

**PROSPECT MEDICAL HOLDINGS  
EAST ORANGE GENERAL HOSPITAL**

**FINANCIAL STATEMENTS**

**JUNE 2017**

**East Orange General Hospital**  
**Balance Sheet**  
**As of June 30, 2017**  
**(Internally Prepared - Unaudited)**  
**Actual**



	<u>Jun-17</u>
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ (364,139)
Patient Accts Receivable, net of allowance for doubtful accunts	12,800,032
Other Accounts Receivable	125,864
Government program receivables	1,737,771
Grant Receivable	4,736,118
Intercompany	(21,100,760)
Due from Foundation	277,050
Supplies Inventory	1,279,323
Prepaid Exp & Other Curr Assets	2,552,799
<b>Total Current Assets</b>	<b>\$ 2,044,057</b>
<b>Fixed Assets</b>	
Property, Improvements & Equipment	\$ 47,538,896
Accumulated Depreciation	(6,013,808)
<b>Net Fixed Assets</b>	<b>\$ 41,525,087</b>
Intangible, net of accumulated amortization	\$ 2,099,933
Goodwill - Prospect EOGH	3,964,420
Other Assets	166,068
<b>Total Assets</b>	<b>\$ 49,799,565</b>
<b>Current Liabilities</b>	
Accounts Payable	\$ 5,220,539
Accrued Comp / Benefits	3,472,445
Accrued Expenses & Other	2,225,674
Deferred revenue	21,250
Due to Government Payer	3,907,705
Curr Portion of Capital Leases	531,140
Cure Liability	161,793
<b>Total Current Liabilities</b>	<b>\$ 15,540,545</b>
<b>Non-Current Liabilities</b>	
Malpractice Reserve	\$ 2,223,000
Capital Leases, net of current portion	297,440
Other Long -Term Liability	4,384,302
<b>Total Non-Current Liabilites</b>	<b>\$ 6,904,742</b>
<b>Stockholders' Equity in net Assets</b>	
Additional Paid in Capital	\$ 32,718,610.34
Retained Earnings prior year	145,956
Retained Earning current year	(5,510,288)
<b>Total Stockholders' Equity in Net Assets</b>	<b>\$ 27,354,279</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 49,799,566</b>

**East Orange General Hospital**  
**Income Statement**  
**For the Period Ended June 30, 2017**  
**(Internally Prepared - Unaudited)**  
**Actual**



	FYTD Jun-17	MTD Jun-17
<b>Revenue</b>		
Net patient service revenue	\$ 72,685,488	\$ 9,125,507
Less: Provision for doubtful accounts	(3,189,636)	(604,528)
<b>Patient Service Revenue</b>	<b>\$ 69,495,852</b>	<b>\$ 8,520,979</b>
Other Revenue	\$ 108,120	\$ 13,317
Grants	1,867,826	187,891
Other Hospital Service Revenue	174,719	16,900
<b>Total Revenue</b>	<b>\$ 71,646,517</b>	<b>\$ 8,739,086</b>
<b>Operating Expenses</b>		
Salary and Wages and Per diem Help	\$ 32,363,203	\$ 3,470,907
Employee benefits	7,485,015	841,235
Grants	1,634,018	191,896
Supplies Expense	6,683,450	695,232
Lease and rental expense	154,713	13,276
Professional Fees	1,480,367	185,328
Registry	475,406	32,374
Purchased Services	8,416,115	1,016,661
<b>Total Operating Expenses</b>	<b>\$ 58,692,288</b>	<b>\$ 6,446,908</b>
<b>Operating Margin</b>	<b>\$ 12,954,229</b>	<b>\$ 2,292,179</b>
<b>General and Administrative Expenses</b>		
Professional Fees Non-Medical	\$ 584,413	\$ 43,734
Supplies - Other	2,174,247	248,230
Repairs & Maintenance	3,451,956	368,645
Utilities	1,059,349	94,319
Professional Liability Ins.	288,540	29,929
Insurance - Other	491,760	55,246
Purchased Services	722,877	88,335
Property Taxes & Other	995,931	95,825
Management Fees	3,081,016	345,155
Other Expenses	1,509,216	124,215
Marketing	7,981	44
Travel & Business Development	104,217	14,368
<b>Total General and Administrative Expenses</b>	<b>\$ 14,471,502</b>	<b>\$ 1,508,045</b>
<b>EBITDA</b>	<b>\$ (1,517,274)</b>	<b>\$ 784,134</b>

**Depreciation and Amortiation**

Depreciation Expense	\$	3,455,920	\$	382,338
Amortization Expense		181,725		20,192
<b>Total Deprec, Amort</b>	<b>\$</b>	<b>3,637,646</b>	<b>\$</b>	<b>402,530</b>

**Net Operating Income**

<b>\$</b>	<b>(5,154,919)</b>	<b>\$</b>	<b>381,604</b>
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Interest Expense	\$	333,206.93	\$	48,444.83
Other (Income)/Expense		22,162		494

**Net Income Before Income Taxes**

<b>\$</b>	<b>(5,510,288)</b>	<b>\$</b>	<b>332,665</b>
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Provision for Income Taxes

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**Net Income After Taxes**

<b>\$</b>	<b>(5,510,288)</b>	<b>\$</b>	<b>332,665</b>
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