

Audited and unaudited financial statements of patton- fuller community hospital vi...

[Finance](#)



Audited and Unaudited Financial Statements of Patton-Fuller Community Hospital Virtual Organization

Patton-Fuller Community Hospital Virtual Organization established in 1975, is an organization offering quality medical services to Kelsey city and the neighboring communities. With a 600-bed capacity, 80% of the revenue is obtained from inpatient services and the rest from other outpatient services such as emergency services. In addition to quality healthcare, another objective is to remain profitable and sustainable financial management (Koop, 2006). In order to do so, the Chief Financial Officer decided to monitor the cash flows; both inflows and outflows using the Generally Accepted Accounting Principles. In 2009, there was a fall in stock and real estate markets which affected the hospital in making general financial decisions. The 2008 and 2009 financial statements were prepared so as to understand and compare changes brought by reassessing investments of the facility. This will help bring out the positive and negative changes and reasons why they occur.

To begin with, the first difference is noted between the audited and unaudited financial statements. Looking at the Patients Accounts Receivable and with 2008 as the base year, there is a difference of \$1000. Provision for Doubtful accounts in the unaudited accounts has a value of \$13797 and audited statement has \$13, 797 resulting to a difference of \$1000. Operating income in 2009 was at \$689 for unaudited and at \$-311 after audit resulting into a difference of \$378. Effect of the differences realized in the net income from the unaudited statements to the audited statements was from \$627 to - \$373.

Looking at the above differences, it can be noted that the decision made by the board through the Chief Financial Officer were favorable. With the unstable economy, the differences provided confidence to the hospital to be successful in the future operations (Koop, 2006).

References

Koop, G. (2006). *Analysis of Financial Data*. New York: John Wiley & Son