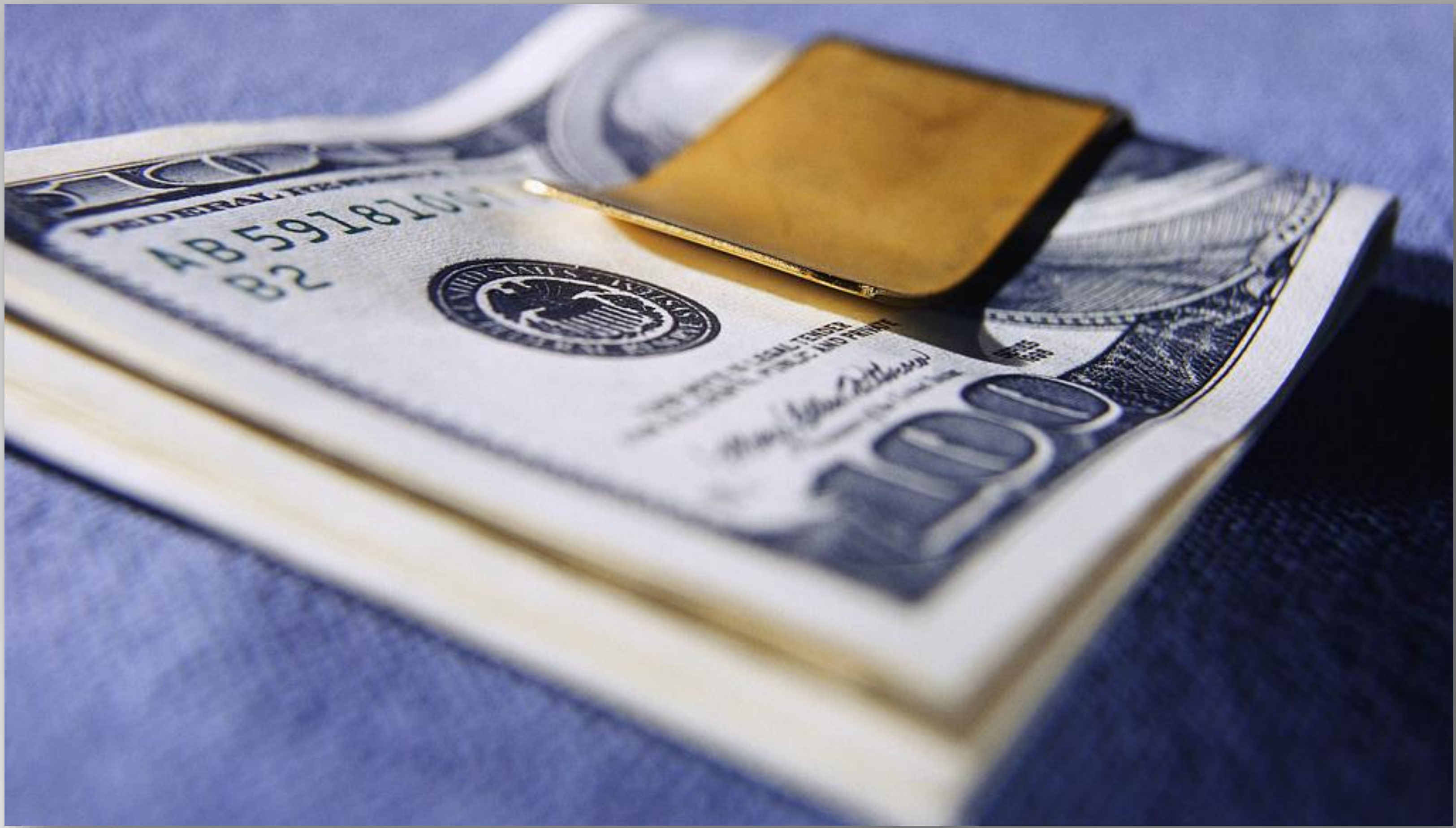

INDIVIDUAL COMPANY PERFORMANCE REPORT

2016

Confidential

Company Performance Report

This Company Performance Report (CPR) has been designed to assist you in evaluating your own company's performance relative to comparable companies that participated in this year's ***AOPA Operating Performance Survey***. The financial ratios and statistics contained on the following pages represent broad performance "yardsticks" against which your company's operating results can be measured. Using this information, you can compare your own figures with:

- All Respondents
- Profit leaders
- Companies with similar sales volume
- Companies based in a similar-sized community

Report Organization

Essentially, the Company Performance Report has two main sections:

1. **Summary Performance Evaluation (Report Card)**--This section of the report provides an objective, qualitative evaluation of your business' performance versus similar reporting companies in the industry on the basis of various key performance measures. In particular, your company is compared to other reporting companies to determine whether you performed: Strong, Good, Fair or Weak. These four performance categories relate to the four possible quartile ranges which a reporting company may fall in for any given measure. While this evaluation does not consider any "special circumstances" that may exist for your company which result in the appearance of strong or weak performance, it is designed to direct your attention to potential improvement opportunities.

