

MEMO

To: Board Members
From: Eric Sinclair, GM Finance & Performance
Date: 16 May 2018
Subject: Financial Report for April 2018

Status

This report contains:
 For decision
 Update
 Regular report
 For information

Overview

Financial Result



Budget Variance



Forecast Position



Cash Position



Capital Expenditure

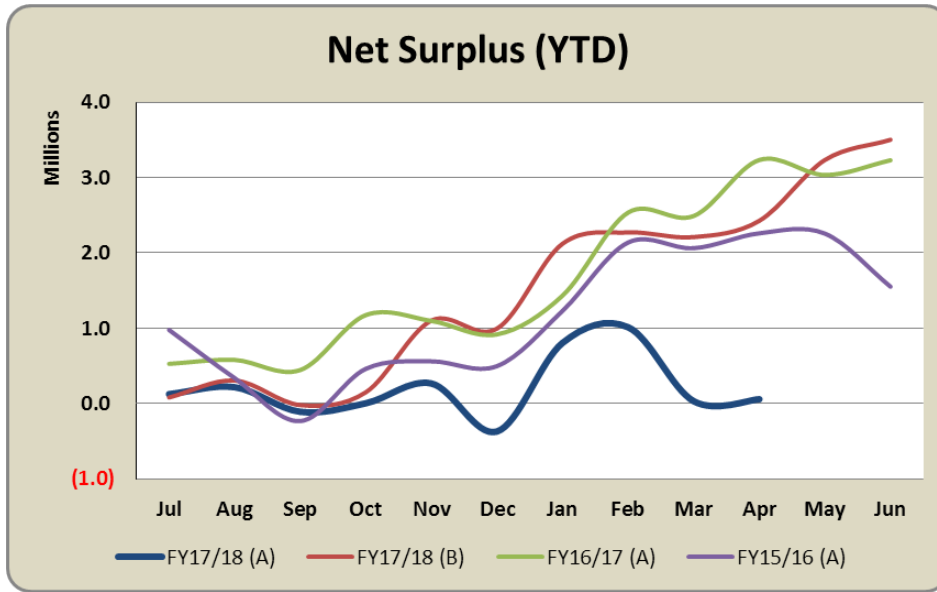


Commentary

A \$0.03M surplus (against the planned \$0.22M deficit) for the month has brought the 10 month result to a surplus of \$0.06M (against the planned surplus of \$2.42M). This gives a 10 month adverse variance to the plan of \$2.36M.

Detailed financial statements are included in the Appendix attached to this report.

April 2018 \$Ms					Year to Date \$Ms				Full Year \$Ms	
Actual	Budget	Budget Variance	Last Year Actual		Actual	Budget	Budget Variance	Last Year Actual	Budget	Last Yr
40.26	40.02	0.25	37.51	Revenue	410.66	409.38	1.27	388.89	493.82	468.24
15.64	15.07	(0.58)	13.96	Expenditure	153.99	152.58	(1.42)	144.00	184.31	175.32
6.21	6.18	(0.03)	5.37	Workforce Costs	69.58	66.54	(3.04)	60.51	80.29	72.90
12.67	13.00	0.33	12.05	Other Operating Costs	131.32	132.29	0.97	127.34	159.03	153.41
3.91	3.69	(0.21)	3.84	External Provider Payments excluding IDFs	37.90	36.93	(0.97)	36.49	44.32	43.41
				Inter District Flows						
38.44	37.94	(0.49)	35.22	Total Expenditure before IDCC	392.79	388.34	(4.45)	368.35	467.95	445.04
1.83	2.07	(0.25)	2.29	Surplus/(Deficit) before IDCC	17.87	21.05	(3.18)	20.54	25.86	23.19
1.80	1.86	0.05	1.55	Capital Related Costs	17.81	18.63	0.82	17.31	22.36	19.96
0.03	0.22	(0.19)	0.74	Surplus/(Deficit)	0.06	2.42	(2.36)	3.24	3.50	3.23



Key messages for the month

- NMH continues to report a small surplus position however we remain adverse to the plan. This means we continue as one of only two DHBs to report a surplus position.
- Key points to note with the financial results for the month:
 - The areas causing the adverse variance remain the same as in previous months, namely medical workforce, nursing workforce, clinical supplies, hospital and community pharmaceuticals, air ambulance and inter district flows (IDFs).
 - With the continued delay in coding from other DHBs and the results of the current trend in IDFs I have accrued a further \$200k of expense into the IDF line in April. This brings the total provision for an IDF overspend to \$900k for the 10-month period.

