

**PROSPECT MEDICAL HOLDINGS
EAST ORANGE GENERAL HOSPITAL**

FINANCIAL STATEMENTS

DECEMBER 2016

East Orange General Hospital
Balance Sheet
As of December 31, 2016
(Internally Prepared - Unaudited)
Actual



| | <u>Dec-16</u> |
|---|----------------------|
| Current Assets | |
| Cash and Cash Equivalents | \$ (1,237,465) |
| Patient Accts Receivable, net of allowance for doubtful accunts | 12,747,195 |
| Other Accounts Receivable | 180,421 |
| Government program receivables | 414,460 |
| Grant Receivable | 2,028,423 |
| Intercompany | (2,988,079) |
| Due from Foundation | 277,050 |
| Supplies Inventory | 1,324,788 |
| Prepaid Exp & Other Curr Assets | 1,440,681 |
| Total Current Assets | \$ 14,187,473 |
| Fixed Assets | |
| Property, Improvements & Equipment | \$ 43,641,736 |
| Accumulated Depreciation | (3,624,667) |
| Net Fixed Assets | \$ 40,017,068 |
| Intangible, net of accumulated amortization | \$ 2,221,083 |
| Goodwill - Prospect EOGH | 3,531,217 |
| Other Assets | 66,536 |
| Total Assets | \$ 60,023,377 |
| Current Liabilities | |
| Accounts Payable | \$ 8,151,152 |
| Accrued Comp / Benefits | 3,138,954 |
| Accrued Expenses & Other | 3,885,982 |
| Deferred revenue | 6,616 |
| Due to Government Payer | 6,817,349 |
| Curr Portion of Capital Leases | 704,739 |
| Cure Liability | 122,605 |
| Total Current Liabilities | \$ 22,827,397 |
| Non-Current Liabilities | |
| Malpractice Reserve | \$ 2,223,000 |
| Capital Leases, net of current portion | 304,810 |
| Other Long -Term Liability | 4,384,302 |
| Total Non-Current Liabilites | \$ 6,912,112 |
| Stockholders' Equity in net Assets | |
| Additional Paid in Capital | \$ 32,718,610 |
| Retained Earnings prior year | 145,956 |
| Retained Earning current year | (2,580,699) |
| Total Stockholders' Equity in Net Assets | \$ 30,283,868 |
| Total Liabilities and Stockholders' Equity | \$ 60,023,377 |

East Orange General Hospital
Income Statement
For the Period Ended December 31, 2016
(Internally Prepared - Unaudited)
Actual



| | FYTD Dec-16 | MTD Dec-16 |
|--|-----------------------|---------------------|
| Revenue | | |
| Net patient service revenue | \$ 23,487,800 | \$ 8,028,545 |
| Less: Provision for doubtful accounts | (1,214,714) | (567,965) |
| Patient Service Revenue | \$ 22,273,086 | \$ 7,460,579 |
| Other Revenue | \$ 51,693 | \$ 3,947 |
| Grants | 730,716 | 290,775 |
| Other Hospital Service Revenue | 55,163 | 18,595 |
| Total Revenue | \$ 23,110,658 | \$ 7,773,896 |
| Operating Expenses | | |
| Salary and Wages and Per diem Help | \$ 10,854,104 | \$ 3,626,662 |
| Employee benefits | 2,580,559 | 622,114 |
| Grants | 547,073 | 162,670 |
| Supplies Expense | 2,244,571 | 794,551 |
| Lease and rental expense | 65,396 | 14,907 |
| Professional Fees | 468,045 | 146,881 |
| Registry | 233,454 | 103,896 |
| Purchased Services | 2,550,778 | 889,540 |
| Total Operating Expenses | \$ 19,543,980 | \$ 6,361,221 |
| Operating Margin | \$ 3,566,679 | \$ 1,412,674 |
| General and Administrative Expenses | | |
| Professional Fees Non-Medical | \$ 271,087 | \$ 73,945 |
| Supplies - Other | 713,280 | 235,605 |
| Repairs & Maintenance | 1,232,925 | 386,907 |
| Utilities | 340,679 | 128,569 |
| Professional Liability Ins. | 100,627 | 33,542 |
| Insurance - Other | 166,229 | 54,612 |
| Purchased Services | 265,911 | 73,381 |
| Property Taxes & Other | 344,620 | 63,382 |
| Management Fees | 967,476 | 385,124 |
| Other Expenses | 538,875 | 182,308 |
| Marketing | 9,402 | 1,780 |
| Travel & Business Development | 33,287 | 8,186 |
| Total General and Administrative Expenses | \$ 4,984,398 | \$ 1,627,341 |
| EBITDA | \$ (1,417,719) | \$ (214,667) |

| | | |
|---------------------------------------|-----------------------|---------------------|
| Depreciation and Amortiation | | |
| Depreciation Expense | \$ 1,066,779 | \$ 359,546 |
| Amortization Expense | 60,575 | 60,575 |
| Total Deprec, Amort | \$ 1,127,354 | \$ 420,121 |
| Net Operating Income | \$ (2,545,073) | \$ (634,788) |
| Interest Expense | \$ 1,647 | \$ 58,662 |
| Other (Income)/Expense | 33,979 | 846 |
| Net Income Before Income Taxes | \$ (2,580,699) | \$ (694,296) |
| Provision for Income Taxes | | |
| Net Income After Taxes | \$ (2,580,699) | \$ (694,296) |