2. **Detailed Information**--This section of the report shows your company's financial performance ratios alongside the appropriate comparatives for many different measures. While the first section of the Company Performance Report (described previously) provides a summary overview of areas to analyze in greater detail, the detailed statistical tables provide the background for a more in-depth examination of your business.

Using Financial Ratios

The information in this report is designed to be a tool for helping you to better **control** and understand your business. In particular, you are provided with a series of financial **ratios** for both your own company and companies similar to yours. Essentially, the information is provided in ratio and percentage form rather than as absolute dollars so that meaningful comparisons can be made to past performance and to general performance. For example, while it is important for you to know your company's expenses, it is even more essential to compare these expenditures with the value they produce. Therefore, a useful measure of **effectiveness** of expenses may be a ratio such as "advertising and promotional expenses as a percent of sales."

However, just as absolute dollar figures are not meaningful in isolation, so too is no ratio meaningful in isolation. Ratios should be compared with one or more other performance measures to determine whether or not a satisfactory level exists. Other performance measures might be your company's own past performance, your budgeted performance, or selected comparatives, such as those provided in this report.

Guidelines for Using This Report

When using the information in this report for purposes of comparing your own company's performance, begin with the "Overall Key Performance Measures" as well as the percentage "Income Statement." This data provides the best overview of your operating position and overall profitability. As a starting point, look at the "Your Firm" column in the report versus the column that represents companies similar to yours in sales volume. If you see that a significant deviation exists between the reported norms and your own company's performance, this is not necessarily good or bad, but is merely a signal that additional analysis may be needed. In cases where significant unfavorable variances do exist, you should determine whether the deviation is the result of extraordinary factors outside your control, or whether there is some controllable opportunity to improve the situation.

After your initial review of the key areas suggested above, you should have a fairly good idea of what additional information to consider from the other sections of this comprehensive study. In all likelihood, more in-depth analysis will be necessary to pinpoint specific decisions for future action.

Understanding the Data

Many of the performance indicators included in the Company Performance Report represent medians rather than arithmetical averages or means. The "median" figure represents the mid-point of the figures, with one-half of the companies reporting figures above it and one-half below. Each median was independently selected from its own array of figures.

As you compare your own data versus the average or median figures of other similar companies, several important points need to be recognized:

1. Remember that a deviation between your figure (for any performance measure) and the comparative figure is not necessarily good or bad; it is merely an indication that additional analysis may be needed. As a rule, the larger the discrepancy, the greater the need for additional scrutiny.

2. In cases where you determine that potentially serious deviations do exist, it may be helpful to go back and calculate the same performance measure for your company over the past several years to identify any trends that may exist.

3. The information in this report should be used as guidelines rather than absolute standards. Since companies differ depending upon their customer mix, their location, their size, and other factors, any two companies can be successful, yet some of their performance measures may differ greatly.

4. If you need further explanation and interpretation of what particular financial ratios mean in this Company Performance Report refer to the **How to Use This Report** section in the ***AOPA Operating Performance Report***. Also, for determining the method of calculation of various ratios, refer to the Appendix in this report.

Summary Performance Evaluation (Report Card)

AOPA Operating Performance Report
Summary Performance Evaluation Versus All Responding Companies

Company Number: SAMPLE **Net Sales/Billings(as reported): $6,000,000**

PROFITABILITY MEASURES

NET PROFIT MARGIN (NIBT AS % OF NET SALES)....(GOOD)

Net income is a good overall measure of how well gross margin and expenses are being controlled. This ratio measures the difference between what a company receives in revenues and what it spends over a period of time, and is highly dependent upon pricing policy and expense control. In other words, if gross margin increases or expenses decrease as a percent of revenues, net profit margin will rise.
Your company's net income was greater than the average reporting company, yet was still below the upper quartile performance level.
While your performance may be perfectly satisfactory, additional analysis may yield insights leading to profitability enhancements.
If you choose to study this issue further, your gross margin level and all expense categories are components of net income and are possible areas for review.

RETURN ON ASSETS....(GOOD)

Return on assets (ROA) is an overall measure of company profitability, expressing the percentage return (net income) on total assets employed in the business. Your company's ROA was greater than that of the typical reporting company, yet is still below the upper quartile performance level. While this may represent an adequate profit level for your company, further examination of the situation could possibly yield incremental gains. If you decide to investigate further, your net profit margin and asset turnover rate are possible areas of review.
You may determine that opportunities exist to improve either your revenue level or profit margin in order to better support your current asset structure.

