**RATIOS**

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| **LIQUIDITY** | | | |
| **RATIO** | **FORMULA** | **BM** | **DESIRED POSITION** |
| CURRENT RATIO | CURRENT ASSETS = BALANCE SHEET / CURRENT LIABILITIES = BALANCE SHEET | 1.9 | ABOVE |
| QUICK RATIO | [(CURRENT ASSETS = BALANCE SHEET) – (INVENTORIES = BALANCE SHEET)]/  CURRENT LIABILITIES = BALANCE SHEET | 1.66 | ABOVE |
| DAYS IN ACCOUNTS RECEIVABLE | NET PATIENT ACCOUNTS RECEIVABLE = BALANCE SHEET /  (NET PATIENT SERVICE REVENUE = STATEMENT OF OPERATIONS)/365 | 45.1 | BELOW |
| DAYS CASH ON HAND | Cash & Cash equivalent = BALANCE SHEET /  (TOTAL EXPENSES = STATEMENT OF OPERATIONS) –(DEPRECIATION = STATEMENT OF OPERATIONS)/365 | 165 | ABOVE |
| AVERAGE PAYMENT PERIOD | CURRENT LIABILITIES = BALANCE SHEET/  (TOTAL EXPENSES = STATEMENT OF OPERATIONS)-(DEPRECIATION = STATEMENT OF OPERATIONS)/365 | 58.6 | BELOW |

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| **PROFITABILITY – Are in percentages (Multiply all by 100)** | | | |
| **RATIO** | **FORMULA** | **BM** | **DESIRED POSITION** |
| TOTAL MARGIN RATIO | NET INCOME = STATEMENT OF OPERATIONS/TOTAL REVENUES = STATEMENT OF OPERATIONS | 4.9% | ABOVE |
| RETURN ON ASSETS | NET INCOME = STATEMENT OF OPERATIONS/TOTAL ASSETS = BALANCE SHEET | 4.5% | ABOVE |
| OPERATING MARGIN RATIO | OPERATING INCOME = STATEMENT OF OPERATIONS/TOTAL OPERATING REVENUE = STATEMENT OF OPERATIONS | 2.5% | ABOVE |
| RETURN ON EQUITY | NET INCOME = STATEMENT OF OPERATIONS/TOTAL EQUITY = BALANCE SHEET | 5.46% | ABOVE |

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| **ACTIVITY** | | | |
| **RATIO** | **FORMULA** | **BM** | **DESIRED POSITION** |
| TOTAL ASSET TURNOVER RATIO | TOTAL REVENUE = STATEMENT OF OPERATIONS/TOTAL ASSETS = BALANCE SHEET | 1.02 | ABOVE |
| FIXED ASSET TURNOVER RATIO | TOTAL REVENUE = STATEMENT OF OPERATIONS/NET FIXED ASSETS (PLANT & EQUIPMENT) = BALANCE SHEET | 2.20 | ABOVE |
| AGE OF PLANT RATIO | ACCUMULATED DEPRECIATION = BALANCE SHEET/DEPRECIATION EXPENSE = STATEMENT OF OPERATIONS | 8.17 | BELOW |

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| **CAPITAL STRUCTURE** | | | |
| **RATIO** | **FORMULA** | **BM** | **DESIRED POSITION** |
| LONG TERM DEBT TO NET ASSETS RATIO | LONG TERM DEBT = BALANCE SHEET/NET ASSETS = BALANCE SHEET | 0.620 | OD |
| TIMES INTEREST EARNED RATIO | EBIT or NET income = STATEMENT OF OPERATIONS/Interest expense = STATEMENT OF OPERATIONS | 3.16 | ABOVE |

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| **OPERATING RATIOS** | | | |
| **RATIO** | **FORMULA** | **BENCHMARK** | **DESIRED POSITION** |
| NET PRICE PER DISCHARGE | NET INPATIENT REVENUE = OPERATING DATA/TOTAL DISCHARGE = OPERATING DATA (CAN USE TOTAL ADMISSIONS) | $5,210 | ABOVE |
| MEDICARE PAYMENT PERCENTAGE | (MEDICARE DISCHARGES = OPERATING DATA/TOTAL DISCHARGES = OPERATING DATA) \*100 | 45.5% | VARIES |
| OUTPATIENT REVENUE PERCENTAGE | (NET OUTPATIENT REVENUE = OPERATING DATA/NET PATIENT SERVICES REVENUE = STATEMENT OF OPERATIONS) \* 100 | 34.5% | ABOVE |
| OCCUPANCY RATE | (PATIENT DAYS = OPERATING DATA/LICENSED BEDS = OPERATING DATA) \* 100 | 63.5% | ABOVE |
| AVERAGE LENGTH OF STAY | INPATIENT DAYS/TOTAL DISCHARGES | 5.1 DAYS | BELOW |