Trinitas Regional Medical Center Obligated Group
Consolidated Balance Sheet
At September 30, 2018 and December 31, 2017
(Unaudited)

	September 2018	December 2017
Assets		
Current Assets:		
Cash and cash equivalents (includes certificates of deposit)	$ 121,435,505	$ 132,741,105
Assets whose use is limited	2,425,506	4,789,990
Patient accounts receivable, net	30,467,066	27,697,494
Other receivables	6,056,937	2,596,572
Other current assets	6,250,838	6,105,115
Total current assets	166,635,852	173,930,276
Assets Whose Use is Limited and Investments		
Assets whose use is limited:		
Internally designated	102,432,051	101,660,141
Other internally designated	9,337,147	8,451,871
Donor restricted	2,985,510	3,028,167
Investments	29,849,904	29,829,519
Total assets whose use is limited and investments	144,604,612	142,969,698
Beneficial Interest in Net Assets of Trinitas Health Foundation	8,268,640	9,759,389
Property and Equipment (net of accumulated depreciation of $261,216,000 and $252,682,000 in 2018 and 2017, respectively)	86,724,781	86,120,548
Other Assets	5,855,621	5,851,315
Total	$ 412,089,506	$ 418,631,226
Liabilities and Net Assets		
Current Liabilities:		
Current portion of long-term debt	$ 5,315,000	$ 5,065,000
Accounts payable, construction payable and accrued expenses	23,802,421	24,496,220
Deferred revenue	7,552,307	7,330,546
Accrued bond interest payable	1,025,531	2,241,000
Accrued salaries and wages	4,629,722	5,994,526
Estimated settlements with third-party payors	11,810,076	13,071,014
Total current liabilities	54,135,057	58,198,306
Estimated Settlements with Third-party Payors	48,391,719	49,618,391
Long-Term Debt	89,056,097	95,220,237
Other Long-Term Liabilities	19,180,445	18,378,339
Total liabilities	210,763,318	221,415,273
Net Assets		
Without donor restrictions	190,072,033	184,428,392
With donor restrictions	11,254,155	12,787,561
Total net assets	201,326,188	197,215,953
Total	$ 412,089,506	$ 418,631,226

Trinitas Regional Medical Center Obligated Group
Consolidated Statement of Operations
For the Nine Months Ended September 30, 2018 and 2017
(Unaudited)

	September 2018	September 2017
Revenues		
Net patient service revenue	$ 173,760,637	$ 170,802,931
Other revenue	48,341,578	49,754,261
Net assets released from restrictions used for operations	411,935	592,720
Total revenues	222,514,150	221,149,912
Expenses		
Salaries and wages	103,670,790	103,043,382
Employee benefits	20,946,337	20,575,674
Supplies and other	86,536,544	83,000,422
Depreciation	8,534,096	8,733,650
Interest and amortization	2,326,436	3,635,583
Total expenses	222,014,203	218,988,711
Operating Income	499,947	2,161,201
Nonoperating Gains and Losses		
Interest, dividends and other	2,851,308	2,566,314
Net realized gains and losses on investments	767,300	1,700,561
Loss on bond refinancing	-	(1,238,343)
Gain on bargain purchase	148,666	-
Change in unrealized gains and losses on investments	(2,166,282)	1,729,858
Total nonoperating gains and losses	1,600,992	4,758,390
Revenues and Nonoperating Gains Over (Under) Expenses	$ 2,100,939	$ 6,919,591

Trinitas Regional Medical Center Obligated Group
Consolidated Statement of Changes in Net Assets
For the Nine Months Ended September 30, 2018 and 2017
(Unaudited)