RETURN ON NET WORTH....(STRONG)

Return on net worth (RONW) is an overall measure of company profitability, expressing the percentage return earned on the owner's investment in the business. Your firm's RONW was above the upper quartile performance level for reporting companies, indicating a relatively superior profitability performance by your company. Congratulations ! If you wish to analyze the reasons behind your success or attempt to further enhance performance, areas for possible review are asset turnover, profit margin, and financial leverage (the three basic components of RONW).

AOPA Operating Performance Report
Summary Performance Evaluation Versus All Responding Companies

Company Number: SAMPLE **Net Sales/Billings(as reported): $6,000,000**

EFFICIENCY AND EMPLOYEE PRODUCTIVITY

DAYS RECEIVABLES OUTSTANDING....(GOOD)

Days receivables outstanding refers to the average number of days it takes your company to collect on accounts receivable. Please refer to the Appendix for method of calculation. In general, the faster you can collect on your receivables, the better your company's cash flow. Your company's average collection period was shorter than that of the typical reporting company. While your performance may be perfectly satisfactory, areas to possibly review would be your company's collection policies and/or specific accounts that pay in an untimely manner.

ASSET TURNOVER....(STRONG)

Total asset turnover presents a good overall indicator of total company productivity. This ratio tells you how many times your company generates enough revenue to cover the assets employed in running your company. Congratulations ! Your company's total asset turnover rate was above the upper quartile performance level for reporting companies. If you care to analyze this figure for possible productivity enhancements, simply review your various asset categories to determine which, if any, are least productive and warrant further attention. Further gains may be achieved through the redeployment or disposal of assets, or by increasing revenues within the current structure.

TOTAL COMPANY REVENUES PER OVERALL EMPLOYEE....(FAIR)

Revenue per employee is a good overall measure of personnel productivity, which is simply the output produced compared with the personnel input expended. As a rule, the more output produced per unit of input (employees in this case), the more profitable an operation can be. When using revenue per employee, it is important to always use full-time equivalents for employees and to keep in mind that the ratio is distorted by inflation when comparing year-to-year data. Your firm's revenue per employee ratio was below that of the typical reporting company, suggesting that further study may be advisable. While you may determine that no problem exists, low personnel productivity during normal business conditions may indicate the business is too "people heavy". Possible issues for review include generating more revenue volume with existing staff, altering staff size to bring it more in line with revenue levels, or a combination of the two.

AOPA Operating Performance Report
Summary Performance Evaluation Versus All Responding Companies

Company Number: SAMPLE **Net Sales/Billings(as reported): $6,000,000**

FINANCIAL MANAGEMENT

CURRENT RATIO....(FAIR)

Current assets to current liabilities (current ratio) is an excellent overall measure of liquidity, which represents the short-term financial strength of your company. Liquidity is the ability to meet short-term debt obligations with currently available funds. As with financial leverage, each company must determine its own optimal liquidity position to meet its own goals. The higher the ratio, the greater the liquidity. Your company's current ratio was lower than the typical reporting company, indicating that some concern may be warranted. While you may conclude that no problem exists, it may be possible that you are operating with insufficient liquid capital. This is potentially damaging if business slows down or if a loan to comes due unexpectedly. Possible issues to review are whether long-term financing should be increased and/or more profits should be left in the business.

DEBT TO EQUITY....(GOOD)

Debt to equity is an overall measure of financial leverage. Leverage is the extent to which a company is financed by debt as opposed to the owner's funds, and the higher the ratio, the higher the leverage. Your firm's debt to equity ratio was less than the typical reporting firm's leverage position. This position may enhance your ability to attract new borrowed funds if you so desire, and your interest charges may also be at reasonable levels. However, it is possible that a higher leverage rate would increase your profitability if the borrowed rate is less than your rate of return on investment. If you would like to further improve your position or increase your understanding of this issue, possible areas for review are both your short-term and long-term debt positions.

