

Financial data analysis critical essay

Economics



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Introduction Between the years 2009 and 2008 there were multiple financial changes to the Patton – Fuller Community Hospital. Using a combination of the balance sheet, statement of revenue and expenses, and also the 2009 hospital's annual report we are able to see how the years differ in a financial situation. This paper will explain the differences in the finances that had the largest impact on the company as a whole. Balance Sheet The assets of the company played a large role in the large jump of the numbers between 2009 and 2008. Between the two years, there was a total change of 7.5 percent of the total asset which equaled \$39,232 dollars. The largest change came from a 56.10 percent increase in the patient's accounts receivables, a change of \$21,121 dollars. Cash and cash flow equivalents equaled a 45.10 percent decrease, a change of \$18,856 dollars. The inventories offered a 19 percent increase, a change of \$10,026 dollars (Apollo Group, 2013). According to the annual report, there was a 1 million dollar donation that provided the hospital with an opportunity to buy new equipment and supplies (Apollo Group, 2013). The liabilities of the company also proved to have multiple changes over time.

Due to the purchase of the new equipment, there has been a large increase in the debt accrued by the company according to the annual report. Borrowing became necessary to cover all the necessary equipment. The report also stated that an increase in supply purchases would save money in the long run due to the discounted cost at the time of the purchase (Apollo Group, 2013). The current long term debt increased by 114.80 percent a change of \$10,414 dollars. The accrued expenses also rose 119.80 percent a change of \$5,013 dollars, leaving a total liability increase of 16. percent

companywide leaving a change of \$248, 703 dollars. (Apollo Group, 2013). The total equity of the company fell between 2009 and 2008. The hospital did not do so well, although most of the shortfall can be attributed to the increase of assets they accrued over the change of 2009 to 2008. The retained earnings between the two years fell 62. 50 percent a loss of \$209, 471 dollars. This pushed the total liabilities and equity up by 71. 50 percent providing a difference of \$39, 232 dollars. 2008 proved to be a better year for the company than in 2009 (Apollo Group, 2013).

Statement of Revenue and Expenses The Patton – Fuller Community Hospital ended the year 2009 with a net income of a negative \$373 dollars. This is actually an increase in revenue from the loss of \$15, 846 dollars they finished within 2008. The percentage of change between the two years increased to 97. 60 percent. The total expenses between the two years can attribute to the large changes that were made with the net income. In 2009 the company had a total expense of \$463, 293 dollars, an increase of spending by 59. 20 percent from 2008 when the total expenses were \$437, 424 (Apollo Group, 2013). Between 2009 and 2008 there were slight increases in the revenues by the company. An influx of patients was seen in 2009 leaving a 9. 90 percent change of \$41, 391 dollars between the two years. Other revenues also provide a 9. 87 percent change leading to a \$277 increase for 2009. The total revenues equaled \$41, 668 more dollars for the company in 2009. With a 9. 89 percent increase of revenue 2009 made \$462, 982 dollars compared to the \$421, 314 dollars made in 2008 (Apollo Group, 2013). 2009 provided an increase of the fixed assets; as a result of

this, we saw an increase of 44 percent for the depreciation and amortization of the company.

The total operating income fell 98.10 percent in 2009. Although the company was negative \$311 dollars, it was still a better place to be than the \$16,110 dollars from 2008. The company had a non-operating income loss of \$62 dollars which was 76.50 percent change from 2008 of \$264 dollars (Apollo Group, 2013). Conclusion When a company is provided with a large donation it can do great things for what the facilities are able to provide to their patients. With the increase of new equipment and supplies, the company's need to finance has become apparent by their financial records. Although it is good to have new amenities for the patients, running a company on credit is not always what is best. There is a large need for the Patton - Fuller Community Hospital to watch spending and decrease their financial debts. References Apollo Group, Inc. (2013). Patton - Fuller Community Hospital. Annual Report 2009. Apollo Group, Inc. (2013). Patton - Fuller Community Hospital. The balance sheet as of December 31, 2009, and 2008. Apollo Group, Inc. (2013). Patton - Fuller Community Hospital. Statement of Revenue and Expense 2009 and 2008.