	September 2018	September 2017
Without Donor Restrictions:		
Revenues and nonoperating gains over (under) expenses	$ 2,100,939	$ 6,919,591
Net assets released from restrictions used for purchase of property and equipment	3,542,702	5,274,517
Increase (decrease) in without donor restrictions net assets	5,643,641	12,194,108
With Donor Restrictions:		
Contributions	3,948,834	5,720,587
Interest and dividends	6,431	5,981
Change in unrealized gains and (losses) on investments	(43,284)	23,807
Net assets released from restrictions	(3,954,638)	(5,867,235)
Change in beneficial interest in net assets of Trinitas Health Foundation	(1,490,749)	2,768,879
Increase (decrease) in with donor restrictions net assets	(1,533,406)	2,652,019
Increase (Decrease) in Net Assets	4,110,235	14,846,127
Net Assets		
Beginning of year	197,215,953	175,896,449
End of year	$ 201,326,188	$ 190,742,576

Trinitas Regional Medical Center Obligated Group

Consolidated Statement of Cash Flows

For the Nine Months Ended September 30, 2018 and 2017

(Unaudited)

	September 2018	September 2017
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 4,110,235	$ 14,846,127
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	8,534,096	8,733,650
Loss from bond refinancing	-	1,238,343
Amortization of deferred financing costs	59,447	107,510
Amortization of deferred bond premium	(999,544)	(706,180)
Restricted contributions for capital additions	(3,542,702)	(5,274,517)
Change in net unrealized gains and losses on other than trading securities	2,166,282	(1,729,858)
Net realized gains and losses on investments	(767,300)	(1,700,561)
Change in beneficial interest in net assets of Trinitas Health Foundation	1,490,749	(2,768,879)
Change in assets and liabilities:		
Patient accounts receivable	(2,769,572)	5,318,992
Other receivables	(3,460,365)	(9,659,792)
Other current assets and other assets	(454,011)	(1,476,091)
Accounts payable, construction payable and accrued expenses	(389,816)	(2,882,655)
Deferred revenue	221,761	5,954,797
Accrued bond interest payable	(1,215,469)	(3,001,566)
Accrued salaries and wages	(1,364,804)	(1,710,967)
Estimated settlements with third-party payors	(2,487,610)	(7,367,720)
Other long-term liabilities	802,106	1,199,564
Net cash provided by (used in) operating activities	(66,517)	(879,803)
Cash Flows from Investing Activities		
Acquisition of property and equipment and construction	(9,138,330)	(6,989,546)
Purchases of investments and assets whose use is limited, net	(669,412)	15,711,467
Net cash provided by (used in) investing activities	(9,807,742)	8,721,921
Cash Flows from Financing Activities		
Restricted contributions for capital additions	3,542,702	5,274,517
Repayment of long-term debt	(5,065,000)	(7,140,000)
Loan payable assumed	90,957	-
Payment of debt issuance costs	-	(182,529)
Proceeds from refunding and revenue bonds	-	93,418,228
Repayment of Series 2007 bonds	-	(109,675,000)
Net cash Provided by (used in) financing activities	(1,431,341)	(18,304,784)
Net Increase (Decrease) in Cash and Cash Equivalents	(11,305,600)	(10,462,666)
Cash and Cash Equivalents, Beginning	132,741,105	130,023,301
Cash and Cash Equivalents, Ending	$ 121,435,505	$ 119,560,635
Supplemental Disclosure of Cash Flow Information,		
Interest paid	$ 4,482,000	$ 4,378,113
Gain on bargain purchase	$ 148,666	$ -

1. Reporting Organizations

The consolidated financial statements include the accounts of Trinitas Regional Medical Center (the "Medical Center"), Marillac Corporation ("Marillac"), a wholly owned subsidiary of the Medical Center and Trinitas Physicians Practice, LLC. In 2000, Elizabeth General Medical Center and St. Elizabeth Hospital merged to form Trinitas Hospital, a not-for-profit, tax-exempt, voluntary, acute health care provider located in Elizabeth, New Jersey. Trinitas Hospital officially changed its name to Trinitas Regional Medical Center as of October 2008. The Medical Center provides inpatient, outpatient, and emergency care services for local residents. Admitting physicians are primarily practitioners from the local area.