Detailed Information

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
OVERALL KEY PERFORMANCE MEASURES					
NET PROFIT MARGIN (Net Profit Before Taxes as a % of Net Sales)	9.0%	7.3%	14.6%	7.0%	7.2%
GROSS PROFIT MARGIN (Gross Profit as % of Net Sales)	48.1%	47.1%	53.3%	46.1%	45.8%
ASSET TURNOVER (Net Sales/Total Assets)	3.8	3.2	5.9	2.9	3.1
RETURN ON ASSETS (Net Profit Before Taxes as a % of Total Assets)	31.9%	19.4%	69.4%	20.4%	18.4%
FINANCIAL LEVERAGE (Total Assets/Net Worth)	1.3	1.4	1.3	1.2	1.3
RETURN ON NET WORTH (Net Profit Before Taxes as a % of Net Worth)	52.8%	35.1%	108.4%	31.8%	36.0%
MEDIAN SALES VOLUME	$6,000,000	$2,425,171	$2,833,578	$7,034,994	$3,000,000
AVERAGE SALES VOLUME		$4,590,805	$6,494,805	$10,333,038	$4,946,931
2015 SALES GROWTH	9.6%	7.3%	11.7%	11.5%	7.8%
FORECASTED 2016 SALES GROWTH	5.0%	5.0%	5.0%	5.0%	5.0%
FINANCIAL MANAGEMENT RATIOS					
Current Ratio (Curr. Assets/Curr. Liab.)	3.0	3.0	3.5	2.9	2.5
Quick Ratio (Current Assets Minus Inventory/Current Liabilities)	2.6	2.6	3.2	2.6	2.1
Inventory Turnover (Cost of Goods Sold/Inventory)	22.5	20.8	27.1	19.0	23.0
Cash Ratio (Cash/Current Liab.)	3.9%	3.4%	6.2%	4.2%	1.7%
Accounts Payable to Inventory	1.2	1.3	1.1	1.1	1.3
Debt to Equity	0.5	0.5	0.6	0.3	0.6
Days Receivables Outstanding	48.0	52.4	32.9	54.3	52.2
EMPLOYEE PRODUCTIVITY RATIOS					
Number of Employees (Full-Time Equivalents)	34.9	30.8	27.5	55.9	25.4
Total Company Revenues Per Overall Employee	$147,139	$162,987	$173,617	$165,840	$166,112
Total Company Revenues Per Non-Owner Practitioner	$509,468	$510,836	$500,000	$521,183	$505,852
Total Company Revenues Per Total Number of Practitioners	$463,943	$446,866	$498,793	$448,034	$462,078
Total Payroll as a % of Net Sales	37.2%	38.1%	35.5%	36.9%	38.4%
Fringe Benefits Expense as a % of Net Sales	4.1%	4.0%	3.7%	4.4%	4.3%
Payroll & Fringe Benefits as a % of Net Sales	41.3%	42.1%	39.2%	41.3%	42.6%
Payroll & Fringe Benefits Per Employee	$69,792	$69,517	$67,253	$68,475	$73,924

