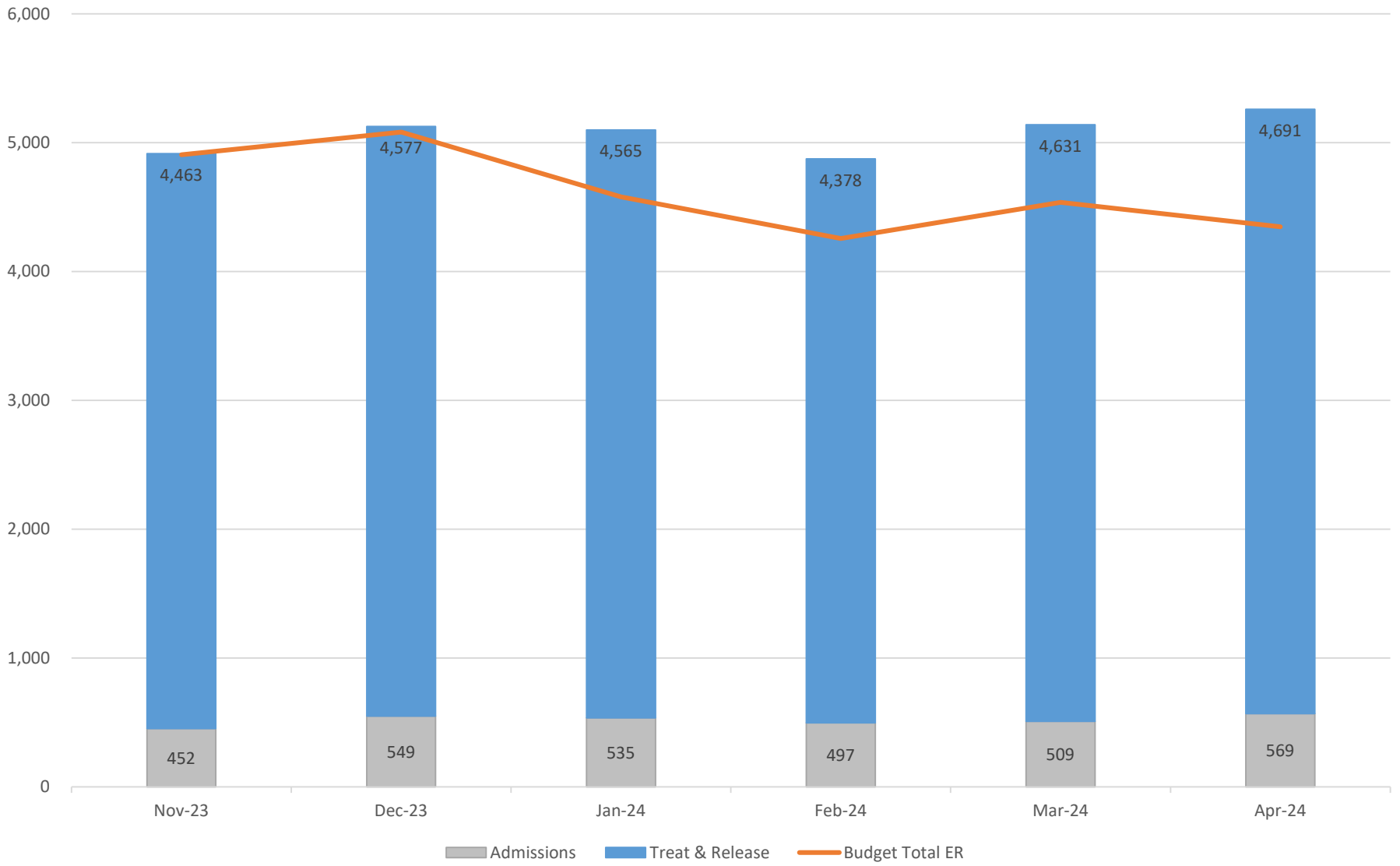


### PAYER MIX

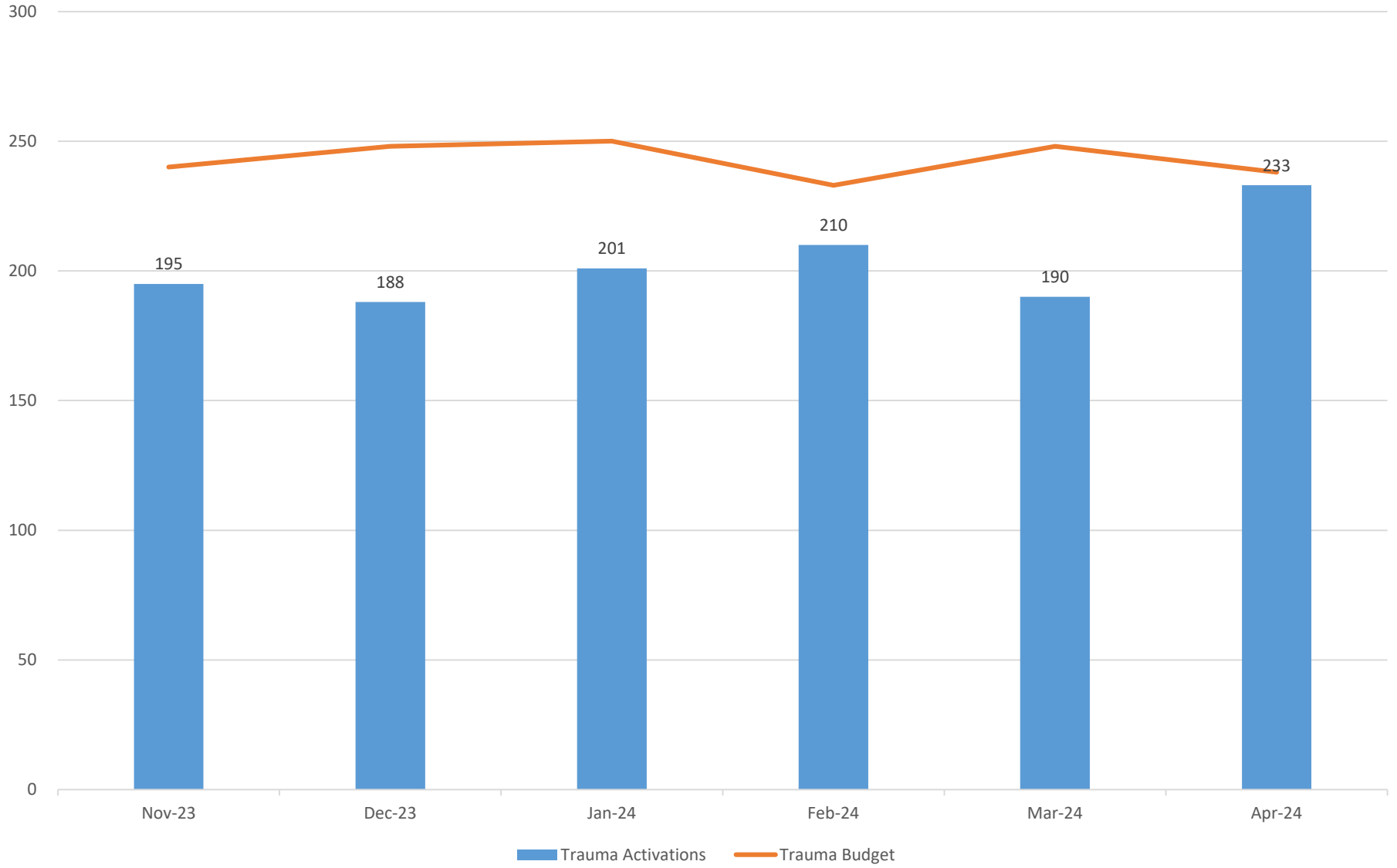


*\*Indicates commercial managed Medi-Cal plans transitioning to Other commercial managed Medi-Cal plans starting Jan 1, 2024*