Marillac, a not-for-profit, tax-exempt corporation pursuant to Section 501(c)(3) of the Internal Revenue Code, owns and operates a medical office building in Elizabeth, New Jersey.

Trinitas Physicians Practice, LLC, (TPP, LLC) a New Jersey professional limited liability company (LLC), a for-profit taxable entity.

The sole member of the Medical Center is Trinitas Health (the "Parent"), a tax-exempt holding company. Both the Parent and the Medical Center are tax-exempt organizations, pursuant to Section 501(c)(3) of the Internal Revenue Code.

The Medical Center is an affiliated member of the Parent, the controlling entity. Other affiliates of Trinitas Health include: Trinitas Healthcare Corporation, Trinitas Health Services Corporation and subsidiary, and Trinitas Health Foundation and Affiliate (the "Foundation"). Only the Medical Center's financial statements and its subsidiaries including Marillac and Trinitas Physicians Practice, LLC are presented herein. The Parent's affiliates, with the exception of Trinitas Health Services Corporation, are not-for-profit, tax-exempt organizations. Trinitas Health Services Corporation is a for-profit, taxable entity.

2. Presentation

The consolidated financial statements are unaudited and include all adjustments which are, in the opinion of Management, necessary for a fair presentation of the Obligated Group's financial position at September 30, 2018 and 2017, its result of operations and its changes in net assets and cash flows for the nine months ended September 30, 2018 and 2017 in conformity with accounting principles generally accepted in the United States of America. Certain information and footnote disclosures normally included in financial statements prepared in accordance with such accounting principles have been omitted.

These consolidated financial statements should be read in conjunction with Trinitas Regional Medical Center's audited consolidated financial statements and notes thereto for the years ended December 31, 2017.

3. Liquidity

The cash and cash equivalents in the current assets and the internally designated in the assets whose use is limited and investments on the balance sheet which total $223,867,556 as of September 30, 2018, which do not include any restricted funds or Foundation funds, is sufficient to meet the cash needs for general expenditures within one year. Managements' strategy is to maintain adequate liquidity of balances of cash and investments which are immediately, or within three business days, available to fund operations and annual routine capital needs.

4. Net Patient Service Revenue

Patient care service revenue is reported at the amount that reflects the consideration to which the Medical Center expects to be entitled to in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to the settlement of audits, reviews and investigations. Generally, the Medical Center bills the patients and third-party payors several days after the services are performed and/or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Medical Center. Revenue for performance obligations satisfied over time is recognized based on actual services incurred in relation to total expected (or actual) payments. The Medical Center believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the Medical Center receiving inpatient acute care services. The Medical Center measures the performance obligation from admission into the facility to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge. Revenue for performance obligations satisfied at a point in time are recognized when services are provided and the Medical Center does not believe it is required to provide additional services to the patient.

Generally, because all the Medical Center's performance obligations relate to contracts with a duration of less than one year, the Medical Center has elected to apply the optional exemption provided in Accounting Standard Codification ("ASC") 606-10-50-14(a) and, therefore, the Medical Center is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Medical Center determines the transaction price based on standard charges for services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Medical Center's policy, and /or implicit price concessions provided to uninsured patients. The Medical Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Medical Center determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors are as follows:

- Medicare: Certain inpatient acute care services are paid at prospectively determined rates per discharge based on clinical, diagnostic and other factors. Certain services are paid based on cost-reimbursement methodologies subject to certain limits. Physician services are paid based upon established fee schedules. Outpatient services are paid using prospectively determined rates. Reimbursements for cost reimbursable items are received at tentative interim rates, with final settlement determined after submission of annual cost reports by the Medical Center and audits thereof by the Medicare fiscal intermediary. The Medical Center's Medicare cost reports have been settled by the Medicare fiscal intermediary through December 31, 2010.