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
INCOME STATEMENT AS A % OF NET SALES/BILLINGS					
Gross Sales/Billings					
Orthotics	50.1%	51.0%	47.9%	52.9%	48.6%
Prosthetics	62.3%	61.7%	56.8%	67.4%	63.1%
Pedorthics	5.6%	5.7%	5.5%	5.3%	5.9%
Durable Medical Equipment	0.9%	0.9%	1.5%	0.7%	0.7%
Other	6.2%	5.3%	8.1%	6.5%	5.1%
Total Gross Sales/Billings	125.1%	124.5%	119.8%	132.7%	123.4%
Disallowed Sales and Contractual Adjustments	-25.1%	-24.5%	-19.8%	-32.7%	-23.4%
Net Sales/Billings	100.0%	100.0%	100.0%	100.0%	100.0%
COST OF GOODS SOLD					
Purchases of Pre-Fabricated Devices	9.3%	8.9%	9.1%	10.4%	8.9%
Raw Materials/Components	15.7%	15.7%	14.5%	15.8%	16.8%
Operating Supplies	1.6%	2.1%	0.7%	1.8%	1.7%
Freight-In Costs	0.8%	0.8%	0.9%	0.8%	0.8%
Central Fabrication	4.1%	4.0%	4.0%	4.3%	4.0%
Production Labor Costs:					
Practitioner Labor	15.1%	16.0%	12.2%	15.4%	16.7%
Technician Labor	3.9%	4.4%	2.9%	3.8%	4.5%
Other Production Labor	1.4%	1.2%	2.2%	1.6%	0.8%
Total Production Labor Costs	20.4%	21.5%	17.4%	20.7%	22.0%
Total Cost of Goods Sold	51.9%	52.9%	46.7%	53.9%	54.2%
Gross Profit	48.1%	47.1%	53.3%	46.1%	45.8%
GENERAL AND ADMINISTRATIVE EXPENSES					
Office Salaries and Bonuses	13.9%	14.1%	14.9%	13.1%	13.4%
Other Employee Salaries and Wages	2.9%	2.6%	3.2%	3.0%	2.9%
Employee Fringe Benefits (all employees)					
Medical Insurance (health, dental, vision, prescription, etc.)	2.4%	2.6%	2.1%	2.6%	2.5%
Retirement Plans (401k, 403b, IRA, etc.)	1.1%	1.1%	1.1%	1.2%	1.2%
Other Employee Fringe Benefits	0.5%	0.4%	0.6%	0.6%	0.6%
Total Employee Fringe Benefits	4.1%	4.0%	3.7%	4.4%	4.3%
Advertising and Promotion	0.9%	0.8%	0.7%	1.0%	1.1%
Occupancy Expense (rent, utilities, maintenance)	6.4%	7.0%	6.1%	6.4%	6.3%
Education/Scientific Meeting Expense (including travel)	0.5%	0.5%	0.3%	0.5%	0.6%
Bad Debt Expense	0.7%	0.6%	0.6%	0.9%	0.5%
Insurance (business, liability, auto, etc.)	1.0%	1.1%	1.2%	0.8%	1.1%
Depreciation/Amortization	0.9%	0.9%	0.6%	1.1%	0.8%
All Other General and Administrative Expense	7.3%	7.2%	7.8%	7.3%	7.0%
Total General and Administrative Expenses	38.6%	38.8%	39.0%	38.6%	38.0%
Operating Profit	9.5%	8.3%	14.3%	7.5%	7.8%
Other Non-Operating Income	0.6%	0.4%	0.6%	0.8%	0.7%
Other Non-Operating Expense (excluding interest expense)	0.8%	1.0%	0.1%	1.0%	1.1%
Interest Expense	0.3%	0.3%	0.2%	0.4%	0.2%
Profit Before Taxes	9.0%	7.3%	14.6%	7.0%	7.2%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
BALANCE SHEET AS A % OF TOTAL ASSETS					
ASSETS					
Cash	22.9%	23.7%	30.2%	14.8%	22.8%
Accounts Receivable	39.7%	39.5%	33.0%	45.0%	41.4%
Inventory	7.8%	7.9%	7.6%	8.6%	6.9%
Other Current Assets	3.9%	5.3%	2.6%	2.2%	5.6%
Total Current Assets	74.2%	76.3%	73.3%	70.6%	76.7%
Fixed Assets, net of Depreciation	13.8%	14.4%	14.0%	14.4%	12.2%
Other Non-Current Assets	12.0%	9.3%	12.7%	15.0%	11.1%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%
LIABILITIES & NET WORTH					
Accounts Payable	13.9%	13.7%	14.2%	11.8%	15.8%
Current Notes Payable	5.3%	6.1%	3.2%	3.7%	8.2%
Income Taxes Payable	0.6%	0.6%	1.0%	0.2%	0.4%
Other Current Liabilities	8.6%	10.1%	5.9%	9.4%	8.9%
Total Current Liabilities	28.3%	30.6%	24.3%	25.1%	33.3%
Long-Term Liabilities	9.8%	11.4%	11.4%	7.2%	9.2%
Net Worth & Loans from Stockholders	61.9%	58.0%	64.2%	67.7%	57.5%
Total Liabilities and Net Worth	100.0%	100.0%	100.0%	100.0%	100.0%
REVENUE BY CATEGORY					
Percent of 2015 total revenue for each of the following categories:					
Off-the-shelf Orthotics	8.5%	7.9%	9.3%	8.7%	8.2%
Custom-fit low O&P	9.9%	9.1%	5.1%	15.2%	10.3%
Custom-fit high O&P	12.0%	11.7%	9.4%	15.2%	11.9%
Custom fabrication O&P	67.0%	68.6%	74.1%	58.1%	67.1%
Other	2.6%	2.8%	2.2%	2.9%	2.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
AGING OF ACCOUNTS RECEIVABLE AT YEAR-END					
0 to 30 Days From Invoice Date	54.9%	54.3%	56.2%	54.6%	54.6%
30 to 60 Days From Invoice Date	16.4%	16.6%	17.0%	17.0%	15.0%
60 to 90 Days From Invoice Date	7.6%	8.2%	6.6%	8.0%	7.6%
90 to 120 Days From Invoice Date	5.5%	5.8%	5.0%	4.8%	6.5%
Over 120 Days From Invoice Date	15.5%	15.1%	15.2%	15.5%	16.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