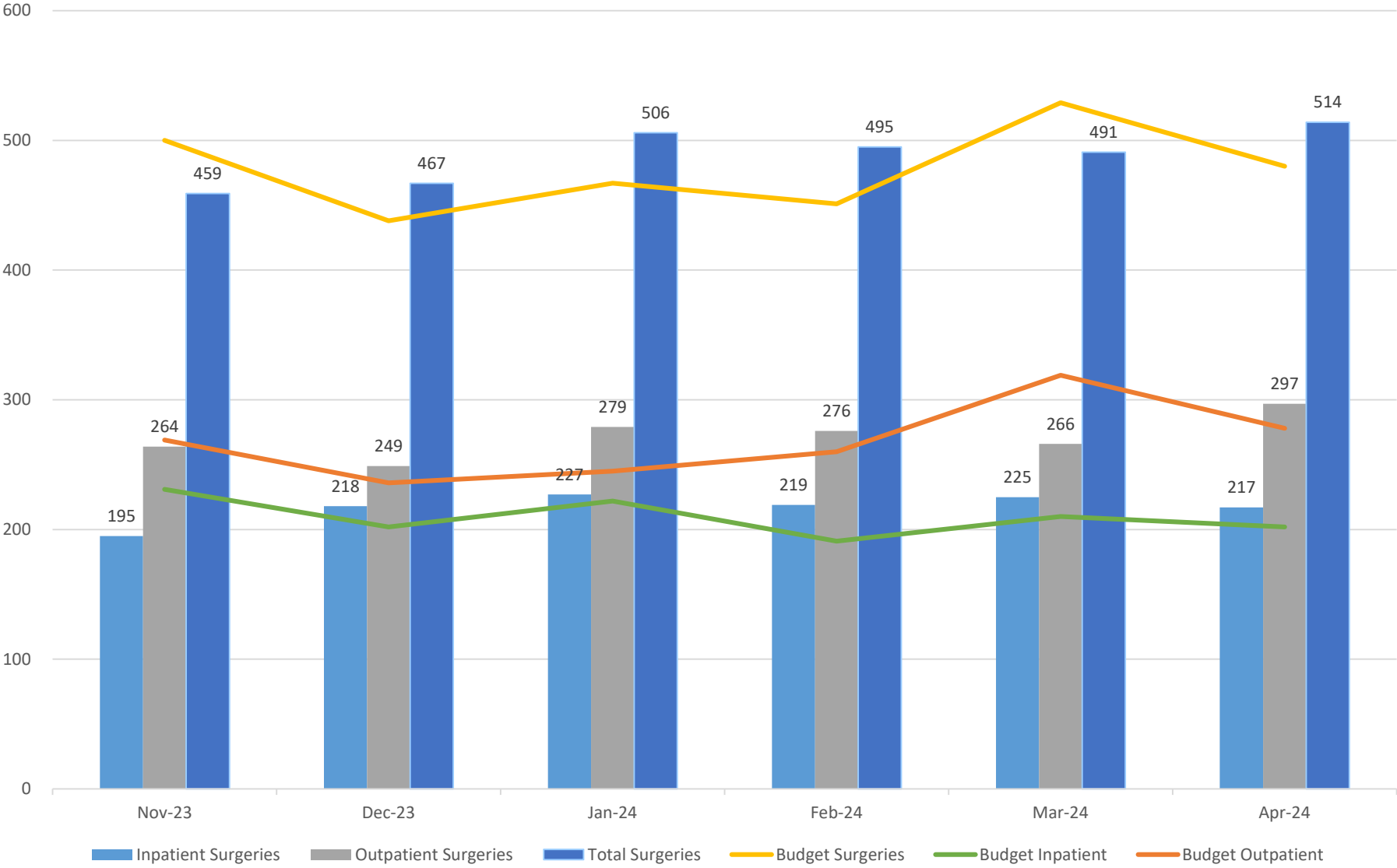
# Emergency Room Volume



# Trauma Activations

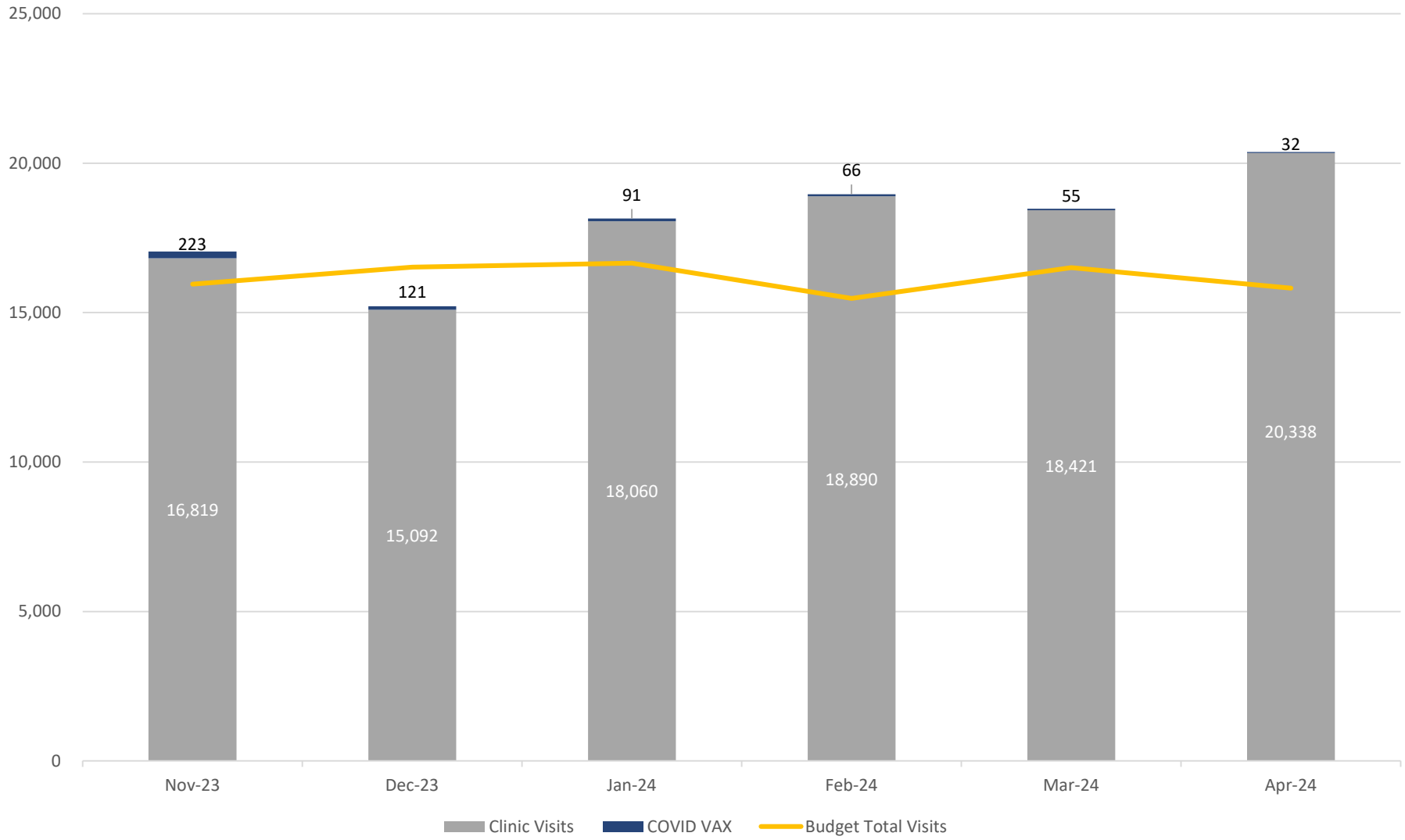


# Surgical Volume

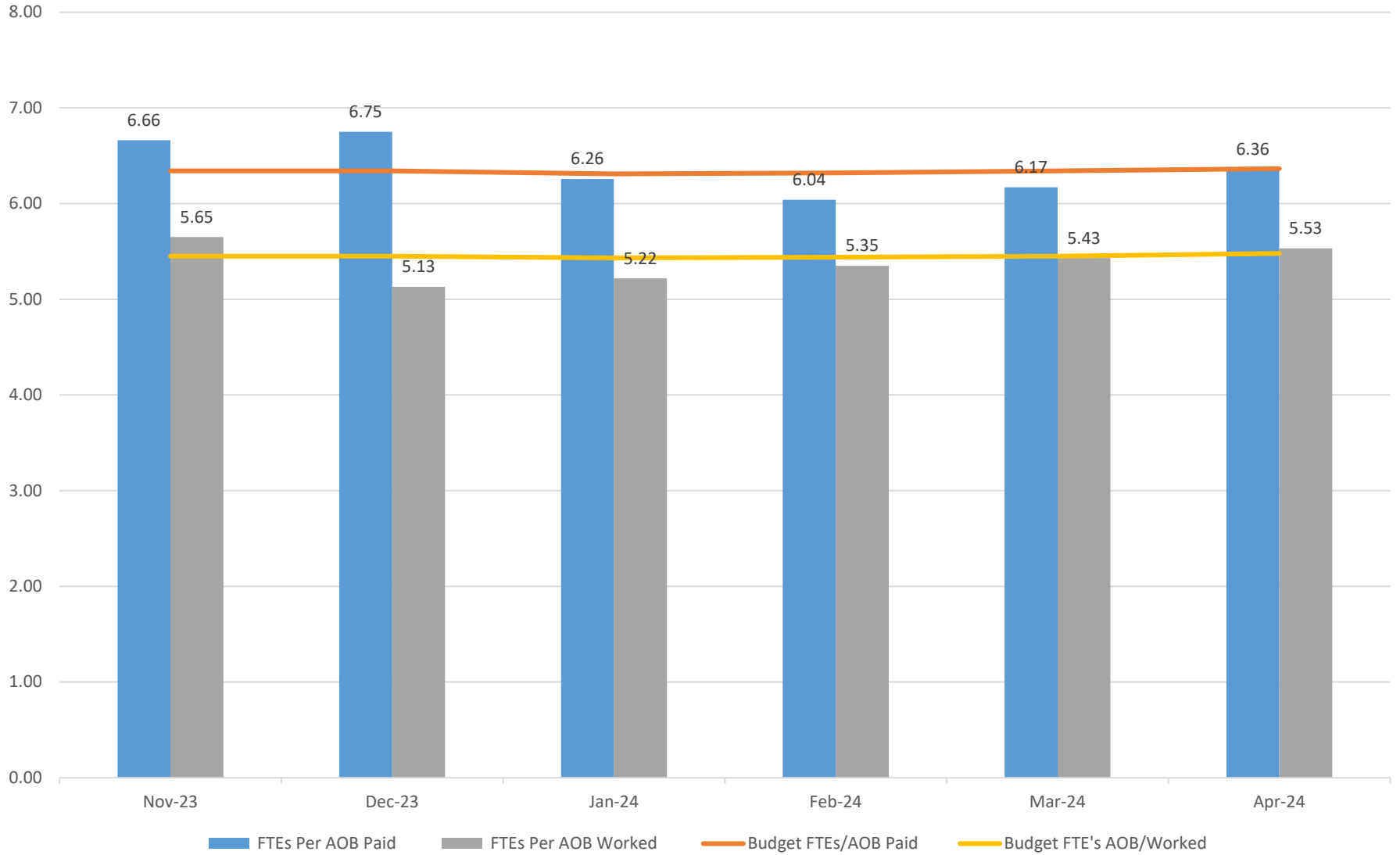




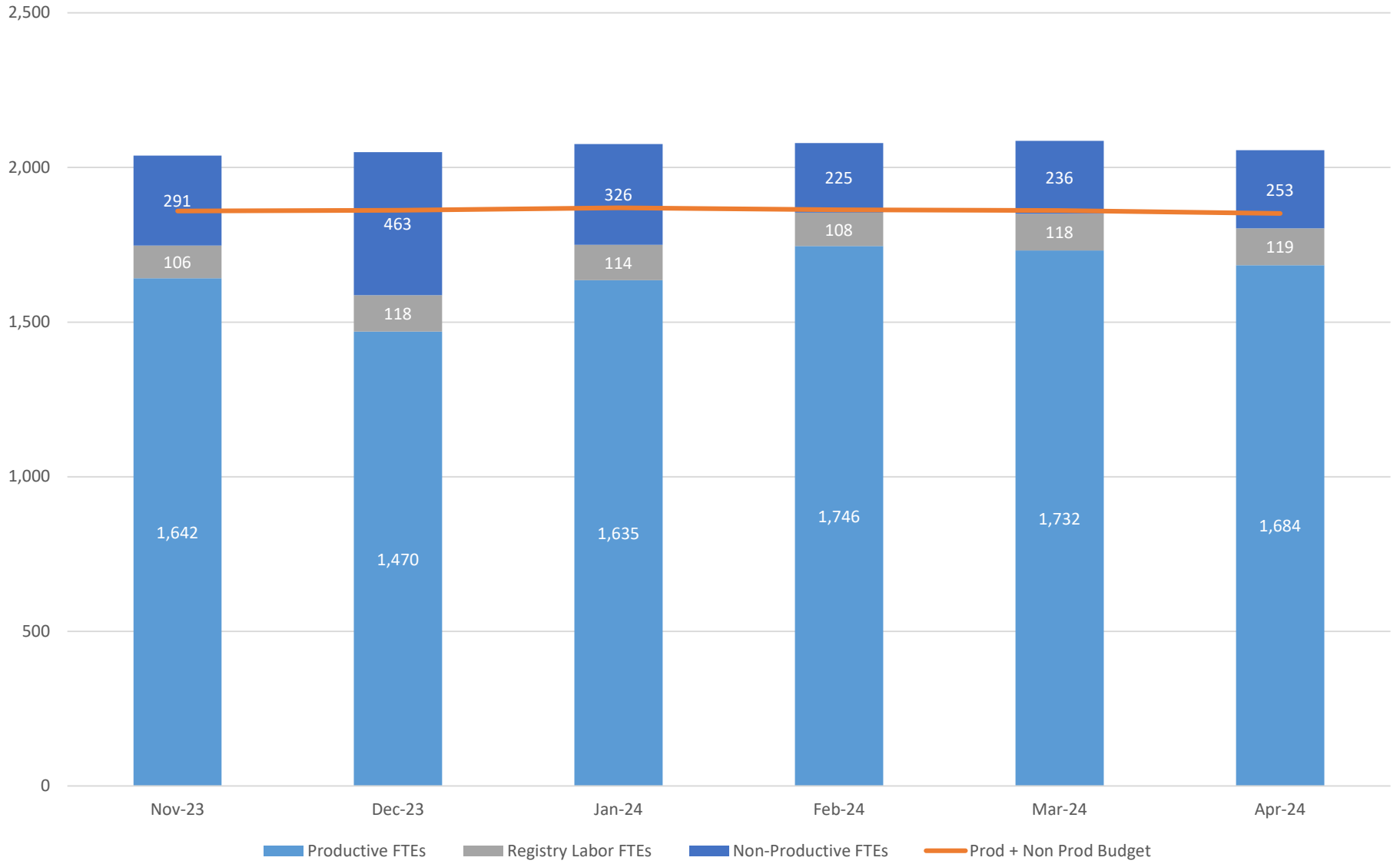