Eric Sinclair
GM Finance and Performance

RECOMMENDATIONS:

THAT THE BOARD RECEIVES THE FINANCIAL REPORT.

Appendix A – Detailed Financial Statements

Statement of Financial Performance

April 2018 \$000s				Year to Date \$000s				Full Year \$000s	
Actual	Budget	Budget Variance	Last Year Actual	Actual	Budget	Budget Variance	Last Year Actual	Budget	Last Yr
Revenue									
36,047	35,681	366	33,301	367,693	366,182	1,511	347,893	442,001	418,471
2,016	2,093	(77)	1,947	19,226	19,702	(476)	18,193	23,530	22,090
1,209	1,273	(64)	1,159	13,264	13,334	(69)	12,589	16,007	15,243
991	969	22	1,102	10,474	10,166	308	10,215	12,278	12,433
40,263	40,017	247	37,509	410,658	409,384	1,274	388,890	493,817	468,237
Expenditure									
15,218	14,965	(253)	13,541	150,810	151,494	683	140,715	183,000	171,259
424	101	(322)	417	3,180	1,081	(2,099)	3,287	1,306	4,060
15,642	15,066	(575)	13,959	153,990	152,575	(1,415)	144,002	184,306	175,319
Total Workforce									
1,306	1,285	(21)	943	13,407	13,197	(210)	9,128	15,875	10,561
2,978	2,654	(324)	2,463	31,069	28,084	(2,986)	28,572	34,028	35,623
1,930	2,246	317	1,966	25,100	25,260	160	22,807	30,390	26,718
12,673	12,999	325	12,049	131,322	132,287	966	127,345	159,033	153,409
3,907	3,693	(213)	3,838	37,902	36,934	(968)	36,493	44,321	43,412
38,435	37,943	(492)	35,217	392,791	388,337	(4,454)	368,347	467,953	445,043
1,828	2,074	(245)	2,291	17,867	21,047	(3,180)	20,543	25,864	23,194
Surplus/(Deficit) before IDCC									
29	19	(9)	22	290	209	(81)	1,860	252	1,914
993	1,058	65	947	9,704	10,625	921	9,691	12,757	11,631
780	780	(1)	579	7,815	7,796	(19)	5,757	9,355	6,418
1,802	1,857	55	1,548	17,809	18,630	821	17,308	22,364	19,964
27	217	(190)	744	58	2,417	(2,359)	3,236	3,500	3,230
Surplus/(Deficit) after IDCC									
(2,193)	181	(2,374)	(379)	7,523	8,900	(1,377)	2,948	12,977	4,560
38	37	1	(0)	499	326	173	(15)	348	(115)
2,182	(1)	2,183	1,123	(7,963)	(6,809)	(1,154)	302	(9,824)	(1,215)
27	217	(190)	744	58	2,417	(2,359)	3,236	3,500	3,230

Financial Performance by Division

April 2018 \$000s			
Actual	Budget	Budget Variance	Last Year Actual
36,871	36,474	398	34,106
354	363	(10)	354
25,523	22,781	2,742	21,647
(22,485)	(19,601)	(2,884)	(18,598)
40,263	40,017	247	37,509
39,065	36,293	(2,772)	34,485
315	326	11	354
23,341	22,782	(559)	20,524
(22,485)	(19,601)	2,884	(18,598)
40,237	39,800	(437)	36,766
(2,193)	181	(2,374)	(379)
38	37	1	(0)
2,182	(1)	2,183	1,123
27	217	(190)	744