- Medicaid: Reimbursements for Medicaid services are generally paid at prospectively determined rates per discharge, per occasion of service or per covered member. Outpatient services are paid based on a cost reimbursement methodology. The Medical Center's Medicaid cost reports have been settled by the Medicaid fiscal intermediary through December 31, 2015.

- Other: Payment agreements with certain commercial managed care, Medicare and Medicaid managed care insurance carriers, health maintenance organizations and preferred provider organizations provide for payment using prospectively determined rates per discharge, or per diem, or discounts from established charges and prospectively determined daily rates.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Medical Center's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Medical Center. In addition, the contracts the Medical Center has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and the Medical Center's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews and investigations. Revenue received under third-party arrangements is subject to audit and retroactive adjustments. Net patient service revenue on the consolidated statement of operations includes no adjustments for the nine months ended September 30, 2018 and 2017, respectively, related to tentative and final settlements of prior year cost reports and other settlements.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Medical Center also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Medical Center estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction prices including bad debts is determined by reducing the standard charge by any contractual adjustments, discounts and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue including bad debts in the period of the change. For the nine months ended September 30, 2018 and 2017, revenue was increased by $121,293 and $194,566, respectively, due to changes in estimates of implicit price concessions for performance obligations satisfied in prior years. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt.

Consistent with the Medical Center's mission, care is provided to patients regardless of their ability to pay. Therefore, the Medical Center has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Medical Center expects to collect based on its collection history with those patients.

Patients who meet the State of New Jersey's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue. Charges for charity care rendered were $103,127,063 and $109,220,892 for the nine months ended September 30, 2018 and 2017, respectively.

The composition of the Medical Center's patient care service revenue by payor for the nine months ended September 30 is as follows:

	2018	2017
Medicare	$ 65,961,116	$ 65,212,560
Medicaid	61,643,668	60,771,683
Other third party payors	44,673,979	43,383,944
Self-pay and other	1,481,874	1,434,744
Total	$ 173,760,637	$ 170,802,931

The composition of patient care service revenue based on the Medical Center's lines of business for the nine months ended September 30 is as follows:

	2018	2017
Medical Center	$ 164,420,880	$ 161,190,303
Long-term care	4,904,629	5,472,203
Physicians practice	4,435,128	4,140,425
Total	$ 173,760,637	$ 170,802,931

5. Healthcare Payment Proposals

The healthcare industry is subject to numerous laws and regulations of federal, state and local governments. Compliance with these laws and regulations is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statues and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Management is not aware of any material incidents of noncompliance that have not been provided for in the accompanying financial statements; however, the possible future financial effects of this matter on the Medical Center, if any, are not presently determinable.

6. Subsequent Events

The Medical Center evaluated subsequent events for recognition or disclosure through November 2, 2018, the date the financial statements were available to be issued.

7. New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606).* ASU No. 2014-09 supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance. Under the requirements of ASU No. 2014-09, the core principle is that entities should recognize revenue to depict the transfer of promised goods or services to customers (residents) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Medical Center will be required to retrospectively adopt the guidance in ASU No. 2014-09 for the years beginning after December 15, 2017. The Medical Center has adopted ASU No. 2014-09 on its financial statements for 2018.

In January 2016, the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Liabilities (Subtopic 825-10).* The new guidance requires equity investments (except equity method investments or those that result in consolidation) to be measured at fair value with changes in fair value recognized in net income. Finally, ASU 2016-01 requires other specific investment presentation and disclosures in the financial statements for certain financial instruments. ASU 2016-01 is effective for the fiscal year ending December 31, 2018. The Medical Center adopted ASU No. 2016-01 on its financial statements for 2018 and 2017. In addition, the Medical Center changed its accounting policy for its debt securities from available for sale to trading securities, whereby, equity and debt securities are combined in unrealized gains and losses in the consolidated statement of operations. As part of the adoption of ASU No. 2016-01 and the change in accounting policy, the Medical Center reclassified its changes in unrealized gains and (losses) on investments in the amounts of ($2,166,282) and $1,729,858 to be included in revenues in excess of expenses for the nine months ended September 30, 2018 and 2017, respectively.