STAFFING INFORMATION					
Average Number of FTEs Per Position					
Certified and/or Licensed Orthotist/Prosthetist	4.6	3.7	3.9	7.4	3.4
Certified and/or Licensed Prosthetist	1.5	1.3	1.4	2.4	0.9
Certified and/or Licensed Orthotist	3.0	2.4	2.9	4.8	2.0
NCOPE Resident	0.8	0.7	0.5	1.3	0.6
Non-Certified and Non-Licensed Orthotist/Prosthetist	0.2	0.1	0.3	0.1	0.2
Non-Certified and Non-Licensed Prosthetist	0.0	0.0	0.0	0.0	0.0
Non-Certified and Non-Licensed Orthotist	0.1	0.1	0.0	0.2	0.1
Certified and/or Licensed Pedorthist	0.9	0.8	0.5	1.7	0.6
Non-Certified and/or Licensed Pedorthist	0.0	0.0	0.1	0.0	0.1
Fitters	1.0	0.9	0.3	1.8	1.0
Owner Practitioner	1.0	1.0	0.8	1.5	1.0
Total Practitioners	13.1	11.0	10.5	21.3	9.8
Non-Clinical Owners/Managers	1.0	0.8	0.5	1.8	0.9
Practitioner Assistant/Extender	0.7	0.6	0.6	1.1	0.6
Technicians	4.7	4.2	3.9	7.4	3.4
Administrative Office Staff	13.4	11.1	10.6	22.2	9.9
Marketing Personnel	1.0	0.6	1.4	1.3	0.8
Other	0.9	2.5	0.1	0.8	0.1
Total Full-Time Equivalent Employees	34.9	30.8	27.5	55.9	25.4
Percentage of time owner practitioner spends in clinical practice/fabrication	54.5%	58.3%	53.2%	53.0%	53.7%
DEVICE AND COMPONENTRY COSTS					
Average percentage increase (decrease) in device and componentry costs in 2015 over 2014:	3.2%	3.0%	3.9%	3.0%	3.0%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
ADDITIONAL INFORMATION					
Number of Full-Time Facilities (2015)	7.8	13.2	4.9	8.2	4.9
Number of Part-Time Facilities (2015)	0.8	0.7	0.8	1.0	0.6
Number of Full-Time Facilities (2014)	7.3	12.9	4.3	7.3	4.6
Number of Part-Time Facilities (2014)	0.6	0.6	0.6	0.8	0.5
If total number of facilities changed versus the prior year, what was the reason(s)?					
Internal Operations	X	53.6%	40.0%	57.9%	52.9%
Mergers/Acquisitions		21.4%	20.0%	26.3%	23.5%
Other		32.1%	40.0%	15.8%	23.5%
Median Total Square Footage of All Company Facilities (including all offices)	11,813	7,550	6,200	22,500	11,000
Median Square Footage per Facility (including office spaces)	2,808	2,800	2,550	3,083	2,800
Sales per Facility Square Foot	$346	$303	$415	$354	$313
Number of Years Business Has Been in Operation	23.8	23.0	22.0	28.0	22.0
INDUSTRY PRACTICES					
Percent of net sales by primary paying agents					
Hospitals/nursing homes	6.6%	5.6%	8.5%	5.4%	6.8%
Medicare (traditional)	28.6%	27.9%	27.3%	30.1%	29.2%
Medicaid (traditional)	10.0%	10.9%	7.5%	12.2%	9.2%
Medicare replacement	6.3%	4.7%	8.2%	6.1%	6.3%
Medicaid replacement	5.0%	5.0%	8.7%	1.7%	4.7%
Contracted private insurance	25.9%	25.9%	22.6%	29.3%	25.8%
Non-contracted private insurance	2.6%	3.6%	2.2%	2.3%	2.2%
Worker's compensation	4.0%	4.5%	3.7%	3.9%	3.8%
Veterans administration	7.2%	7.0%	9.0%	4.5%	8.4%
Vocational rehabilitation	0.7%	0.8%	0.2%	1.1%	0.7%
Self pay	2.0%	2.3%	1.6%	2.4%	1.6%
Other	1.1%	1.6%	0.4%	1.1%	1.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
What percentage of your collected net sales is controlled/directed by a Third Party Administrator (TPA)?					
Average	8.4%	7.8%	10.6%	5.1%	10.3%
Median		3.0%	2.5%	3.5%	3.5%
Does your company use Accrual Basis Accounting or Cash Basis Accounting?					
Accrual Basis	X	54.7%	60.0%	69.2%	50.0%
Cash Basis		45.3%	40.0%	30.8%	50.0%
Does your company have scheduled business hours on Saturdays?					
Yes		3.5%	5.0%	3.6%	6.8%
No	X	96.6%	95.0%	96.4%	93.2%
Does your company have any scheduled evening business hours Monday-Friday?					
Yes		11.5%	15.0%	10.7%	9.1%
No	X	88.5%	85.0%	89.3%	90.9%
Does your company use outside central fabrication? (Central fabrication should include any item custom-made for a patient)					
Yes	X	79.1%	85.0%	71.4%	72.1%
No		20.9%	15.0%	28.6%	27.9%
Of the total custom fabricated work produced, approximately what percentage was outsourced to an outside central fabrication facility in 2015?					
Average	36.2%	29.9%	35.0%	43.5%	36.4%
Median		20.0%	20.0%	30.0%	20.0%
Does your company outsource its billing procedures?					
Yes		5.8%	10.0%	3.6%	6.8%
No	X	94.3%	90.0%	96.4%	93.2%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
Please indicate which product lines/services your company had in 2014, and how they changed in 2015 vs. 2014:					
