

**PROSPECT MEDICAL HOLDINGS
EAST ORANGE GENERAL HOSPITAL**

FINANCIAL STATEMENTS

SEPTEMBER 2017

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



	<u>Sep-17</u>
Current Assets	
Cash and Cash Equivalents	\$ (346,963)
Patient Accts Receivable, net of allowance for doubtful accunts	17,312,496
Other Accounts Receivable	229,130
Government program receivables	2,286,097
Grant Receivable	3,673,050
Intercompany	(24,483,835)
Supplies Inventory	1,113,874
Prepaid Exp & Other Curr Assets	1,228,097
Total Current Assets	\$ 1,011,946
Fixed Assets	
Property, Improvements & Equipment	\$ 49,463,039
Accumulated Depreciation	(7,133,006)
Net Fixed Assets	\$ 42,330,034
Intangible, net of accumulated amortization	\$ 2,039,358
Goodwill - Prospect EOGH	4,571,628
Other Assets	166,068
Total Assets	\$ 50,119,034
Current Liabilities	
Accounts Payable	\$ 5,959,796
Accrued Comp / Benefits	4,224,322
Accrued Expenses & Other	3,708,358
Deferred revenue	185,850
Due to Government Payer	4,242,605
Curr Portion of Capital Leases	447,596
Total Current Liabilities	\$ 18,768,527
Non-Current Liabilities	
Malpractice Reserve	\$ 2,850,000
Capital Leases, net of current portion	217,123
Other Long -Term Liability	3,402,102
Total Non-Current Liabilites	\$ 6,469,225
Stockholders' Equity in net Assets	
Additional Paid in Capital	\$ 32,718,610
Retained Earnings prior year	145,956
Retained Earning current year	(7,983,283)
Total Stockholders' Equity in Net Assets	\$ 24,881,283
Total Liabilities and Stockholders' Equity	\$ 50,119,035

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



	FYTD Sep-17	MTD Sep-17
Revenue		
Net patient service revenue	\$ 97,899,869	\$ 8,853,140
Less: Provision for doubtful accounts	(5,150,463)	(768,651)
Patient Service Revenue	\$ 92,749,406	\$ 8,084,489
Other Revenue	\$ 698,569	\$ 565,265
Grants	2,427,065	186,411
Other Hospital Service Revenue	230,655	18,511
Total Revenue	\$ 96,105,694	\$ 8,854,675
Operating Expenses		
Salary and Wages and Per diem Help	\$ 43,124,731	\$ 3,550,078
Employee benefits	9,838,948	1,335,683
Grants	2,223,046	188,986
Supplies Expense	8,009,229	163,644
Lease and rental expense	210,047	13,631
Professional Fees	1,961,751	153,218
Registry	495,411	(121,203)
Purchased Services	11,539,303	1,284,252
Total Operating Expenses	\$ 77,402,467	\$ 6,568,289
Operating Margin	\$ 18,703,228	\$ 2,286,386
General and Administrative Expenses		
Professional Fees Non-Medical	\$ 948,858	\$ 123,053
Supplies - Other	2,982,015	300,996
Repairs & Maintenance	4,819,194	503,720
Utilities	1,446,794	126,719
Professional Liability Ins.	382,202	29,929
Insurance - Other	700,837	99,245
Purchased Services	1,446,058	245,481
Property Taxes & Other	1,568,620	103,314
Management Fees	4,882,414	987,303
Other Expenses	2,003,662	164,141
Marketing	5,827	40
Travel & Business Development	129,041	9,962
Total General and Administrative Expenses	\$ 21,315,523	\$ 2,693,904
EBITDA	\$ (2,612,295)	\$ (407,518)

Depreciation and Amortiation

Depreciation Expense	\$ 4,575,117	\$ 405,207
Amortization Expense	242,300	20,192

Total Deprec, Amort

\$ 4,817,418 \$ 425,399

Net Operating Income

\$ (7,429,713) \$ (832,916)

Interest Expense	\$ 471,784	\$ 45,789
Other (Income)/Expense	81,786	(167,456)

Net Income Before Income Taxes

\$ (7,983,283) \$ (711,250)

Provision for Income Taxes

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Net Income After Taxes

\$ (7,983,283) \$ (711,250)

**East Orange General Hospital
Operating Statistics
September 30, 2017**

	MTD	YTD
ADMISSIONS		
Actual 2017	464	6,119
Actual 2016	493	5,641
Variance	(29)	478
PATIENT DAYS		
Actual 2017	2,740	34,417
Actual 2016	3,057	33,706
Variance	(317)	711
ALOS per Adms		
Actual 2017	5.9	5.6
Actual 2016	6.2	6.0
Variance	0.4	0.4
ALOS per Dsch		
Actual 2017	5.5	5.6
Actual 2016	5.6	5.8
Variance	0.1	0.3
SAME DAY SURGERY		
Actual 2017	118	1,294
Actual 2016	110	1,206
Variance	8	88
SAME DAY ENDOSCOPY		
Actual 2017	107	1,161
Actual 2016	69	1,035
Variance	38	126
TOTAL OCCUPANCY RATE (%) Staffed		
Actual 2017	55%	57%
Actual 2016	61%	56%
Variance	-6%	1%
Occupancy % Acute staffed	49%	52%
Occupancy % Psych staffed	76%	75%
Observation		
Actual 2017	10	534
Actual 2016	37	635
Variance	(27)	(101)
NET E.R. VISITS		
Actual 2017	2,851	36,836
Actual 2016	2,991	33,811
Variance	(140)	3,025
E.R. ADMITS Acute		
Actual	352	4,640
% / Admissions	76%	76%
E.R. ADMITS Psych		
Actual	89	1,167
% / Admissions	19%	19%
Interventional Radiology Procedures		
Actual 2017	8	130
Actual 2016	14	91
Variance	(6)	39
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