In August 2016, the FASB issued ASU No. 2016-14, Not-for-Profit Entities (Topics 958): Presentation of Financial Statements of Not-for-Profit Entities and Liquidity and Availability of Resources. The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. ASU 2016-14 is effective for the fiscal year beginning July 1, 2018, with early adoption permitted. ASU 2016-14 is to be applied retroactively with transition provisions. Net assets have been reclassified into two categories, without donor restrictions and with donor restrictions, from three categories. The Medical Center has adopted ASU No. 2016-14 on its financial statements for 2018 and 2017.

In February 2016, the FASB issued Accounting Standards Update ASU No. 2016-02, *Leases* (Topic 842). ASU No. 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Medical Center's leasing activities. The Medical Center will be required to retrospectively adopt the guidance in ASU No. 2016-02 for years beginning after December 15, 2018. The Medical Center has not yet determined the impact of adoption of ASU No. 2016-02 on its financial statements.

8. Charity Care and Subsidy Revenue

The Medical Center receives subsidy payments from the State of New Jersey to partially fund charity care and certain other program costs. Subsidy payments included in other revenue for the nine months ended September 30, 2018 and 2017 are as follows:

	2018	2017
Charity care	$ 22,131,540	$ 23,458,614
Delivery System Reform Incentive Payment	4,501,087	4,392,254
Mental health	1,358,635	1,358,633
Total	$ 27,991,262	$ 29,209,501

As of September 2018 and 2017, the Medical Center received incentive payments for the Delivery System Reform Incentive Payments (DSRIP) in the amounts of $4,851,670 for Year 6 and $7,789,257 for Year 5 and an appeal for Year 4, respectively, whereby the payments are amortized from July 1 through June 30. The amounts of $4,245,211 and $5,841,943 are recognized as deferred revenue in the balance sheet, respectively.

The Medical Center, as part of its mission, provides medical care without charge or at reduced charges to residents of its community through the provision of charity care. The Medical Center's definition of charity care is in accordance with state regulations and includes services provided at no or partial charge to the uninsured or underinsured.

9. Long-term Debt

On April 3, 2017, the Authority issued, on behalf of the Medical Center, $82,970,000 in Refunding Bonds, Series 2017A (the "Series 2017A Bonds"), at an interest rate of 5% percent. The proceeds from the sale of the Series 2017A Bonds combined with the debt service reserve funds were released by the trustee relating to the Series 2007A Bonds and Series 2007B Bonds, and used to refund Series 2007A Bonds and Series 2007B Bonds and pay debt issuance costs. The Medical Center will be required to fund the principal and interest payments on the bonds. The principal amounts are payable annually on July 1, and interest is payable semiannually on January 1 and July 1 through 2030. The Series 2017A Bonds are collateralized by substantially all of the Obligated Group's property and equipment and gross receipts. The 2017A Bonds refinanced and extinguished the 2007 Bonds resulting in a loss on bond refinancing in the amount of $1,238,343 reflected in the consolidated statement of operations.

10. Meaningful Use

Under certain provisions of the American Recovery and Reinvestment Act of 2009, federal incentive payments are available to hospitals, physicians and certain other professionals ("providers") when they adopt certified electronic health record ("EHR") technology or become "meaningful users" of EHRs in ways that demonstrate improved quality, safety and effectiveness of care. Medicare and Medicaid providers can receive their initial incentive payment by adopting implementing or upgrading certified EHR technology, but must demonstrate meaningful use of EHRs in subsequent years in order to qualify for additional payments. Hospitals may be eligible for both Medicare and Medicaid EHR incentive payments. The Medical Center accounts for EHR payments using the contingency method, whereby, revenue is recognized when all contingencies are satisfied. At September 30, 2018 and 2017, the EHR incentive payments received from the Medicare and Medicaid programs is reflected in estimated settlements with third party payors on the balance sheet in the amount of $3.3 million and $3.4 million, respectively, which will be recognized as non-operating revenue when the Medical Center has satisfied the statutory and regulatory requirements. Non-operating revenue on the consolidated statement of operations includes no recognized revenue for the nine months ended September 30, 2018 and 2017, respectively.