# Clinic Visits



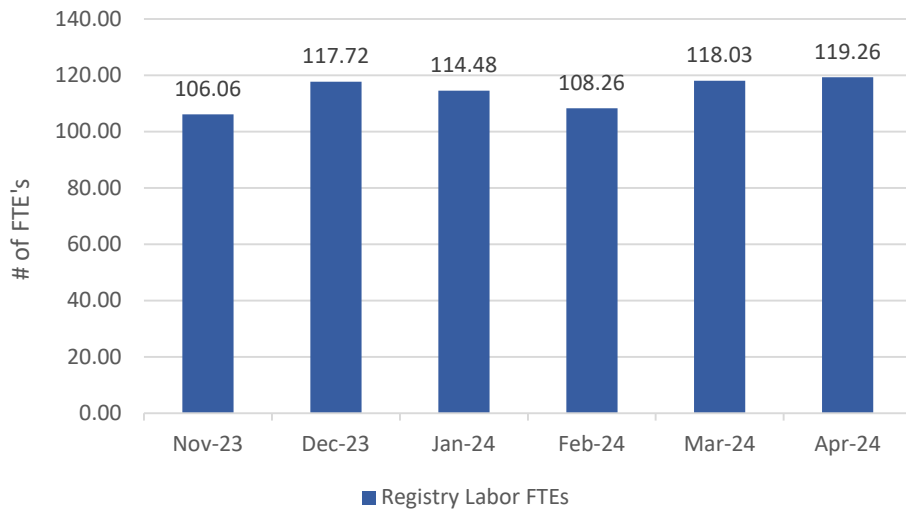
# Labor Metrics



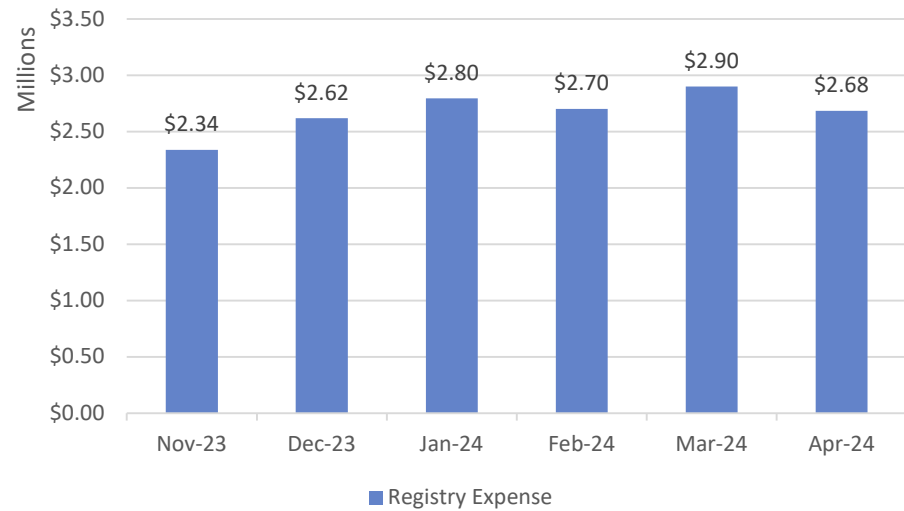
# Productivity



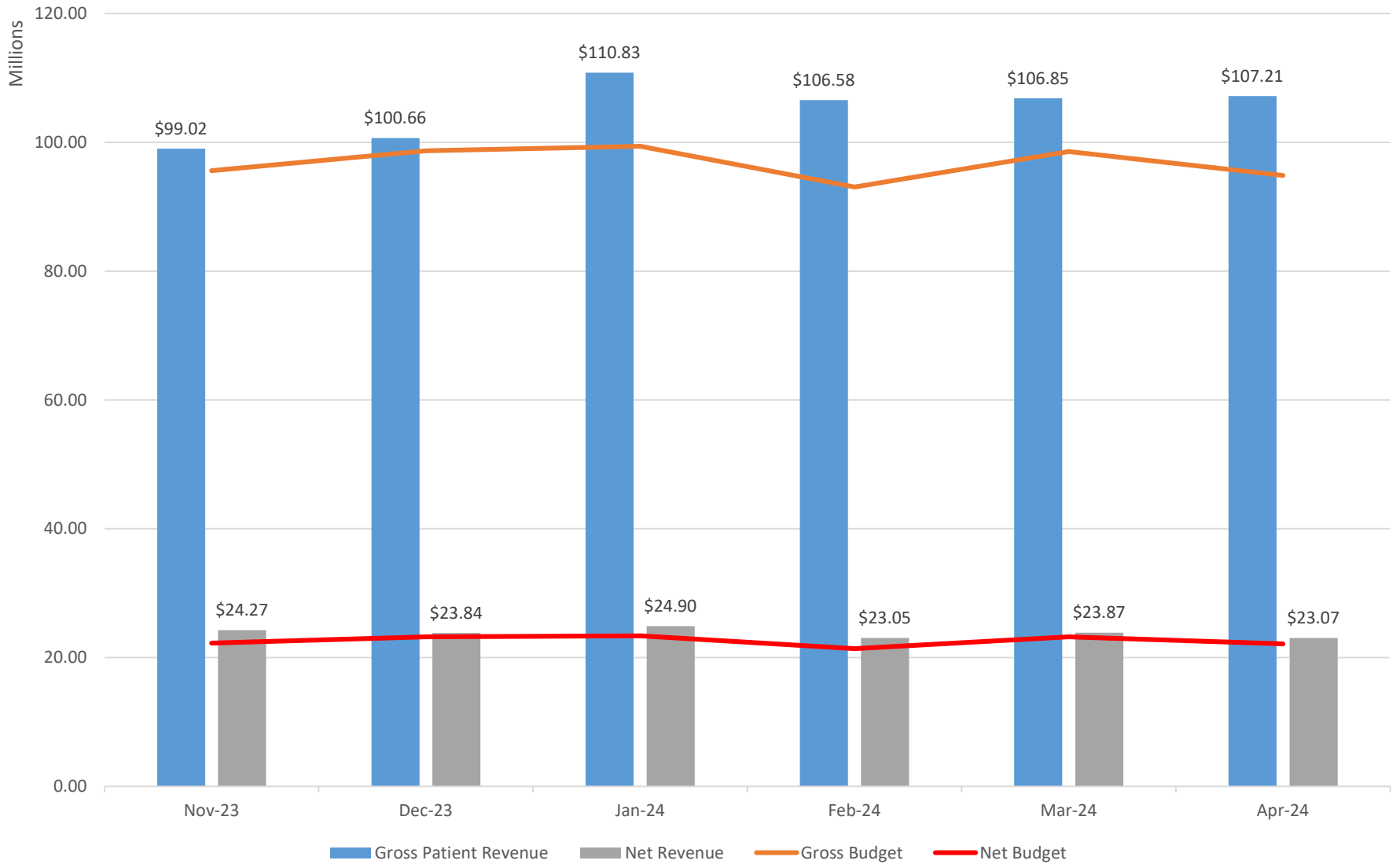
