

**PROSPECT MEDICAL HOLDINGS  
EAST ORANGE GENERAL HOSPITAL**

**FINANCIAL STATEMENTS**

**JUNE 2018**

**East Orange General Hospital**  
**Balance Sheet**  
**As of June 30, 2018**  
**(Internally Prepared - Unaudited)**  
**Actual**



	<u>Jun-18</u>
<b>Current Assets</b>	
Cash and Cash Equivalents	\$ (1,008,903)
Patient Accts Receivable, net of allowance for doubtful accunts	22,970,947
Other Accounts Receivable	223,208
Government program receivables	269,975
Grant Receivable	2,234,264
Intercompany	(47,988,803)
Supplies Inventory	1,178,564
Prepaid Exp & Other Curr Assets	2,351,788
<b>Total Current Assets</b>	<b>\$ (19,768,958)</b>
<b>Fixed Assets</b>	
Property, Improvements & Equipment	\$ 59,269,393
Accumulated Depreciation	(10,578,652)
<b>Net Fixed Assets</b>	<b>\$ 48,690,741</b>
Intangible, net of accumulated amortization	\$ 1,857,632
Goodwill - Prospect EOGH	4,571,628
Other Assets	163,410
<b>Total Assets</b>	<b>\$ 35,514,453</b>
<b>Current Liabilities</b>	
Accounts Payable	\$ 2,144,114
Accrued Comp / Benefits	3,671,150
Accrued Expenses & Other	2,809,059
Deferred revenue	25,000
Due to Government Payer	566,510
Curr Portion of Capital Leases	466,629
<b>Total Current Liabilities</b>	<b>\$ 9,682,461</b>
<b>Non-Current Liabilities</b>	
Malpractice Reserve	\$ 2,850,000
Capital Leases, net of current portion	\$ 678,299
Other Long -Term Liability	3,402,102
<b>Total Non-Current Liabilites</b>	<b>\$ 6,930,400</b>
<b>Stockholders' Equity in net Assets</b>	
Additional Paid in Capital	\$ 32,718,610
Retained Earnings prior year	(7,837,328)
Retained Earning current year	(5,979,691)
<b>Total Stockholders' Equity in Net Assets</b>	<b>\$ 18,901,592</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 35,514,453</b>

**East Orange General Hospital**  
**Income Statement**  
**For the Period Ended June 30, 2018**  
**(Internally Prepared - Unaudited)**  
**Actual**  
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	<b>FYTD Jun-18</b>	<b>MTD Jun-18</b>
<b>Revenue</b>		
Net patient service revenue	\$ 75,858,281	\$ 7,954,135
Less: Provision for doubtful accounts	(5,780,237)	(500,000)
<b>Patient Service Revenue</b>	<b>\$ 70,078,044</b>	<b>\$ 7,454,135</b>
Other Revenue	\$ 399,709	\$ 18,826
Grant Revenue	632,028	47,630
Other Hospital Service Revenue	235,612	21,948
<b>Total Revenue</b>	<b>\$ 71,345,393</b>	<b>\$ 7,542,538</b>
<b>Operating Expenses</b>		
Salary and Wages and Per diem Help	\$ 32,487,166	\$ 3,548,339
Employee benefits	5,661,791	800,900
Grant Expenses	1,034,835	82,598
Supplies Expense	6,509,538	872,163
Lease and rental expense	352,584	92,058
Professional Fees	7,054,113	790,479
Registry	945,321	113,571
Purchased Services	2,203,766	182,563
<b>Total Operating Expenses</b>	<b>\$ 56,249,114</b>	<b>\$ 6,482,671</b>
<b>Operating Margin</b>	<b>\$ 15,096,280</b>	<b>\$ 1,059,867</b>
<b>General and Administrative Expenses</b>		
Professional Fees Non-Medical	\$ 1,229,207	\$ 170,798
Supplies - Other	2,327,865	188,700
Repairs & Maintenance	3,964,653	554,012
Utilities	1,189,677	119,904
Professional Liability Ins.	186,336	38,787
Insurance - Other	476,560	46,110
Purchased Services	1,190,797	146,955
Property Taxes & Other	775,125	112,406
Management Fees	3,429,148	221,368
Other Expenses	1,596,260	177,853
Marketing	40,695	8,746
Travel & Business Development	92,908	5,176
<b>Total General and Administrative Expenses</b>	<b>\$ 16,499,231</b>	<b>\$ 1,790,817</b>
<b>EBITDA</b>	<b>\$ (1,402,951)</b>	<b>\$ (730,950)</b>

**East Orange General Hospital**  
**Income Statement**  
**For the Period Ended June 30, 2018**  
**(Internally Prepared - Unaudited)**  
**Actual**  
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<b>Depreciation and Amortiation</b>			
Depreciation Expense	\$	3,895,920	\$ 435,878
Amortization Expense		181,726	20,192
<b>Total Deprec, Amort</b>	<b>\$</b>	<b>4,077,646</b>	<b>\$ 456,070</b>
<b>Net Operating Income</b>			
	<b>\$</b>	<b>(5,480,597)</b>	<b>\$ (1,187,020)</b>
Interest Expense	\$	379,484	\$ 40,948
Other (Income)/Expense		119,609	\$ 33,695
<b>Net Income Before Income Taxes</b>	<b>\$</b>	<b>(5,979,690)</b>	<b>\$ (1,261,663)</b>
Provision for Income Taxes			
<b>Net Income After Taxes</b>	<b>\$</b>	<b>(5,979,690)</b>	<b>\$ (1,261,663)</b>

**East Orange General Hospital  
Operating Statistics  
June 30, 2018**

	FYTD	MTD
<b>ADMISSIONS</b>		
Actual 2018	4,617	484
Actual 2017	4,577	477
Variance	40	7
<b>PATIENT DAYS</b>		
Actual 2018	24,128	2,283
Actual 2017	25,520	2,709
Variance	(1,392)	(426)
<b>ALOS per Adms</b>		
Actual 2018	5.2	4.7
Actual 2017	5.6	5.7
Variance	(0.3)	(1.0)
<b>ALOS per Dsch</b>		
Actual 2018	5.4	5.1
Actual 2017	5.0	4.7
Variance	0.4	0.4
<b>SAME DAY SURGERY</b>		
Actual 2018	1,337	158
Actual 2017	1,386	154
Variance	(49)	4
<b>SAME DAY ENDOSCOPY</b>		
Actual 2018	1,034	108
Actual 2017	1,177	141
Variance	(143)	(33)
<b>TOTAL OCCUPANCY RATE (%) Staffed</b>		
Actual 2018	53%	46%
Actual 2017	56%	54%
Variance	-3%	-9%
Occupancy % Acute staffed	51%	40%
Occupancy % Psych staffed	62%	67%
<b>Observation</b>		
Actual 2018	332	35
Actual 2017	442	45
Variance	(110)	(10)
<b>NET E.R. VISITS</b>		
Actual 2018	26,424	2,818
Actual 2017	27,895	3,138
Variance	(1,471)	(320)
<b>E.R. ADMITS Acute</b>		
Actual	3,742	377
% / Admissions	81%	78%
<b>E.R. ADMITS Psych</b>		
Actual	689	78
% / Admissions	15%	16%
<b>Interventional Radiology Procedures</b>		
Actual 2018	245	90
Actual 2017	126	17
Variance	119	73
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