In 2014, had Diabetic Shoes/Inserts					
Yes	X	76.5%	68.4%	91.7%	81.0%
No		23.5%	31.6%	8.3%	19.1%
% adding the product line/service in 2015 if they did not have it in 2014		0.0%	0.0%	ISD	0.0%
% eliminating the product line/service in 2015 if they did have it in 2014		23.3%	15.4%	28.6%	17.7%
In 2014, had Compression Garments					
Yes		45.1%	47.4%	45.8%	45.2%
No	X	54.9%	52.6%	54.2%	54.8%
% adding the product line/service in 2015 if they did not have it in 2014		7.5%	0.0%	9.1%	14.3%
% eliminating the product line/service in 2015 if they did have it in 2014		5.6%	0.0%	10.0%	0.0%
In 2014, had Functional Electrical Stimulation					
Yes		34.6%	31.6%	33.3%	19.5%
No	X	65.4%	68.4%	66.7%	80.5%
% adding the product line/service in 2015 if they did not have it in 2014		0.0%	0.0%	0.0%	0.0%
% eliminating the product line/service in 2015 if they did have it in 2014		14.8%	0.0%	14.3%	25.0%
In 2014, had Mastectomy					
Yes		30.0%	26.3%	47.8%	30.0%
No	X	70.0%	73.7%	52.2%	70.0%
% adding the product line/service in 2015 if they did not have it in 2014		0.0%	0.0%	0.0%	0.0%
% eliminating the product line/service in 2015 if they did have it in 2014		13.6%	0.0%	0.0%	8.3%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
In 2014, had Physical Therapy/Occupational Therapy Services					
Yes		2.5%	0.0%	0.0%	0.0%
No	X	97.5%	100.0%	100.0%	100.0%
% adding the product line/service in 2015 if they did not have it in 2014		1.6%	5.6%	5.3%	2.8%
% eliminating the product line/service in 2015 if they did have it in 2014		ISD	ISD	ISD	ISD
In 2014, had Mobile Lab Service					
Yes		14.8%	26.3%	12.5%	12.2%
No	X	85.2%	73.7%	87.5%	87.8%
% adding the product line/service in 2015 if they did not have it in 2014		0.0%	0.0%	0.0%	0.0%
% eliminating the product line/service in 2015 if they did have it in 2014		0.0%	0.0%	ISD	0.0%
Has your practice been impacted by an Accountable Care Organization (ACO)?					
Greatly Negatively		3.6%	0.0%	3.7%	0.0%
Somewhat Negatively		16.9%	16.7%	22.2%	17.1%
Not at All	X	54.2%	66.7%	55.6%	58.5%
Somewhat Positively		0.0%	0.0%	0.0%	0.0%
Greatly Positively		1.2%	0.0%	0.0%	0.0%
N/A or Unsure		24.1%	16.7%	18.5%	24.4%
Has your practice been impacted by a Patient Centered Model Home (PCMH)?					
Greatly Negatively		0.0%	0.0%	0.0%	0.0%
Somewhat Negatively		1.2%	0.0%	0.0%	0.0%
Not at All	X	60.2%	73.7%	70.4%	61.0%
Somewhat Positively		1.2%	5.3%	0.0%	0.0%
Greatly Positively		1.2%	0.0%	0.0%	0.0%
N/A or Unsure		36.1%	21.1%	29.6%	39.0%
Has the growth of hospital-based O&P departments impacted your practice?					
Greatly Negatively		4.7%	10.0%	0.0%	6.8%
Somewhat Negatively		24.4%	25.0%	35.7%	20.5%
Not at All	X	48.8%	50.0%	53.6%	47.7%
Somewhat Positively		4.7%	0.0%	3.6%	6.8%
Greatly Positively		1.2%	0.0%	0.0%	0.0%
N/A or Unsure		16.3%	15.0%	7.1%	18.2%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
Have any new physician-owned O&P practices started in your markets in the past year?					
Not at all		17.2%	25.0%	21.4%	20.5%
Somewhat	X	65.5%	65.0%	60.7%	63.6%
Greatly		17.2%	10.0%	17.9%	15.9%
N/A or unsure		0.0%	0.0%	0.0%	0.0%
Has hospital or physician group consolidaton impacted your referral source patterns?					
Greatly Negatively		1.6%	0.0%	0.0%	0.0%
Somewhat Negatively	X	39.1%	31.6%	36.4%	45.7%
Not at All		40.6%	52.6%	59.1%	40.0%
Somewhat Positively		4.7%	5.3%	4.6%	0.0%
Greatly Positively		0.0%	0.0%	0.0%	0.0%
N/A or Unsure		14.1%	10.5%	0.0%	14.3%
Has competitive bidding on DME products impacted your business?					
Greatly Negatively		3.5%	0.0%	3.6%	2.3%
Somewhat Negatively		10.3%	15.0%	10.7%	11.4%
Not at All	X	72.4%	80.0%	71.4%	75.0%
Somewhat Positively		2.3%	0.0%	7.1%	0.0%
Greatly Positively		0.0%	0.0%	0.0%	0.0%
N/A or Unsure		11.5%	5.0%	7.1%	11.4%
Have any mergers or acquisitions impacted your market?					
Greatly Negatively		1.5%	0.0%	0.0%	2.8%
Somewhat Negatively		13.9%	20.0%	8.7%	13.9%
Not at All	X	61.5%	65.0%	52.2%	52.8%
Somewhat Positively		12.3%	10.0%	34.8%	19.4%
Greatly Positively		0.0%	0.0%	0.0%	0.0%
N/A or Unsure		10.8%	5.0%	4.4%	11.1%
Have you considered a merger or acquisition?					
Yes	X	52.3%	55.0%	73.9%	61.1%
No		47.7%	45.0%	26.1%	38.9%