### Registry FTE's



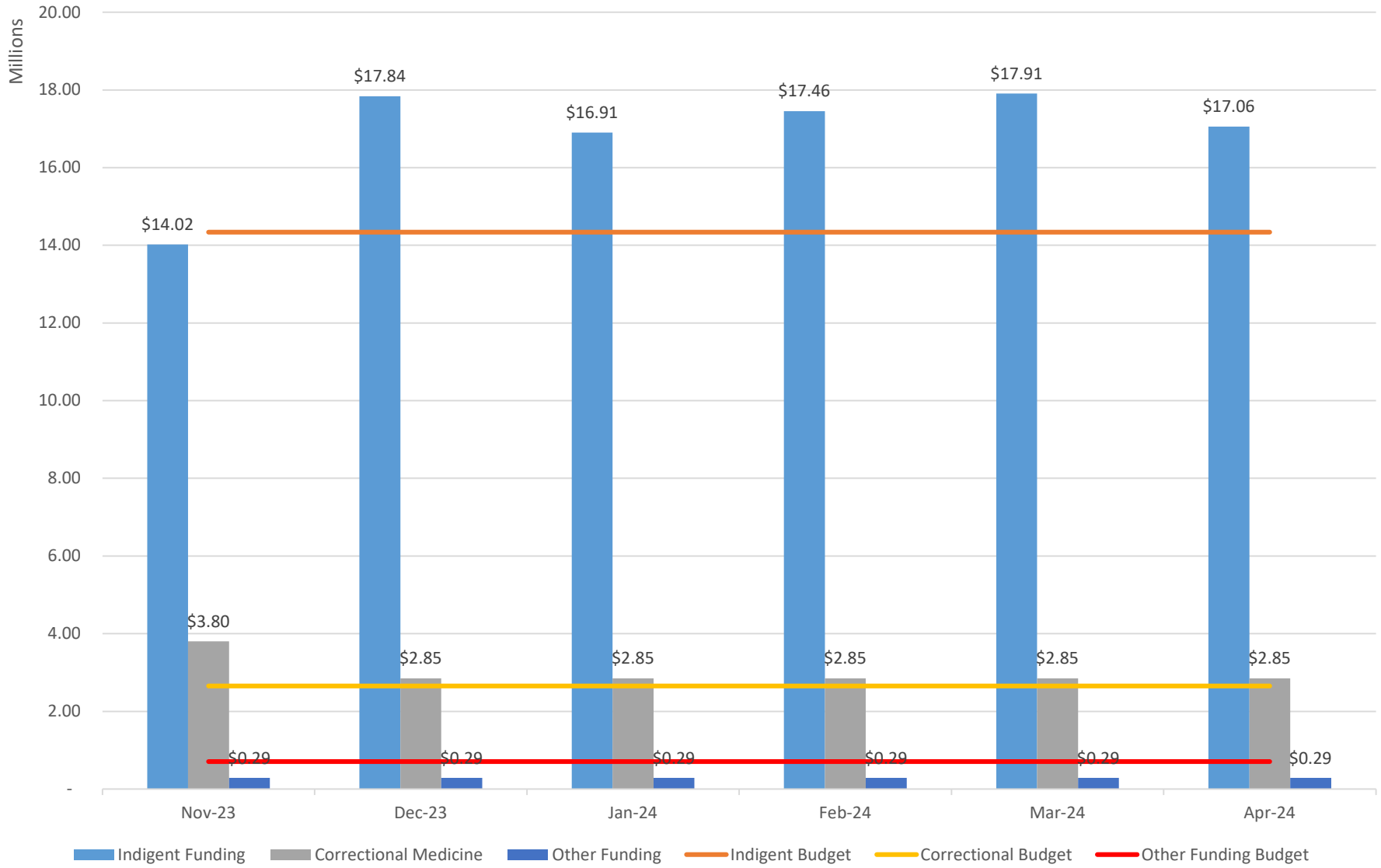
### Registry Expense



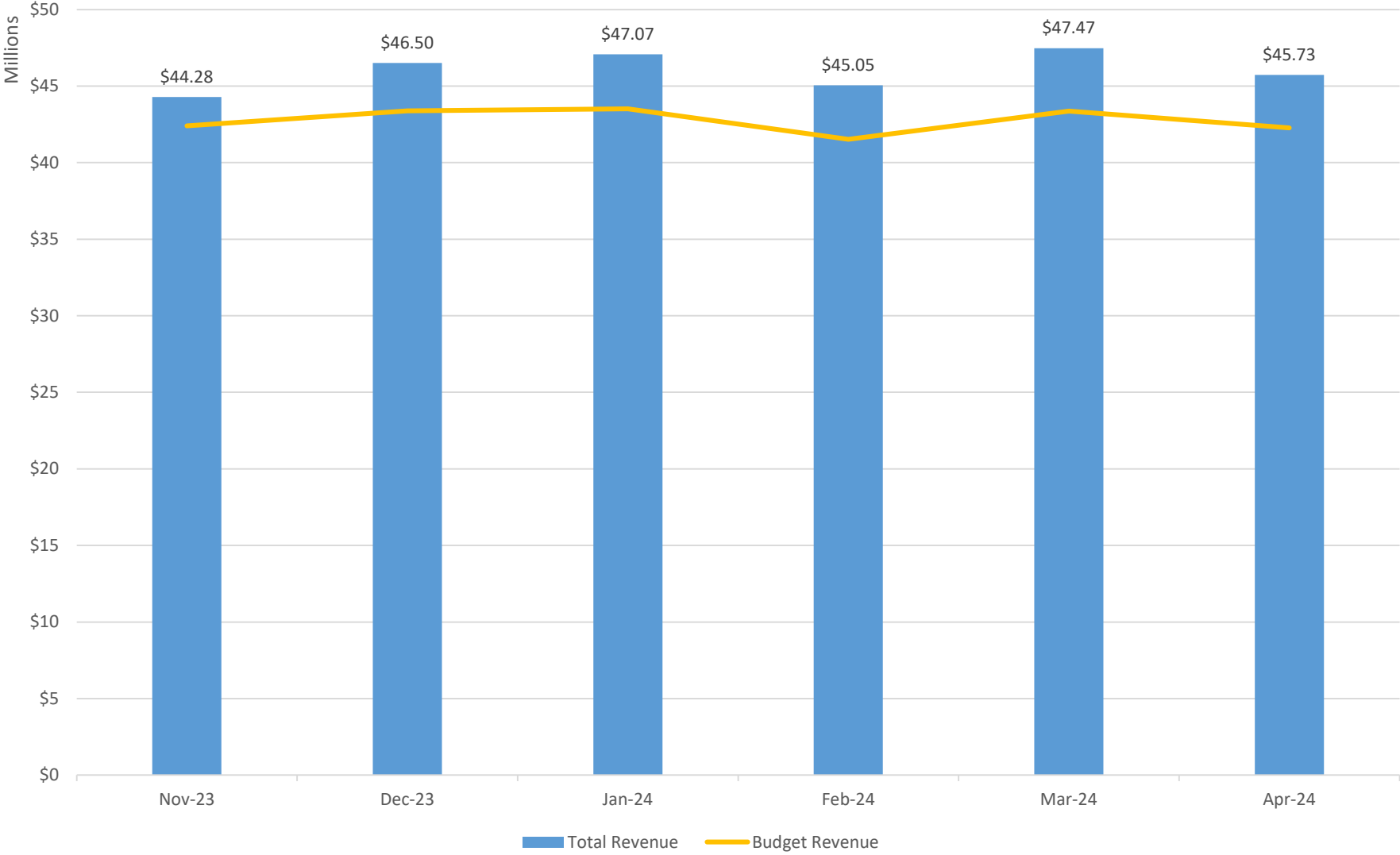
## Patient Revenue



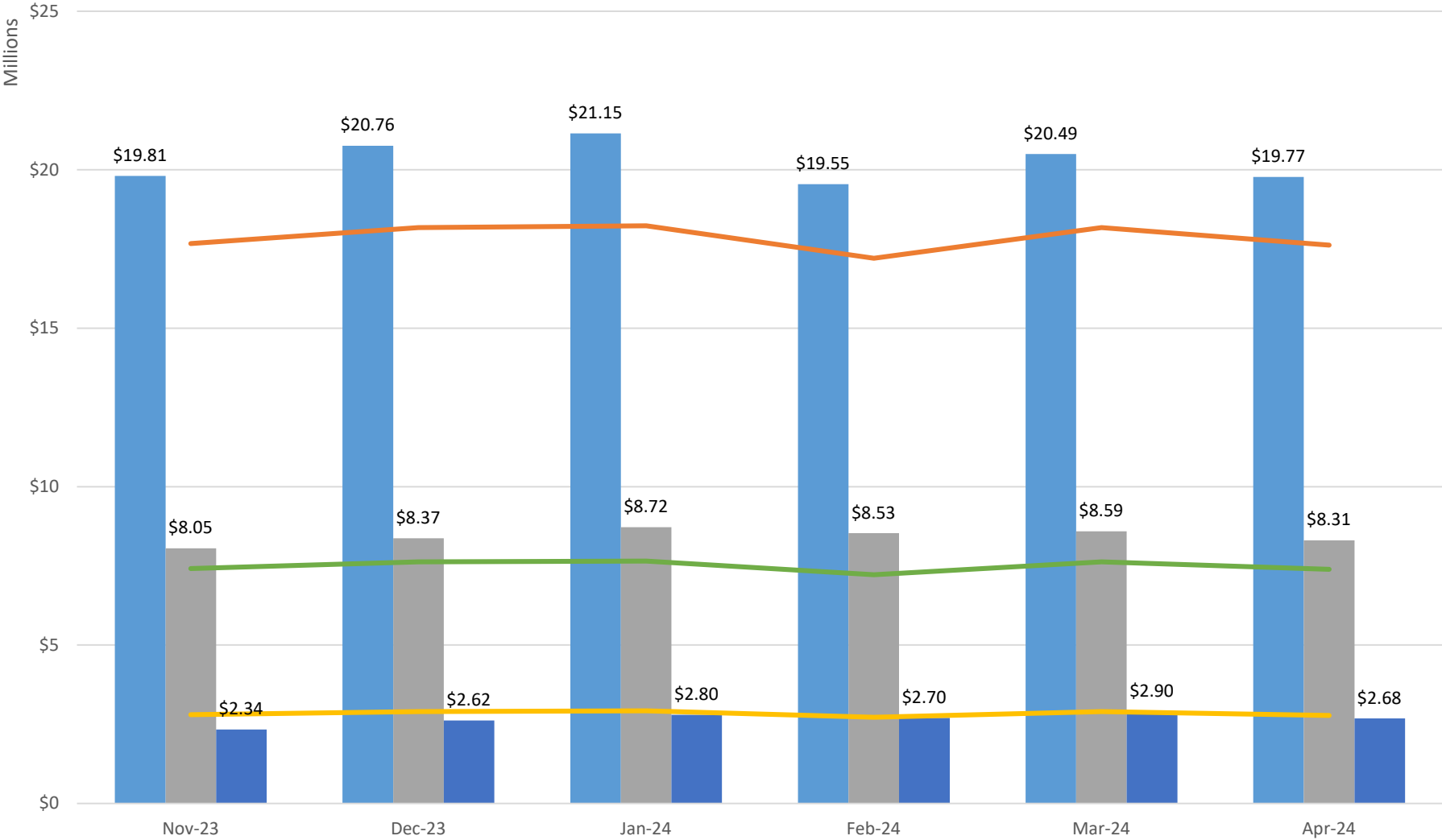
## Indigent & Correctional Revenue



### Total