11. Cogeneration Energy Project

The Medical Center has submitted an application and has received preliminary approval from the Energy Resilience Bank ("ERB"), for a plant electrical and steam generation project. The project would provide additional energy production which will be powered by natural gas during prolonged electrical outages. The project has an estimated cost of $10.1 million. The financing of the project would consist of a combination of grants for $6.6 million and a loan from the Department of Housing and Urban Development ("HUD") for approximately $3.5 million. A portion of the grants, approximately $520,000, will have to be repaid over ten years, interest free. Final construction and engineering costs are being finalized for approval by ERB and HUD, which is expected by year-end 2018.

12. Community Mental Health Center

In 2017, the Medical Center had signed a non-binding letter of intent to acquire a community mental health center ("the Center") with the intention of further expanding its behavioral health services. The Center operates an outpatient mental health clinic, outpatient addiction treatment center, adult partial care services program and employee assistance program. The Center will be operated as an outpatient department of the Medical Center. In 2018, the Medical Center has assumed the Center's mortgage on the facility, with an outstanding mortgage of approximately $91,000 as part of this transaction. The Medical Center signed an asset purchase agreement to execute the aforementioned transaction with an effective date of April 12, 2018.

TRINITAS REGIONAL MEDICAL CENTER
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
INPATIENT STATISTICS

	2018 ACTUAL TOTAL	2017 ACTUAL TOTAL
ADMISSIONS		
MEDICAL	4,800	5,305
SURGICAL	1,254	1,189
OBSTETRICS	1,149	1,278
NEWBORN	1,104	1,236
ADULT & ED PSYCH	1,237	1,273
ADOLESCENT PSYCH	393	374
DEVELOP DISABLED	207	224
	10,144	10,879
SAME DAY SURGERY	3,639	3,745
	13,783	14,624
INTERMEDIATE PSYCH	127	150
RESIDENTIAL UNIT	7	7
LONG TERM CARE	228	236
	362	393
PATIENT DAYS		
MEDICAL	26,003	26,336
SURGICAL	9,033	8,566
OBSTETRICS	3,097	3,495
NEWBORN	3,017	3,911
ADULT & ED PSYCH	11,622	12,391
ADOLESCENT PSYCH	3,837	3,415
DEVELOP DISABLED	2,314	2,356
	58,923	60,470
SAME DAY SURGERY	3,639	3,745
	62,562	64,215
INTERMEDIATE PSYCH	5,143	5,787
RESIDENTIAL UNIT	3,953	4,028
LONG TERM CARE	31,073	31,515
	40,169	41,330
ALOS		
MEDICAL	5.4	5.0
SURGICAL	7.2	7.2
OBSTETRICS	2.7	2.7
NEWBORN	2.7	3.2
ADULT & ED PSYCH	9.4	9.7
ADOLESCENT PSYCH	9.8	9.1
DEVELOP DISABLED	11.2	10.5
TOTAL W/O SDS	5.8	5.6
INTERMEDIATE PSYCH	40.5	38.6
RESIDENTIAL UNIT	564.7	575.4
LONG TERM CARE	136.3	133.5
	111.0	105.2
CARDIAC CATH LAB I/P		
CARDIAC CATHS	281	268
EMERGENCY ANGIO	44	36
ELECTIVE ANGIO	88	91
OTHER	116	135
TOTAL	529	530