AOPA Operating Performance Report

Company Number: SAMPLE
Net Sales/Billings (as reported): $6,000,000

	Your Firm	All Firms	Profit Leaders	Net Sales: Over $5 Million	Moderate Size City
Enrolled Medicare Region					
A	X	30.1%	25.0%	21.4%	17.5%
B		22.9%	25.0%	32.1%	30.0%
C		27.7%	40.0%	25.0%	30.0%
D		33.7%	30.0%	39.3%	35.0%
During 2015 were you audited by Medicare?					
Yes	X	85.5%	90.0%	100.0%	87.5%
No		14.5%	10.0%	0.0%	12.5%
If yes, which type or type(s)					
RAC	X	48.6%	58.8%	44.4%	47.1%
CERT	X	40.0%	58.8%	40.7%	41.2%
Prepayment	X	88.6%	82.4%	92.6%	91.2%
ZPIC		7.1%	0.0%	11.1%	8.8%
OIG		1.4%	0.0%	3.7%	0.0%
Are you conducting chart audits to check your documentation compliance?					
Outside firm reviews charts		7.2%	5.0%	14.8%	12.2%
Internal chart review	X	100.0%	100.0%	100.0%	100.0%
No ongoing chart review		0.0%	0.0%	0.0%	0.0%
If you conduct chart audits, which product types are you auditing?					
Prosthetics	X	97.7%	100.0%	100.0%	100.0%
Off-the-Shelf Orthotics		55.3%	65.0%	53.6%	50.0%
Custom Orthotics		91.8%	90.0%	89.3%	90.5%
Pedorthics		51.8%	80.0%	57.1%	50.0%
Custom Fit Orthotics		69.4%	70.0%	75.0%	66.7%
None of the above		0.0%	0.0%	0.0%	0.0%

Appendix

Ratio Definitions Used in the AOPA Operating Performance Survey

The primary purpose of this ***AOPA Operating Performance Report*** is to provide a basis for comparing your own performance with your peers. In order to do this, it is necessary to calculate your own ratios using the same methods that were used to compute the ratios in this report.

MEASURE	**METHOD OF COMPUTATION**
Overall Performance Measures	
Profit Margin	(Net Income Before Taxes ÷ Net Sales) x 100
Asset Turnover	Net Sales ÷ Total Assets
Return on Assets	(Net Income Before Taxes ÷ Total Assets) x 100
Financial Leverage	Total Assets ÷ Net Worth
Return on Net Worth	(Net Income Before Taxes ÷ Net Worth) x 100
Financial Management Ratios	
Current Ratio	Total Current Assets ÷ Total Current Liabilities
Quick Ratio	(Total Current Assets – Inventory) ÷ Total Current Liabilities
Inventory Turnover	Cost of Goods Sold ÷ Inventory
Cash Ratio	Cash ÷ Current Liabilities
Accounts Payable to Inventory	Accounts Payable ÷ Inventory
Debt to Equity	Total Liabilities ÷ Net Worth
Days Sales Outstanding	(Accounts Receivable ÷ Net Sales) x 365