Revenue



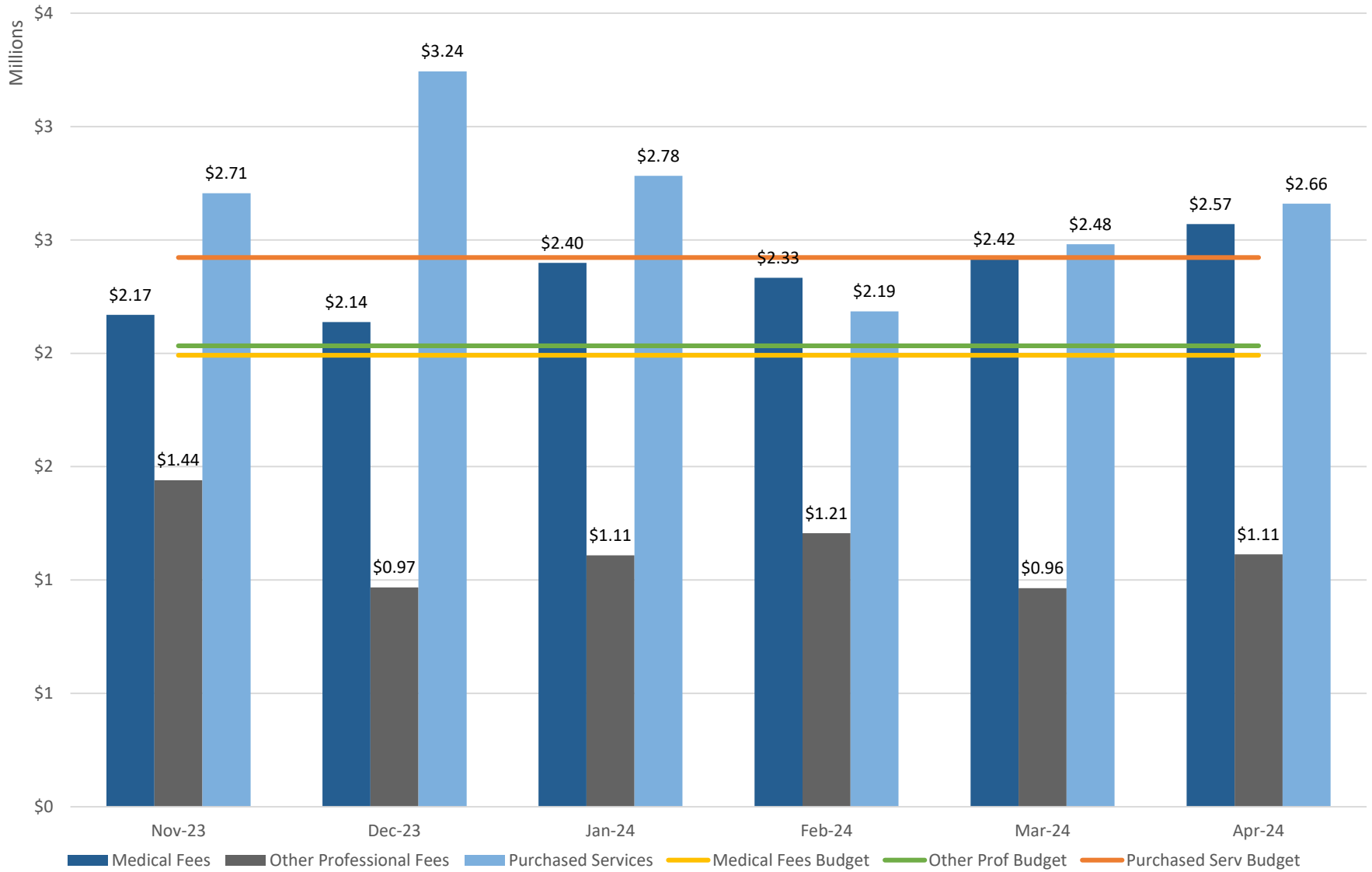
# Expenses



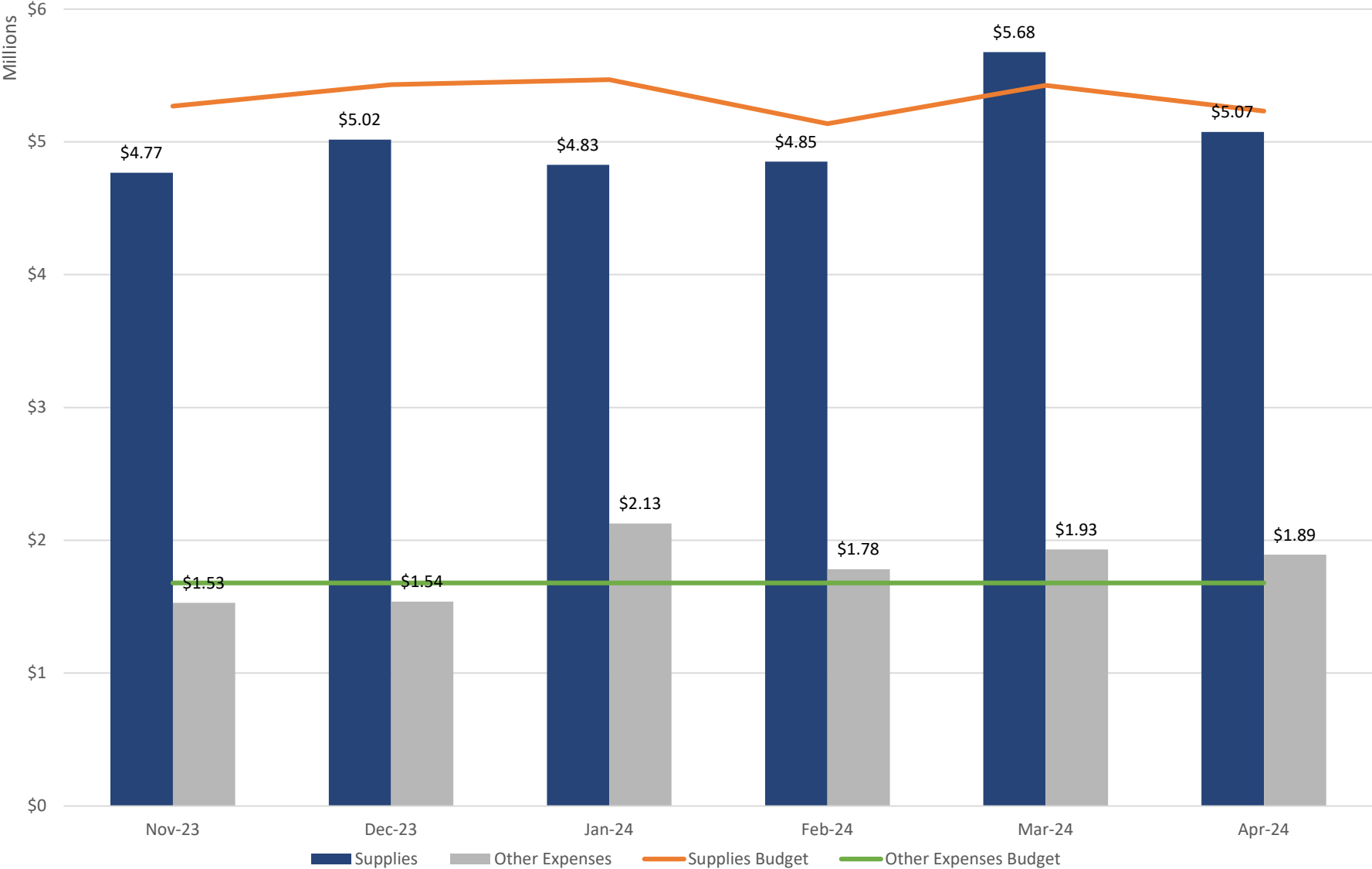
■ Salaries   
 ■ Employee Benefits   
 ■ Registry   
 — Salaries Budget   
 — Benefits Budget   
 — Registry Budget