TRINITAS REGIONAL MEDICAL CENTER
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
OUTPATIENT STATISTICS

	2018 ACTUAL YTD	2017 ACTUAL YTD
EMERGENCY ROOM		
NEWPOINT-PSYCH O/P VISITS	1,294	1,308
WILLIAMSON O/P VISITS	39,793	40,656
TOTAL O/P	41,087	41,964
NEWPOINT ADMISSIONS	1,294	1,338
WILLIAMSON ADMISSIONS	5,317	5,619
TOTAL ADMISSIONS	6,611	6,957
% Total ADMISSIONS FROM ER	65.17%	63.95%
TOTAL EMERGENCY ROOM VISITS	47,698	48,921
OBSERVATION		
WSC OBSERVATON CASES	1,866	1,221
NPC OBSERVATON CASES	143	191
TOTAL OBSERVATION	2,009	1,412
CLINICS		
ADULT OP SERVICES	54,705	59,448
PC (PARTIAL HOSP) SERVICES	5,570	6,046
CHILD/ADOL OP SERVICES	23,638	25,089
YIP (AFTER SCHOOL)	4,759	4,823
IOP SERVICES	1,983	1,650
OTHER CHILD/ADOL SERVICES	50,447	52,789
BAYONNE MH CLINIC	13,276	0
TOTAL PSYCH CLINICS	154,378	149,845
D.B.HERSH CLINIC	6,436	6,531
PEDIATRIC HEALTH CENTER	4,895	4,912
WOMENS HEALTH CENTER	15,146	15,743
WOUND HEALING CENTER	3,046	3,535
MEDICAL CLINIC (EID)	1,158	1,169
TOTAL MEDICAL CLINICS	30,681	31,890
TOTAL CLINICS	185,059	181,735
CANCER CENTER		
OFFICE VISITS	5,109	5,336
INFUSION TREATMENTS	5,881	6,088
RADIATION TREATMENTS	3,578	4,109
CANCER CENTER TOTAL	14,568	15,533
PRIVATE AMBULATORY		
SLEEP CENTER	992	968
OTHER PRIVATE REFFERRED (1)	41,741	43,411
TOTAL PRIVATE AMBULATORY	42,733	44,379
O/P RENAL TREATMENTS		
O/P HEMODIALYSIS	14,645	15,738
HOME DIALYSIS	1,291	1,145
LINDEN SATELLITE	9,901	9,378
TOTAL RENAL TREATMENTS	25,837	26,261
AMBULANCE RUNS	4,347	4,631
SCTU RUNS	167	174
MICU RUNS	2,730	2,746
SDS (FROM IP SCHEDULE)	3,639	3,745
TOTAL O/P VISITS (INCLUDING SDS)	322,176	322,580
LLC ACTIVITY	88,976	
CARDIAC CATH LAB O/P		
CARDIAC CATHS	325	328
ELECTIVE ANGIOPLASTY	72	82
OTHER	104	76
TOTAL	501	486

Trinitas Regional Medical Center Obligated Group

Debt Service Calculation Certificate
(Twelve Month Rolling Average)
(Unaudited)

		September 2018
Funds Available for Debt Service		
Net increase in unrestricted net assets	$	12,129,164
Reconciling items:		
Depreciation		10,293,331
Interest and amortization		3,296,019
Net assets released from restrictions used for purchase of property and equipment		(4,125,091)
Gain on bargain purchase		(148,666)
Change in net unrealized gains and losses on investments		644,912
Total	$	22,089,669
Maximum annual debt service	$	9,639,957
Actual ratio		2.29
Required ratio		1.25

Trinitas Regional Medical Center Obligated Group

Cushion Ratio Calculation Certificate
(Twelve Month Rolling Average)
(Unaudited)

		September 2018
Cushion Ratio		
Cash and investments	$	155,470,345
Internally designated funds		101,114,038
Total	$	256,584,383
Maximum annual debt service		
Series 2016A and 2017A bonds payable	$	9,549,000
Loan payable		90,957
Total maximum annual debt service	$	9,639,957
Cushion ratio		26.62
Required ratio		1.25