



Annual Report

2019

316 Station St. #100

Bridgeville, PA 15017

412-221-1091

773 Pershing St.

Ellwood City, PA 16117

724-201-0850

Leadership Team

L. Hunter Farmer III-President and Majority Owner and Board Member

Louis H. Farmer Jr.- Major Shareholder and Chairman of the Board

Revenue and Expense Trends 2018

Revenue Trend

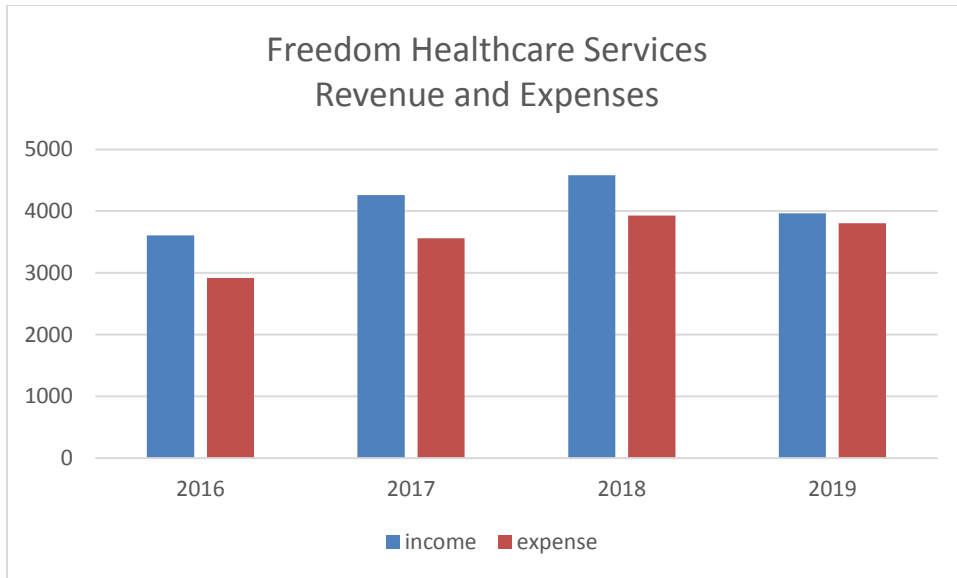
5.8% decline in revenue from 2018

\$4.5MM to \$3.8MM

Expense Trend

3% reduction in Operating expenses from 2018 (does not include debt service)

\$3.93MM to \$3.8MM



Factors:

Continued Improvements made to Ellwood City Facility

Overall upgrade of Technology including PC network and camera systems

Employee Bonuses

Increase in Employee Healthcare Costs

Increase in required Supervision costs

Necessary Increase to Advertising Budget due to increased competition

Normal increase in expenses due to increased Variable Costs

Freedom Healthcare Services continued to grow in Ellwood City location increased in census to over 130 patients. The Ellwood City location completed its third full year of operation

Overall FHS admitted 603 patients through level with the number of new patients admitted in 2017 and treated in excess of 1000 individuals overall.

FHS strongly believes that patients should be treated in a warm, safe and relaxing environment. Furthermore, it is critical to provide a comfortable safe and up to date work environment. This leads to lower turnover of staff, and a more stable treatment environment for the patients. For this reason, we continue to upgrade facilities, with amenities like streaming content to the waiting room, a high expectation of the cleaning company, clean bathrooms, clean carpet, and clean facilities.

Freedom Healthcare has a staff of more than 40; and Freedom Healthcare treats more than 500 patients weekly.

FHS patient census breakdown as of 12/31/2018

- 52% Female, 48% Male
 - 90% Medicaid, 10% Private insurance, .01% self-pay (transitional status)
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L. Hunter Farmer III;

President