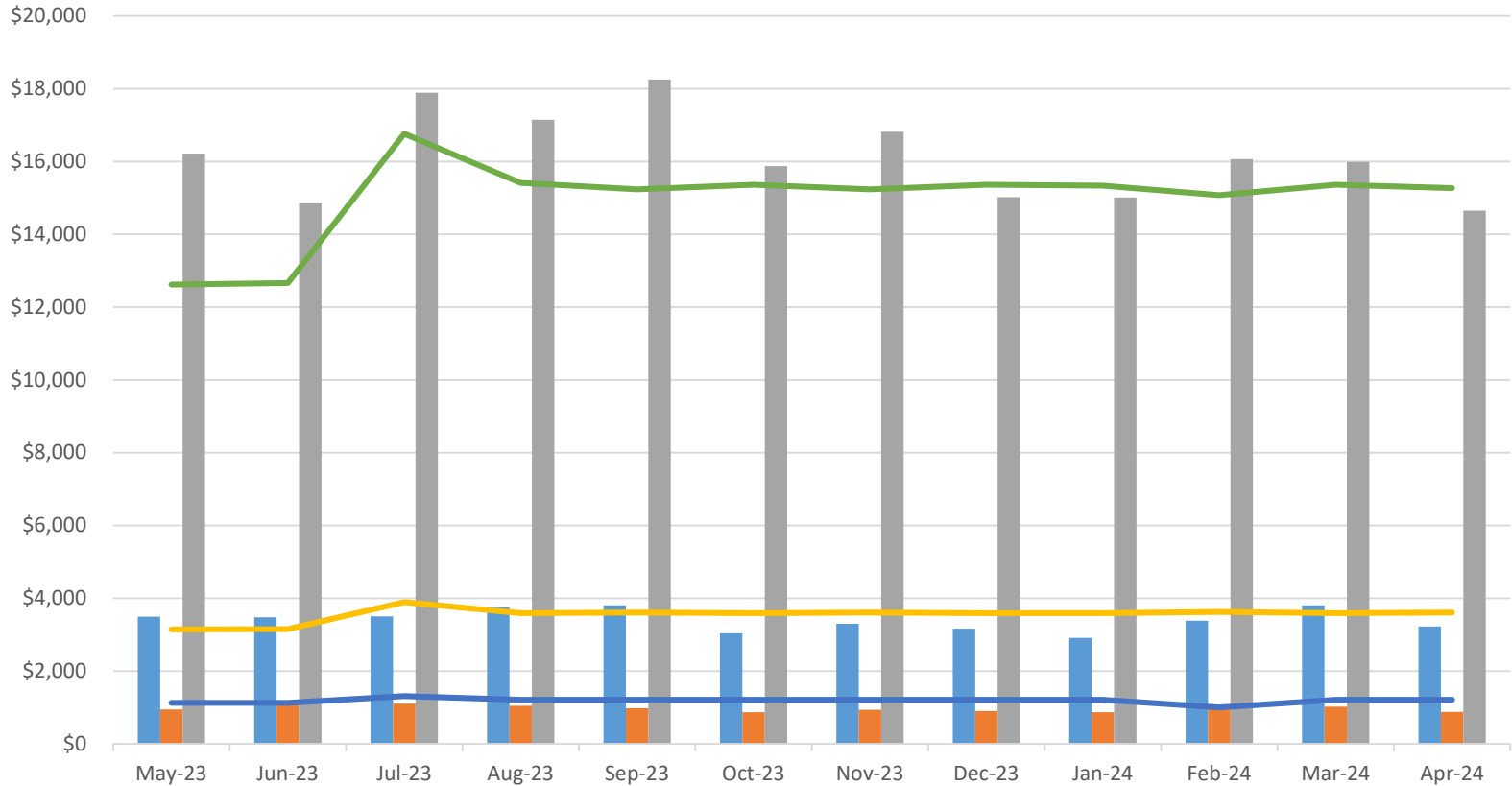
# Expenses



# Expenses

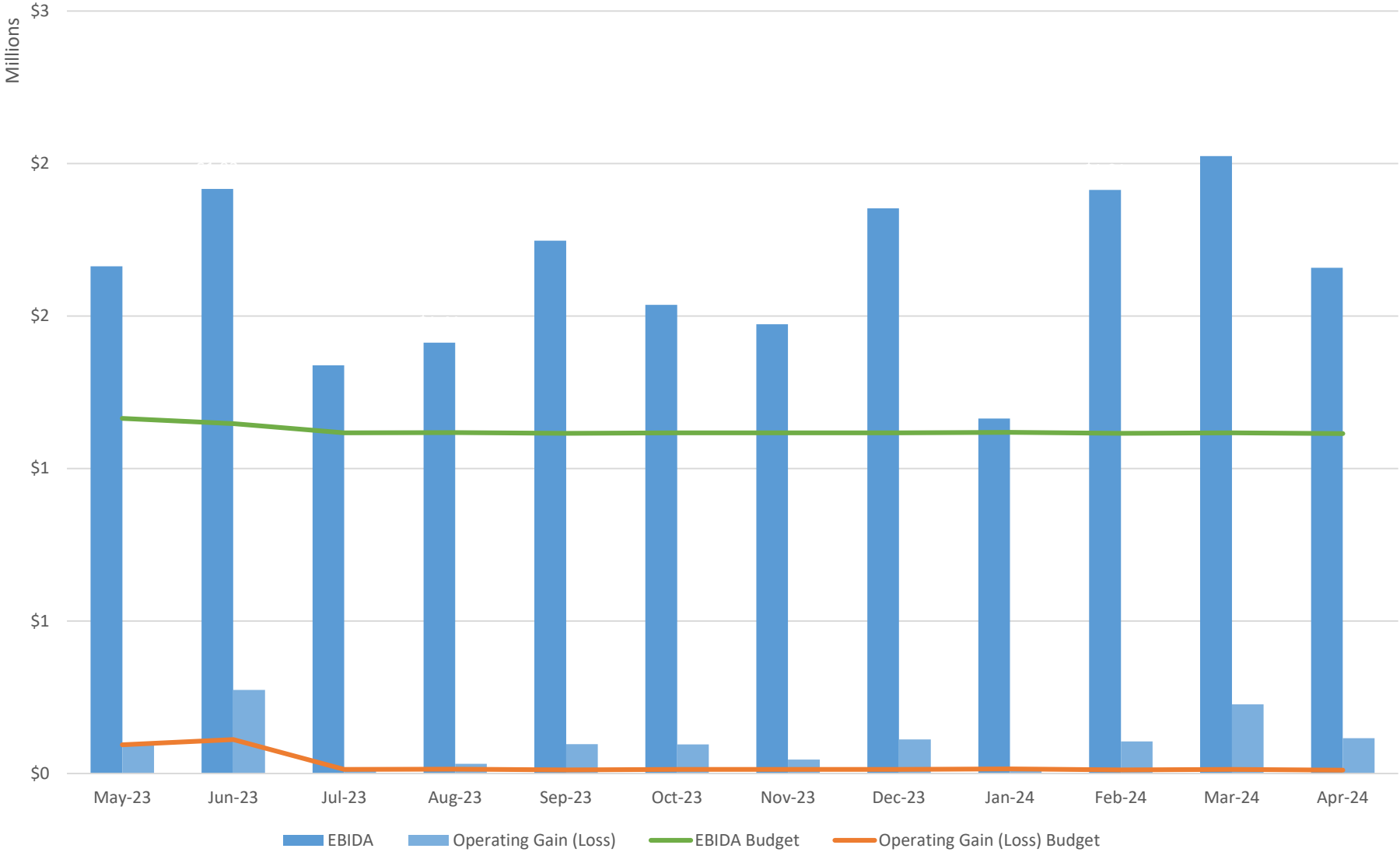


## Operating Metrics

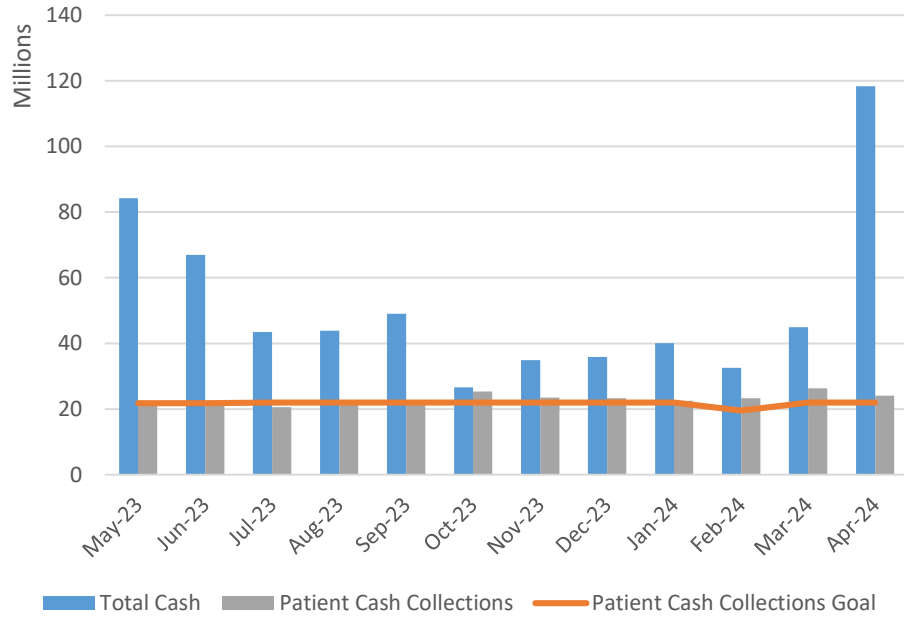


|                       | May-23   | Jun-23   | Jul-23   | Aug-23   | Sep-23   | Oct-23   | Nov-23   | Dec-23   | Jan-24   | Feb-24   | Mar-24   | Apr-24   |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Supply Expense per AA | \$3,497  | \$3,473  | \$3,502  | \$3,775  | \$3,809  | \$3,038  | \$3,303  | \$3,161  | \$2,910  | \$3,383  | \$3,803  | \$3,223  |
| Pharm Cost per AA     | \$948    | \$1,115  | \$1,104  | \$1,047  | \$978    | \$866    | \$932    | \$904    | \$865    | \$1,011  | \$1,023  | \$877    |
| Net Revenue Per AA    | \$16,224 | \$14,857 | \$17,893 | \$17,150 | \$18,258 | \$15,875 | \$16,817 | \$15,020 | \$15,012 | \$16,073 | \$15,992 | \$14,649 |
| Budget Supp/AA        | \$3,145  | \$3,153  | \$3,891  | \$3,590  | \$3,606  | \$3,589  | \$3,606  | \$3,589  | \$3,589  | \$3,621  | \$3,590  | \$3,610  |
| Budget Pharm/AA       | \$1,126  | \$1,127  | \$1,310  | \$1,210  | \$1,210  | \$1,210  | \$1,210  | \$1,210  | \$1,211  | \$999    | \$1,210  | \$1,210  |
| Budget Net Rev/AA     | \$12,624 | \$12,661 | \$16,765 | \$15,413 | \$15,234 | \$15,361 | \$15,235 | \$15,361 | \$15,341 | \$15,077 | \$15,368 | \$15,272 |

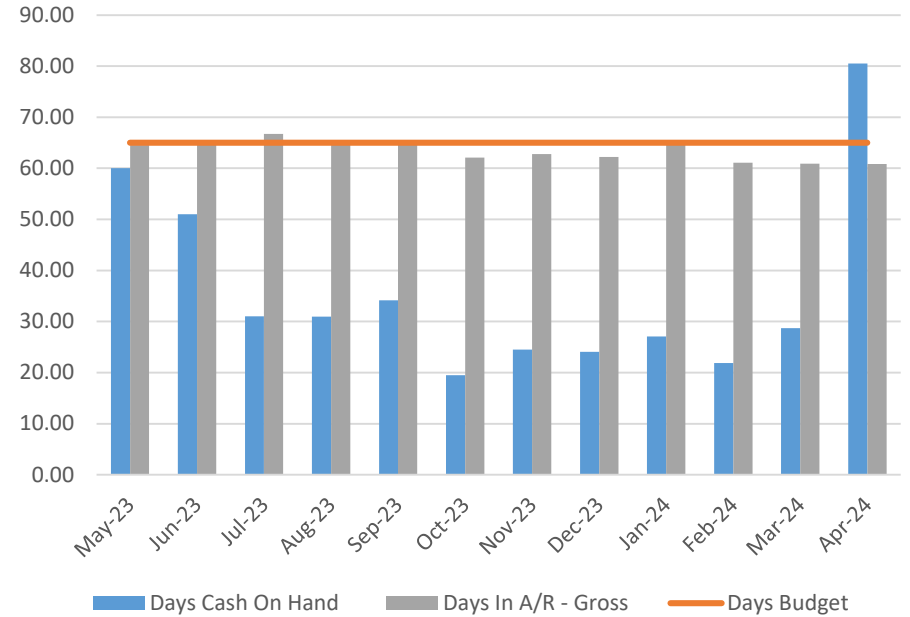
# EBIDA Rolling Year



### Cash Rolling Year



### AR Days Rolling Year



**KERN MEDICAL**  
**3-Month Trend Analysis: Revenue & Expense**  
 April 30, 2024

|   |                |                |                | BUDGET        | VARIANCE  | PY             |
|---|----------------|----------------|----------------|---------------|-----------|----------------|
|   | FEBRUARY       | MARCH          | APRIL          | MARCH         | POS (NEG) | APRIL          |
| <b>Gross Patient Revenue</b>  | \$ 106,581,614 | \$ 106,848,155 | \$ 107,205,718 | \$ 94,866,185 | 13%       | \$ 91,861,816  |
| Contractual Deductions  | (83,529,937)   | (82,982,438)   | (84,138,267)   | (72,739,607)  | 16%       | (73,257,197)   |
| <b>Net Revenue</b>  | 23,051,677     | 23,865,717     | 23,067,451     | 22,126,578    | 4%        | 18,604,618     |
| Indigent Funding  | 17,455,758     | 17,905,758     | 17,055,758     | 14,338,567    | 19%       | 13,208,613     |
| Correctional Medicine   | 2,847,714      | 2,847,714      | 2,847,714      | 2,651,620     | 7%        | 2,608,481      |
| County Contribution   | 285,211        | 285,211        | 285,677        | 282,447       | 1%        | 285,211        |
| Incentive Funding   | 0              | 0              | 0              | 425,000       | (100%)    | 0              |
