

Riverland Division of General Practice Inc

Finance Report

19 September 2011

GENERAL

This report covers the first two (2) months of the 2011-12 financial year. Please note that the 2010-11 audited financials were not available at the time of analysis and hence there are no Carry Forward Balance located in revenue of the profit and loss statements.

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 \$655,536

- Income of \$655,536 stands at 31% of the annual budget, which is higher than the benchmark of 17% 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 35% of the annual budget.
- Carry Forward Balances are not yet finalised and hence not processed as the audit is awaiting finalisation.
- Interest stands at 12% of the annual budget.
- Other income has received 19% of the annual budget.
- Last year income received was \$473,776, excluding Carry Forward Balances.

Expenses \$352,167

- Expenses of \$352,167 represent 16% 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 18% of budget being \$284,236, which is slightly higher than the benchmark for the year.
- Last year at this point in time expenses incurred were \$315,373.

TEAM PERFORMANCE (ATTACHMENTS 2-7)

The Administration Group (Admin) is running ahead of the consolidated group with 40% of budget received, they are also running ahead of the consolidated group and budget with salaries at 25%. Total expenses are averaging 19% of budget for the year, which is also running ahead of the consolidated group.

The Programs Group (Programs) is running behind of the consolidated group with 26% of budget received, salaries & wages are also behind of the consolidated group budget at 15%. Total expenses are averaging 13% of budget for the year, running behind of the consolidated group.

The Aboriginal Health Team is running ahead of the consolidated group with 33% of budget received. Salaries/wages are in line to the budget benchmark at 17%. Total expenses are on target at 17% of budget also.

The Mental Health Team is running behind of the consolidated group with 16% of budget received. Salaries/wages are in line to the budget benchmark at 17%. Total expenses are on target at 17% of budget also.

The Youth Team is running ahead of the consolidated group with 42% of budget received. Salaries/wages are slightly lower than the budget benchmark at 15%. Total expenses are also below target at 14% of budget.

The Aboriginal Health Team is running ahead of the consolidated group with 33% of budget received. Salaries/wages are in line to the budget benchmark at 17%. Total expenses are on target at 17% of budget also.

The Other Team is running behind of the consolidated group with no income yet received. Salaries/wages also have no expenses yet allocated. Total expenses are behind the consolidated group with only 4% of budget spent.

BALANCE SHEET (ATTACHMENT 8)

The Current Ratio (Current Assets : Current Liabilities) stands at 3.8:1, still well above the benchmark of 2:1. The Current Ratio at the same time last year was 3.5:1. Cash is not a bad place to have assets in these times as it makes 52% 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 \$104,014 to \$515,886.

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 \$303,368 however the surplus to cash from operating activities is \$104,014 once all non-cash movements are removed from the accrual profit. Last year the cash surplus from operating activities for the same period was \$139,474.

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 \$482,632. There is one major item outstanding between 60 & 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 \$34,304 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.