

Operating Loss Analysis

- According to Grady's Statement of Operations, the Dialysis Clinic showed a loss of \$1.9 million for 2007 and \$2 million for 2008.
- However, the loss could not be substantiated as it was calculated using the following information:

	2007	2008
Gross Patient Revenue	\$8,405,605	\$8,695,899
Deduction from Revenue	<u>(6,052,035)</u>	<u>(6,261,047)</u>
Net Patient Revenue	\$2,353,569	\$2,434,852
Less:		
Total Expenses	<u>4,339,765</u>	<u>4,450,419</u>
Operating Loss	<u>(\$1,974,846)</u>	<u>(\$2,010,840)</u>

We have been unable to determine the basis for the deductions from Gross Patient Revenue. A request for clarification on the basis of the deduction was made on 12/29/2009, however, no response has been received as of the date of this presentation.