| <b>Net Patient Revenue</b>  | 43,640,360     | 44,904,400     | 43,256,599     | 39,824,212    | 9%        | 34,706,923     |
| Other Operating Revenue   | 1,397,777      | 2,559,086      | 2,458,814      | 2,428,863     | 1%        | 5,905,366      |
| Other Non-Operating Revenue   | 11,379         | 9,568          | 11,076         | 13,060        | (15%)     | 12,929         |
| <b>Total Revenue</b>  | 45,049,515     | 47,473,054     | 45,726,489     | 42,266,136    | 8%        | 40,625,217     |
| <b>Expenses</b>   |                |                |                |               |           |                |
| Salaries  | 19,547,347     | 20,494,366     | 19,770,883     | 17,621,430    | 12%       | 17,806,622     |
| Employee Benefits   | 8,529,071      | 8,588,794      | 8,305,515      | 7,392,074     | 12%       | 5,451,241      |
| Registry  | 2,701,171      | 2,897,840      | 2,681,965      | 2,780,991     | (3.6%)    | 2,543,355      |
| Medical Fees  | 2,333,226      | 2,415,587      | 2,570,621      | 1,991,696     | 29%       | 2,178,445      |
| Other Professional Fees   | 1,206,164      | 963,743        | 1,112,762      | 2,033,569     | (45%)     | 2,018,576      |
| Supplies  | 4,851,734      | 5,675,359      | 5,074,477      | 5,230,934     | (3%)      | 4,656,681      |
| Purchased Services  | 2,185,515      | 2,481,536      | 2,660,121      | 2,422,027     | 10%       | 2,802,492      |
| Other Expenses  | 1,781,942      | 1,931,575      | 1,891,663      | 1,678,508     | 13%       | 1,802,883      |
| Operating Expenses  | 43,136,171     | 45,448,801     | 44,068,006     | 41,151,228    | 7.1%      | 39,260,295     |
| Earnings Before Interest, Depreciation,<br>and Amortization (EBIDA) | \$ 1,913,344   | \$ 2,024,253   | \$ 1,658,483   | \$ 1,114,907  | 49%       | \$ 1,364,923   |
| EBIDA Margin  | 4%             | 4%             | 4%             | 3%            | 37%       | 3%             |
| Interest  | 384,252        | 360,189        | 200,050        | 117,423       | 70%       | 336,884        |
| Depreciation  | 725,583        | 738,996        | 644,627        | 699,368       | (8%)      | 824,011        |
| Amortization  | 697,970        | 697,970        | 697,970        | 286,579       | 144%      | 1,234,592      |
| Total Expenses  | 44,943,976     | 47,245,955     | 45,610,653     | 42,254,598    | 8%        | 41,655,782     |
| <b>Operating Gain (Loss)</b>  | \$ 105,539     | \$ 227,099     | \$ 115,837     | \$ 11,537     | 904%      | \$ (1,030,565) |
| <b>Operating Margin</b>   | 0.23%          | 0.48%          | 0.25%          | 0.03%         | 828.0%    | (2.5%)         |

