

Riverland Division of General Practice Inc

Finance Report

21 November 2011

GENERAL

This report covers the first four (4) months of the 2011-12 financial year.

This report includes the narrative plus

- Consolidated Profit and Loss Statement
- Consolidated Profit and Loss Statements for each of the six (6) teams
- Balance Sheet
- Statement of Cash Flow
- Accounts Receivable Ageing
- Accounts Payable Ageing

CONSOLIDATED PROFIT & LOSS (ATTACHMENT 1)

Income \$1,199,452

- Income of \$1,199,452 stands at 57% of the annual budget, which is higher than the benchmark of 33% expected at this time of the year. This is due to some funding payments being received early as per contract agreements.
- Program Funds are the major contributor and stand at 52% of the annual budget.
- Carry Forward Balances are at 118% budget no further activity will occur.
- Interest stands at 25% of the annual budget.
- Other income has received 57% of the annual budget.
- Last year income received was \$1,141,071.

Expenses \$352,167

- Expenses of \$698,269 represent 32% of the annual budget, which is marginally lower than the benchmark for the year.
- Salaries and wages are by far the largest item and they are running at 32% of budget being \$509,055, which is slightly lower than the benchmark for the year.
- Last year at this point in time expenses incurred were \$738,113.

TEAM PERFORMANCE (ATTACHMENTS 2-7)

The Administration Group (Admin) is running behind of the consolidated group with 47% of budget received, they are also running behind of the consolidated group and budget with salaries at 22%. Total expenses are averaging 22% of budget for the year, which is also running behind of the consolidated group.

The Programs Group (Programs) is running behind of the consolidated group with 47% of budget received, salaries & wages are in line with the consolidated group budget at 32%. Total expenses are averaging 45% of budget for the year, running ahead of the consolidated group.

The Aboriginal Health Team is running ahead of the consolidated group with 63% of budget received. Salaries/wages are ahead of the budget benchmark at 35%. Total expenses are above target at 34% of budget also.

The Mental Health Team is running in line with the consolidated group with 57% of budget received. Salaries/wages are ahead of the budget benchmark at 36%. Total expenses are slightly ahead of target at 34% of budget.

The Youth Team is running ahead of the consolidated group with 61% of budget received. Salaries/wages are slightly higher than the budget benchmark at 34%. Total expenses are slightly below target at 32% of budget.

The Other Team is running ahead of the consolidated group with all income received. Salaries/wages also have 109% of budget allocated. Total expenses are ahead of the consolidated group with 100% of budget also spent as projects are all completed for this group.

BALANCE SHEET (ATTACHMENT 8)

The Current Ratio (Current Assets : Current Liabilities) stands at 3.9:1, still well above the benchmark of 2:1. The Current Ratio at the same time last year was 3.1:1. Cash is not a bad place to have assets in these times as it makes 66% of current assets, so this is a result that is conservative and probably one that has preserved funds for future use.

STATEMENT OF CASH FLOWS (ATTACHMENT 9)

During the period, the Division increased its cash reserves from \$411,872 by \$212,844 to \$624,716.

The statement of cash flow essentially describes cash flows derived from or used in three distinct areas. First, it shows the cash flow derived from operations, and it is important that this shows a good surplus if an organisation is healthy. The profit on operating activities is \$501,184 however the surplus to cash from operating activities is \$212,844 once all non-cash movements are removed from the accrual profit. Last year the cash surplus from operating activities for the same period was \$12,069.

Secondly, the statement reveals the funds spent on renewing or adding to the asset base used by the organisation. A healthy deficit will reveal an organisation either expanding or ensuring that it is using modern and renewed equipment and buildings. There no movement here.

Thirdly, cash flow either derived from borrowing or in repaying debt is the third factor measured by this statement. At the time of writing, the organisation has no loans or debts other than normal trading debts to consider.

ACCOUNTS RECEIVABLE (ATTACHMENT 10)

Total accounts receivable at the end of the period is \$322,341. There is one major item outstanding over 90 days, RDGP is awaiting approval of the deliverable before receipt of this invoice will be made.

ACCOUNTS PAYABLE (ATTACHMENT 11)

Accounts payable at the end of the period stood at \$59,206 all within terms.

OTHER MATTERS

One of the requirements of these reports is to address the issue of potential fraud. Once again I am pleased to say that on the materials available to me, I am confident that all the systems that have been established in the organisation (separation of duties, the use of external providers in some circumstances, checks and balances in approving expenditure and payments and so on) are not only working well, the staff of the Division is working well with these systems and is to be congratulated on their work.



TRACEY WASGIND

PUBLIC ACCOUNTANT

REGISTERED BAS Agent

MIPA B.Com (Corp Fin & Acc)

MYOB CERTIFIED CONSULTANT

I have prepared this report based on generally accepted accounting standards and to the best of my ability from information provided to me by the Riverland Division of General Practice.