

**PROSPECT MEDICAL HOLDINGS  
EAST ORANGE GENERAL HOSPITAL**

**FINANCIAL STATEMENTS**

**DECEMBER 2017**

**East Orange General Hospital**  
**Balance Sheet**  
**As of December 31, 2017**  
**(Internally Prepared - Unaudited)**  
**Actual**



	<u>Dec-17</u>
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 119,408
Patient Accts Receivable, net of allowance for doubtful accunts	16,309,267
Other Accounts Receivable	225,827
Government program receivables	37,312
Grant Receivable	1,721,370
Intercompany	(27,665,254)
Supplies Inventory	1,111,762
Prepaid Exp & Other Curr Assets	1,987,105
<b>Total Current Assets</b>	<b>\$ (6,153,202)</b>
<b>Fixed Assets</b>	
Property, Improvements & Equipment	\$ 52,105,187
Accumulated Depreciation	(7,890,008)
<b>Net Fixed Assets</b>	<b>\$ 44,215,178</b>
Intangible, net of accumulated amortization	\$ 1,978,783
Goodwill - Prospect EOGH	4,571,628
Other Assets	166,068
<b>Total Assets</b>	<b>\$ 44,778,455</b>
<b>Current Liabilities</b>	
Accounts Payable	\$ 6,164,097
Accrued Comp / Benefits	3,477,148
Accrued Expenses & Other	2,929,679
Deferred revenue	96,496
Due to Government Payer	2,031,778
Curr Portion of Capital Leases	326,259
<b>Total Current Liabilities</b>	<b>\$ 15,025,456</b>
<b>Non-Current Liabilities</b>	
Malpractice Reserve	\$ 2,850,000
Capital Leases, net of current portion	153,889
Other Long -Term Liability	3,402,102
<b>Total Non-Current Liabilites</b>	<b>\$ 6,405,991</b>
<b>Stockholders' Equity in net Assets</b>	
Additional Paid in Capital	\$ 32,718,610
Retained Earnings prior year	(7,837,327)
Retained Earning current year	(1,534,274)
<b>Total Stockholders' Equity in Net Assets</b>	<b>\$ 23,347,009</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 44,778,455</b>

**East Orange General Hospital**  
**Income Statement**  
**For the Period Ended December 31, 2017**  
**(Internally Prepared - Unaudited)**  
**Actual**



	<b>FYTD Dec-17</b>	<b>MTD Dec-17</b>
<b>Revenue</b>		
Net patient service revenue	\$ 25,448,495	\$ 7,577,875
Less: Provision for doubtful accounts	(1,922,379)	(462,530)
<b>Patient Service Revenue</b>	<b>\$ 23,526,117</b>	<b>\$ 7,115,345</b>
Other Revenue	\$ 145,577	\$ 111,373
Grants	340,256	108,715
Other Hospital Service Revenue	50,772	15,461
<b>Total Revenue</b>	<b>\$ 24,062,721</b>	<b>\$ 7,350,895</b>
<b>Operating Expenses</b>		
Salary and Wages and Per diem Help	\$ 10,995,318	\$ 3,594,526
Employee benefits	1,301,164	238,229
Grants	526,165	162,725
Supplies Expense	2,042,607	739,858
Lease and rental expense	36,536	10,586
Professional Fees	2,372,268	791,373
Registry	266,816	137,391
Purchased Services	833,107	283,749
<b>Total Operating Expenses</b>	<b>\$ 18,373,980</b>	<b>\$ 5,958,437</b>
<b>Operating Margin</b>	<b>\$ 5,688,741</b>	<b>\$ 1,392,458</b>
<b>General and Administrative Expenses</b>		
Professional Fees Non-Medical	\$ 346,194	\$ 136,896
Supplies - Other	854,570	274,537
Repairs & Maintenance	1,363,094	482,158
Utilities	391,685	110,916
Professional Liability Ins.	89,787	29,929
Insurance - Other	171,553	62,339
Purchased Services	491,737	121,553
Property Taxes & Other	254,141	96,549
Management Fees	1,281,124	454,146
Other Expenses	517,954	193,399
Marketing	378	13
Travel & Business Development	45,935	10,747
<b>Total General and Administrative Expenses</b>	<b>\$ 5,808,152</b>	<b>\$ 1,973,181</b>
<b>EBITDA</b>	<b>\$ (119,411)</b>	<b>\$ (580,723)</b>

<b>Depreciation and Amortiation</b>		
Depreciation Expense	\$ 1,194,182	\$ 436,183
Amortization Expense	60,575	20,192
<b>Total Deprec, Amort</b>	<b>\$ 1,254,757</b>	<b>\$ 456,375</b>
<b>Net Operating Income</b>	<b>\$ (1,374,167)</b>	<b>\$ (1,037,097)</b>
Interest Expense	\$ 137,004	\$ 44,558
Other (Income)/Expense	23,102	\$ 9,212
<b>Net Income Before Income Taxes</b>	<b>\$ (1,534,274)</b>	<b>\$ (1,090,868)</b>
Provision for Income Taxes		
<b>Net Income After Taxes</b>	<b>\$ (1,534,274)</b>	<b>\$ (1,090,868)</b>

**East Orange General Hospital  
Operating Statistics  
December 31, 2017**

	MTD	YTD
<b>ADMISSIONS</b>		
Actual 2017	520	1,604
Actual 2016	520	1,532
Variance	-	72
<b>PATIENT DAYS</b>		
Actual 2017	3,072	9,311
Actual 2016	2,973	9,248
Variance	99	63
<b>ALOS per Adms</b>		
Actual 2017	5.9	5.8
Actual 2016	5.7	6.0
Variance	0.2	(0.2)
<b>ALOS per Dsch</b>		
Actual 2017	7.0	5.7
Actual 2016	5.3	5.3
Variance	1.7	0.4
<b>SAME DAY SURGERY</b>		
Actual 2017	149	445
Actual 2016	144	413
Variance	5	88
<b>SAME DAY ENDOSCOPY</b>		
Actual 2017	74	333
Actual 2016	110	354
Variance	(36)	88
<b>TOTAL OCCUPANCY RATE (%) Staffed</b>		
Actual 2017	60%	61%
Actual 2016	58%	61%
Variance	2%	0%
Occupancy % Acute staffed	54%	56%
Occupancy % Psych staffed	79%	78%
<b>Observation</b>		
Actual 2017	26	78
Actual 2016	48	121
Variance	(22)	88
<b>NET E.R. VISITS</b>		
Actual 2017	2,729	8,470
Actual 2016	3,119	9,117
Variance	(390)	(647)
<b>E.R. ADMITS Acute</b>		
Actual	410	1,255
% / Admissions	79%	78%
<b>E.R. ADMITS Psych</b>		
Actual	70	245
% / Admissions	14%	15%
<b>Interventional Radiology Procedures</b>		
Actual 2017	6	31
Actual 2016	11	39
Variance	(5)	(8)
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