

**PROSPECT MEDICAL HOLDINGS  
EAST ORANGE GENERAL HOSPITAL**

**FINANCIAL STATEMENTS**

**MARCH 2018**

**East Orange General Hospital**  
**Balance Sheet**  
**As of March 31, 2018**  
**(Internally Prepared - Unaudited)**  
**Actual**



	<u>Mar-18</u>
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,188,400
Patient Accts Receivable, net of allowance for doubtful accunts	17,714,659
Other Accounts Receivable	220,059
Government program receivables	536,993
Grant Receivable	2,024,278
Intercompany	(36,762,691)
Supplies Inventory	1,202,575
Prepaid Exp & Other Curr Assets	3,198,155
<b>Total Current Assets</b>	<b>\$ (10,677,572)</b>
<b>Fixed Assets</b>	
Property, Improvements & Equipment	\$ 55,134,011
Accumulated Depreciation	(9,219,021)
<b>Net Fixed Assets</b>	<b>\$ 45,914,989</b>
Intangible, net of accumulated amortization	\$ 1,918,208
Goodwill - Prospect EOGH	4,571,628
Other Assets	163,410
<b>Total Assets</b>	<b>\$ 41,890,663</b>
<b>Current Liabilities</b>	
Accounts Payable	\$ 5,644,345
Accrued Comp / Benefits	4,601,871
Accrued Expenses & Other	(1,027,002)
Deferred revenue	38,945
Due to Government Payer	2,298,796
Curr Portion of Capital Leases	456,963
<b>Total Current Liabilities</b>	<b>\$ 12,013,918</b>
<b>Non-Current Liabilities</b>	
Malpractice Reserve	\$ 2,850,000
Capital Leases, net of current portion	588,327
Other Long -Term Liability	3,402,102
<b>Total Non-Current Liabilites</b>	<b>\$ 6,840,429</b>
<b>Stockholders' Equity in net Assets</b>	
Additional Paid in Capital	\$ 32,718,610
Retained Earnings prior year	(5,930,338)
Retained Earning current year	(3,751,955)
<b>Total Stockholders' Equity in Net Assets</b>	<b>\$ 23,036,317</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 41,890,664</b>

**East Orange General Hospital**  
**Income Statement**  
**For the Period Ended March 31, 2018**  
**(Internally Prepared - Unaudited)**  
**Actual**  
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	<b>FYTD Mar-18</b>	<b>MTD Mar-18</b>
<b>Revenue</b>		
Net patient service revenue	\$ 50,661,103	\$ 8,150,054
Less: Provision for doubtful accounts	(3,753,508)	(557,697)
<b>Patient Service Revenue</b>	<b>\$ 46,907,595</b>	<b>\$ 7,592,356</b>
Other Revenue	\$ 303,937	\$ 75,573
Grant Revenue	489,137	47,630
Other Hospital Service Revenue	112,705	20,890
<b>Total Revenue</b>	<b>\$ 47,813,375</b>	<b>\$ 7,736,450</b>
<b>Operating Expenses</b>		
Salary and Wages and Per diem Help	\$ 21,863,648	\$ 3,488,583
Employee benefits	3,392,317	848,568
Grant Expenses	801,549	70,778
Supplies Expense	4,164,330	724,579
Lease and rental expense	174,524	47,356
Professional Fees	4,889,185	910,661
Registry	571,920	97,804
Purchased Services	1,610,141	264,423
<b>Total Operating Expenses</b>	<b>\$ 37,467,614</b>	<b>\$ 6,452,751</b>
<b>Operating Margin</b>	<b>\$ 10,345,761</b>	<b>\$ 1,283,698</b>
<b>General and Administrative Expenses</b>		
Professional Fees Non-Medical	\$ 738,157	\$ 129,159
Supplies - Other	1,683,098	178,649
Repairs & Maintenance	2,389,953	284,181
Utilities	839,956	149,157
Professional Liability Ins.	31,188	-
Insurance - Other	323,059	47,668
Purchased Services	788,064	78,109
Property Taxes & Other	383,105	80,271
Management Fees	2,785,172	546,542
Other Expenses	1,112,874	190,045
Marketing	566	36
Travel & Business Development	70,294	8,622
<b>Total General and Administrative Expenses</b>	<b>\$ 11,145,485</b>	<b>\$ 1,692,440</b>
<b>EBITDA</b>	<b>\$ (799,723)</b>	<b>\$ (408,742)</b>

**East Orange General Hospital**  
**Income Statement**  
**For the Period Ended March 31, 2018**  
**(Internally Prepared - Unaudited)**  
**Actual**  
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**Depreciation and Amortiation**

Depreciation Expense	\$ 2,523,195	\$ 487,788
Amortization Expense	121,150	20,192
<b>Total Deprec, Amort</b>	<b>\$ 2,644,345</b>	<b>\$ 507,979</b>
<b>Net Operating Income</b>	<b>\$ (3,444,068)</b>	<b>\$ (916,721)</b>
Interest Expense	\$ 250,504	\$ 30,735
Other (Income)/Expense	57,381	\$ 11,084
<b>Net Income Before Income Taxes</b>	<b>\$ (3,751,954)</b>	<b>\$ (958,540)</b>
Provision for Income Taxes		
<b>Net Income After Taxes</b>	<b>\$ (3,751,954)</b>	<b>\$ (958,540)</b>

**East Orange General Hospital  
Operating Statistics  
March 31, 2018**

	MTD	YTD
<b>ADMISSIONS</b>		
Actual 2018	529	3,194
Actual 2017	533	3,128
Variance	(4)	66
<b>PATIENT DAYS</b>		
Actual 2018	3,099	16,970
Actual 2017	3,165	18,080
Variance	(66)	(1,110)
<b>ALOS per Adms</b>		
Actual 2018	5.9	5.3
Actual 2017	5.9	5.8
Variance	-	(0.5)
<b>ALOS per Dsch</b>		
Actual 2018	5.2	5.5
Actual 2017	5.4	5.2
Variance	(0.2)	0.3
<b>SAME DAY SURGERY</b>		
Actual 2018	135	847
Actual 2017	192	757
Variance	(57)	90
<b>SAME DAY ENDOSCOPY</b>		
Actual 2018	91	674
Actual 2017	145	627
Variance	(54)	47
<b>TOTAL OCCUPANCY RATE (%) Staffed</b>		
Actual 2018	60%	56%
Actual 2017	62%	60%
Variance	-2%	-4%
Occupancy % Acute staffed	57%	54%
Occupancy % Psych staffed	71%	63%
<b>Observation</b>		
Actual 2018	41	218
Actual 2017	46	281
Variance	(5)	(63)
<b>NET E.R. VISITS</b>		
Actual 2018	2,863	17,445
Actual 2017	3,170	18,412
Variance	(307)	(967)
<b>E.R. ADMITS Acute</b>		
Actual	401	2,750
% / Admissions	76%	86%
<b>E.R. ADMITS Psych</b>		
Actual	40	346
% / Admissions	8%	11%
<b>Interventional Radiology Procedures</b>		
Actual 2018	10	60
Actual 2017	12	69
Variance	(2)	(9)
Licensed Beds	212	212
Operating Beds	166	166
Licensed Acute Beds	175	175
Operating Acute Bed	129	129
Licensed Psych Beds	37	37
Operating Psych Beds	37	37