**KERN MEDICAL**  
**Year to Date Analysis: Revenue & Expense**  
 April 30, 2024

|   | ACTUAL           | BUDGET         | VARIANCE  | PY             | PY VARIANCE |
|---|------------------|----------------|-----------|----------------|-------------|
|   | FYTD             | FYTD           | POS (NEG) | FYTD           | POS (NEG)   |
| <b>Gross Patient Revenue</b>  | \$ 1,056,090,705 | \$ 971,084,683 | 9%        | \$ 947,241,241 | 11%         |
| Contractual Deductions  | (815,065,433)    | (743,420,961)  | 10%       | (724,639,708)  | 12%         |
| <b>Net Revenue</b>  | 241,025,272      | 227,663,722    | 6%        | 222,601,533    |             |
| Indigent Funding  | 163,197,831      | 143,385,671    | 13.8%     | 140,872,198    | 16%         |
| Correctional Medicine   | 28,477,137       | 26,516,198     | 7%        | 25,799,133     | 10%         |
| County Contribution   | 2,852,575        | 2,824,472      | 1%        | 2,852,109      | 0%          |
| Incentive Funding   | 0                | 4,250,000      | (100%)    | 1,404,200      | 0%          |
| <b>Net Patient Revenue</b>  | 435,552,815      | 404,640,063    | 8%        | 393,529,172    | 11%         |
| Other Operating Revenue   | 19,243,896       | 24,288,634     | (21%)     | 27,785,100     | (31%)       |
| Other Non-Operating Revenue   | 178,067          | 130,600        | 36%       | 132,725        | 34%         |
| <b>Total Revenue</b>  | 454,974,778      | 429,059,298    | 6%        | 421,446,997    | 8%          |
| <b>Expenses</b>   |                  |                |           |                |             |
| Salaries  | 199,478,587      | 179,238,339    | 11.3%     | 172,318,828    | 16%         |
| Employee Benefits   | 83,452,117       | 75,190,576     | 11.0%     | 70,296,217     | 19%         |
| Registry  | 25,774,067       | 28,522,865     | (10%)     | 29,444,095     | (12%)       |
| Medical Fees  | 22,557,302       | 19,916,958     | 13%       | 21,112,548     | 7%          |
| Other Professional Fees   | 14,122,900       | 20,335,688     | (31%)     | 20,757,191     | (32%)       |
| Supplies  | 50,209,544       | 53,482,039     | (6%)      | 50,685,581     | (1%)        |
| Purchased Services  | 25,805,706       | 24,419,828     | 6%        | 25,137,151     | 3%          |
| Other Expenses  | 17,453,322       | 16,785,076     | 4%        | 16,829,706     | 4%          |
| Operating Expenses  | 438,853,545      | 417,891,370    | 5%        | 406,581,317    | 8%          |
| Earnings Before Interest, Depreciation,<br>and Amortization (EBIDA) | \$ 16,121,233    | \$ 11,167,928  | 44%       | \$ 14,865,680  | 8%          |
| EBIDA Margin  | 4%               | 3%             | 36%       | 4%             | 0%          |
| Interest  | 2,492,892        | 1,174,231      | 112%      | 1,654,071      | 51%         |
| Depreciation  | 7,031,179        | 6,993,677      | 1%        | 7,120,348      | (1%)        |
| Amortization  | 5,726,267        | 2,865,789      | 100%      | 4,830,087      | 19%         |
| Total Expenses  | 454,103,883      | 428,925,067    | 6%        | 420,185,823    | 8%          |
| <b>Operating Gain (Loss)</b>  | \$ 870,895       | \$ 134,231     | 549%      | \$ 1,261,174   | (31%)       |
| <b>Operating Margin</b>   | 0.2%             | 0.0%           | 511.8%    | 0.3%           | (36%)       |

**KERN MEDICAL  
BALANCE SHEET**

|   | APRIL 2024            | APRIL 2023            |
|---|-----------------------|-----------------------|
| <b>ASSETS:</b>                                      |                       |                       |
| <i>Total Cash</i>                                   | \$ 118,283,174        | \$ 108,891,003        |
| Patient Receivables Subtotal                        | 231,688,774           | 237,324,329           |
| Contractual Subtotal                                | (180,450,902)         | (180,586,979)         |
| <b><i>Net Patient Receivable</i></b>                | <b>51,237,872</b>     | <b>56,737,350</b>     |
| Total Indigent Receivable                           | 168,517,736           | 177,013,039           |
| Total Other Receivable                              | 13,346,568            | 10,329,186            |
| Total Prepaid Expenses                              | 7,210,158             | 5,837,992             |
| Total Inventory                                     | 5,644,427             | 5,201,643             |
| <b><i>Total Current Assets</i></b>                  | <b>364,239,935</b>    | <b>364,010,213</b>    |
| Deferred Outflows of Resources                      | 112,536,013           | 105,241,458           |
| Total Land, Equipment, Buildings and Intangibles    | 267,848,075           | 243,031,611           |
| Total Construction in Progress                      | 8,685,629             | 10,735,260            |
| <b><i>Total Property, Plant &amp; Equipment</i></b> | <b>276,533,704</b>    | <b>253,766,871</b>    |
| Total Accumulated Depr & Amortization               | (167,217,556)         | (152,509,211)         |
| <b><i>Net Property, Plant, and Equipment</i></b>    | <b>109,316,148</b>    | <b>101,257,660</b>    |
| <b><i>Total Long Term Assets</i></b>                | <b>112,536,013</b>    | <b>105,241,458</b>    |
| <b><i>Total Assets</i></b>                          | <b>\$ 586,092,095</b> | <b>\$ 570,509,331</b> |



**KERN MEDICAL  
BALANCE SHEET**

|  | APRIL 2024            | APRIL 2023            |
|--|-----------------------|-----------------------|
| <b>LIABILITIES &amp; EQUITY:</b>                 |                       |                       |
| Total Accounts Payable                           | \$ 9,144,330          | \$ 14,247,844         |
| Total Accrued Compensation                       | 25,679,326            | 31,702,097            |
| Total Due Government Agencies                    | 3,663,959             | 14,611,925            |
| Total Other Accrued Liabilities                  | 53,612,466            | 28,013,065            |
| <b><i>Total Current Liabilities</i></b>          | <b>92,100,081</b>     | <b>88,574,931</b>     |
| Unfunded Pension Liability                       | 345,399,109           | 284,243,193           |
| Other Long-Term Liabilities                      | 81,058,102            | 130,256,249           |
| <b><i>Total Long-Term Liabilities</i></b>        | <b>426,457,211</b>    | <b>414,499,442</b>    |
| <b><i>Total Liabilities</i></b>                  | <b>518,557,292</b>    | <b>503,074,373</b>    |
| Fund Balance                                     | 36,714,022            | 36,714,022            |
| Retained Earnings                                | 30,820,782            | 30,720,936            |
| <b><i>Total Fund Balance</i></b>                 | <b>67,534,803</b>     | <b>67,434,958</b>     |
| <b><i>Total Liabilities and Fund Balance</i></b> | <b>\$ 586,092,095</b> | <b>\$ 570,509,331</b> |

**KERN MEDICAL  
STATEMENT OF CASH FLOWS**

|   | <u>Fiscal Year-to-Date<br/>April 2024</u> | <u>Fiscal Year-End<br/>June 2023</u> |
|---|---|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |   |                                      |
| Cash received for patient/current services                      | \$ 243,203,044                            | \$ 264,388,064                       |
| Cash received for other operations                              | 233,643,859                               | 236,708,950                          |
| Cash paid for salaries and benefits                             | (277,943,279)                             | (202,912,375)                        |
| Cash paid for services and supplies                             | <u>(153,860,186)</u>                      | <u>(292,069,170)</u>                 |
| Net cash (used in) provided by operating activities             | <u>45,043,438</u>                         | <u>6,115,469</u>                     |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>          |   |                                      |
| 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>20,000,000</u>                         | <u>-</u>                             |
| Net cash provided by (used in) noncapital financing activities  | <u>20,000,000</u>                         | <u>(1,496,195)</u>                   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |   |                                      |
| Acquisition or construction of capital assets                   | (17,571,703)                              | (12,141,601)                         |
| Payments on right-of-usage lease liability                      | 4,356,675                                 | (3,034,901)                          |
| Interest paid - right-of-usage lease liability                  | 32,676                                    |                                      |
| Payments on SBITA liability                                     | (501,433)                                 | (782,410)                            |
| Interest paid - SBITA   | <u>2,217</u>                              | <u>-</u>                             |
| Net cash used by capital and related financing activities       | <u>(13,681,568)</u>                       | <u>(15,958,912)</u>                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |   |                                      |
| Interest on bank deposits and investments                       | <u>-</u>                                  | <u>181,109</u>                       |
| <b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>     | 51,361,870                                | (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>\$ 118,283,174</u>                     | <u>\$ 66,921,303</u>                 |