Revenue

Funds	376,127	374,130	1,997	355,687
Governance and Funding Administration	3,559	3,574	(14)	3,563
Provider	230,352	227,691	2,662	218,541
Eliminations	(199,380)	(196,010)	(3,370)	(188,900)
Total Revenue	410,658	409,384	1,274	388,890

Expenditure

Funds	368,604	365,230	(3,374)	352,738
Governance and Funding Administration	3,061	3,247	187	3,578
Provider	238,315	234,500	(3,816)	218,239
Eliminations	(199,380)	(196,010)	3,370	(188,900)
Total Expenditure	410,600	406,967	(3,633)	385,655

Net Contribution

Funds	7,523	8,900	(1,377)	2,948
Governance and Funding Administration	499	326	173	(15)
Provider	(7,963)	(6,809)	(1,154)	302
Net Surplus/(Deficit)	58	2,417	(2,359)	3,236

Year to Date \$000s				Full Year \$000s	
Actual	Budget	Budget Variance	Last Year Actual	Budget	Last Yr
376,127	374,130	1,997	355,687	451,541	427,945
3,559	3,574	(14)	3,563	4,281	4,270
230,352	227,691	2,662	218,541	273,208	262,585
(199,380)	(196,010)	(3,370)	(188,900)	(235,212)	(226,563)
410,658	409,384	1,274	388,890	493,817	468,237
368,604	365,230	(3,374)	352,738	438,565	423,385
3,061	3,247	187	3,578	3,933	4,385
238,315	234,500	(3,816)	218,239	283,032	263,800
(199,380)	(196,010)	3,370	(188,900)	(235,212)	(226,563)
410,600	406,967	(3,633)	385,655	490,317	465,006
7,523	8,900	(1,377)	2,948	12,977	4,560
499	326	173	(15)	348	(115)
(7,963)	(6,809)	(1,154)	302	(9,824)	(1,215)
58	2,417	(2,359)	3,236	3,500	3,230

Statement of Financial Position

	June 2017	Apr	Apr		Annual
\$000s	Actual	Actual	Budget	Variance	Budget
Current Assets					
Bank	21,561	35,496	28,334	7,162	30,156
Deposits > 3 months	19,301	19,950	18,950	1,000	18,950
Debtors & Prepayments	18,140	18,223	15,000	3,223	15,000
Stock	2,700	2,741	2,770	(29)	2,770
Assets Held for Sale	465	465	191	274	465
Current Assets	62,167	76,875	65,245	11,630	67,341
Current Liabilities					
Creditors	28,534	40,119	29,805	(10,314)	29,804
Employee Entitlements	33,201	37,978	32,000	(5,978)	32,000
Term Debt - Current Portion	477	487	500	13	500
Current Liabilities	62,212	78,583	62,305	(16,278)	62,304
Working Capital	(46)	(1,708)	2,940	(4,648)	5,037
Non Current Assets					
Property Plant and Equipment	171,589	172,829	169,809	3,020	168,227
Other Non Current Assets	3,881	3,955	3,985	(30)	3,998
Non Current Assets	175,470	176,784	173,794	2,990	172,225
Employee Entitlements	9,923	9,923	10,200	277	10,200
Term Debt	8,663	8,255	7,300	(955)	7,300
Non Current Liabilities	18,586	18,178	17,500	(678)	17,500
Net Assets	156,838	156,897	159,234	(2,337)	159,762
Equity					
Crown Equity	83,015	83,015	83,014	1	82,467
Revaluation Reserve	53,213	53,213	53,213	0	53,213
Retained Earnings:					
General	19,789	15,833	22,204	(6,371)	23,831
DSS	(52)	48	432	(384)	17
Mental Health	873	4,788	371	4,417	234
Total Retained Earnings	20,611	20,669	23,007	(2,338)	24,082
Total Crown Equity	156,838	156,897	159,234	(2,337)	159,762

Statement of Cash Flows

Apr			Year to Date			Full Year
Actual	Budget	Variance	Actual	Budget	Variance	AP
Operating Cash Flow						
Receipts						
39,334	39,048	286	399,023	399,221	(198)	481,490
144	167	(23)	1,412	1,667	(255)	2,000
858	969	(111)	8,829	10,162	(1,333)	12,274
40,336	40,184	152	409,264	411,050	(1,786)	495,764
Payments						
14,523	14,936	413	146,036	151,323	5,287	182,783
19,557	23,157	3,600	232,914	235,109	2,195	283,291
-	780	780	4,693	7,796	3,103	9,355
69	19	(50)	1,338	209	(1,129)	252
34,149	38,892	4,743	384,981	394,437	9,456	475,681
6,187	1,292	4,895	24,283	16,613	7,670	20,083
Net Cash Inflow/(Outflow) from Operating Activities						
Cash Flow from Investing Activities						
Receipts						
4	-	4	104	-	104	-
4	-	4	104	-	104	-
Payments						
1,366	500	(866)	11,037	16,450	5,413	17,550
-	-	-	(585)	-	585	-
1,366	500	(866)	10,452	16,450	5,998	17,550
(1,362)	(500)	(862)	(10,348)	(16,450)	6,102	(17,550)
Net Cash Inflow/(Outflow) from Investing Activities						
Net Cash Inflow/(Outflow) from Financing Activities						
4,825	792	4,033	13,935	163	13,772	1,986
30,671	27,542	3,129	21,561	28,171	(6,610)	28,171
35,496	28,334	7,162	35,496	28,334	7,162	30,157
Closing Balance						

12-Month Rolling Cash Forecast

Consolidated 12 Month Rolling Statement of Cash Flows \$000s	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Jan 2019	Feb 2019	Mar 2019	Apr 2019
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Operating Cash Flow												
Receipts												
Government & Crown Agency Received	43,600	38,669	40,690	40,690	40,690	40,690	40,690	40,690	40,690	40,690	40,690	40,690
Interest Received	167	167	167	167	167	167	167	167	167	167	167	167
Other Revenue Received	1,133	978	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034
Total Receipts	44,900	39,814	41,891	41,891	41,891	41,891	41,891	41,891	41,891	41,891	41,891	41,891
Payments												
Personnel	19,023	15,937	15,515	15,515	15,515	17,515	15,515	15,515	15,515	15,515	15,515	15,515
Payments to Suppliers and Providers	25,178	24,004	24,043	24,043	24,043	24,043	24,043	24,043	24,043	24,043	24,043	24,043
Capital Charge	-	4,677	-	-	-	-	-	4,677	-	-	-	-
Interest Paid	24	19	32	32	32	32	32	32	32	32	32	32
Total Payments	44,225	44,637	39,590	39,590	39,590	41,590	39,590	44,267	39,590	39,590	39,590	39,590
Net Cash Inflow/(Outflow) from Operating Activities	675	(4,823)	2,301	2,301	2,301	301	2,301	(2,376)	2,301	2,301	2,301	2,301
Cash Flow from Investing Activities												
Receipts												
Sale of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital Expenditure	3,600	3,100	100	500	600	700	650	600	850	2,800	1,000	2,850
Increase in Investments	3,600	3,100	100	500	600	700	650	600	850	2,800	1,000	2,850
Total Payments	(3,600)	(3,100)	(100)	(500)	(600)	(700)	(650)	(600)	(850)	(2,800)	(1,000)	(2,850)
Net Cash Inflow/(Outflow) from Investing Activities	-	(547)	-	-	-	-	-	-	-	-	-	-
Net Cash Inflow/(Outflow) from Financing Activities												
Net Increase/(Decrease) in Cash Held	(2,925)	(8,470)	2,201	1,801	1,701	(399)	1,651	(2,976)	1,451	(499)	1,301	(549)
Plus Opening Balance	35,496	32,571	24,101	26,302	28,103	29,804	29,405	31,056	28,080	29,531	29,032	30,333
Closing Balance	32,571	24,101	26,302	28,103	29,804	29,405	31,056	28,080	29,531	29,032	30,333	29,784