

For BRPS P&C Meeting: 17<sup>th</sup> August 2016

## Treasurer's Report

August 2016

(Balances as at 31 July)

### Profitability

The BRPS P&C is currently tracking with a Net Profit of \$10,500 year-to-date, however if we add back the abnormal expenditure for the Hall Ventilation of \$32,700, our Net Profit would be \$43,300, which is \$12,400 worse (22% decrease) than the same time last year. The difference is mainly related to the Gala Day earning \$22k profit last year compared to the Election Day smaller event earning \$8k profit this year. Taking those events out of the calculation, we're showing a slight increase of 4% overall.

### Operational Profit Summary

**Band:** The Net Profit has decreased by 5% compared to the same period last year (\$11.1k vs \$11.7k). Total Income is down by 16% but that is partially offset by decreased expenses.

**Canteen:** The Net Profit has increased over 600% as it was operating at a loss during the same period last year (\$7.1k vs -\$1.3k). The Total Income is up by 35% and Cost of Sales are only up 21%, which results in a Gross Profit increase of 54%. Payroll and related operating expense also have a smaller increase of 6%, therefore they are in a good position to maintain these positive results going forward. *Note: The Canteen refurbishment costs are not included in the Canteen Operations results: \$10k has been spent on Kitchen Assets and about \$700 expensed (including depreciation).*

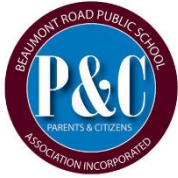
**Uniform:** The Uniform Shop has also shown an increase to Net Profit of 43% (\$6.5k vs \$4.5k). This is mainly due to a decrease in the Cost of Sales, which may be partially related to the use of inventory which was purchased in prior years (there is currently \$27k showing as an asset in the balance sheet) as well as more efficient management of inventory stock.

### **Fundraising Functions YTD:**

- **Bivouac:** Profit of \$700 (approx. \$500 lower than prior year - 39% reduction)
- **Easter:** Profit of \$2,600 (approx. \$1,000 lower than prior year - 28% reduction)
- **Mothers' Day (incl Mum's night):** Profit of \$2,700 (approx. \$1,600 higher than last year - 144% increase).
- **Y6 Athletics Carnival for School Gift:** \$1,500 has been raised YTD (plus an additional \$200 from the sale of the Y6 jackets).
- **Election Day:** Profit of \$8,100 so far (still has Raffle Ticket Sales coming through)

### **Donations received YTD:**

- **\$2,500** - Stone Real Estate
- **\$500** - CBT Holidays
- **\$150** – All Saints Church (for Band)



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**Total Fundraising Profit and Donations YTD = \$19,100** (50% lower than same time last year). There are no other major fundraising initiatives planned for the remainder of the year apart from the Disco (approx. \$3k) and Cards/Calendars (approx. \$2.5k).

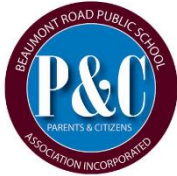
Based on projected results for the remainder of the year for normal operations (i.e. excluding project expenses that can't be capitalized), we should expect to be in a profitable position at year-end of around \$45k. However, since we will be expensing some large projects, we will actually have a large deficit, which will reduce reserves. Ideally, if projects are structured in a way where the P&C either owns the assets or a provision can be made for the expense in the year the revenue is earned, we could avoid having such large swings in our revenue and expenses each year. From an Income perspective, it does not appear that we will exceed the \$250k threshold, which means that we will not be subject to an external audit and the related additional required reporting this year.

The bank balances are: Everyday Account = \$37,000 Building fund = \$34,000 Savings Account = \$199,000

### Other Treasury Matters

- Due to the threat of an audit last year, I have spent quite a lot of time implementing controls and procedures, including reconciliations, which have improved the accuracy of the results and the timeliness of reporting and external submissions, as well as the payments to vendors. However, I believe there are still improvements to be made around the cash management of events (i.e. the person responsible for the event should write a report which documents the revenue earned and expenses incurred, and the related cash received should be reconciled with the actual banking).
- I'm continuing to document procedures and I've started to include due dates for monthly/quarterly/annual submissions and memberships and reporting required. This should help the next person plan out their workload accordingly and be prepared for the extra work required, especially in June/July due to tax year-end and various memberships due.
- Fixed Assets:
  - I have set up an asset register in the financial system for the Canteen Fixed Assets and we will continue to capitalize other asset purchases as appropriate.
  - Outstanding from a previous meeting was whether or not the Band Instruments were held on the school's asset register or not (the P&C has provided funding for some of them)? An inventory was being conducted to determine if it matched the band's schedule.
  - The funding for the Hall Ventilation most likely can't be capitalized by the P&C since we don't own the building so this will continue to show as an abnormal item in our results.
- Mai Li has done some initial investigation for whether or not the P&C should register for GST and initially it does not look like it would be worthwhile for the effort involved but we will continue to investigate further.

A more detailed Profit and Loss Statement for July 31<sup>st</sup> 2016 YTD is included below for your information.



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<b>Profit &amp; Loss</b> <b>Beaumont Road Public School P &amp; C</b> <b>All Divisions</b> <b>YTD 31 July 2016</b>								
	Band	Canteen	Canteen Refurb	Fundraising Total <sup>2</sup>	Hall Refurb.	Uniform	Misc	Total
<b>Income</b>								
Band Income	\$28,600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,600.00
Building Fund Donations	\$0.00	\$0.00	\$0.00	\$2,500.00	\$0.00	\$0.00	\$0.00	\$2,500.00
Canteen Income <sup>1</sup>	\$0.00	\$56,474.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,474.49
Fund Raising Income	\$150.00	\$0.00	\$0.00	\$24,862.03	\$0.00	\$0.00	\$0.00	\$25,012.03
Membership Dues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$63.00	\$63.00
Miscellaneous Income	\$0.00	\$0.00	\$0.00	\$3,780.00	\$0.00	\$0.00	\$0.00	\$3,780.00
Uniform Shop Income - New <sup>1</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,545.50	\$0.00	\$20,545.50
Uniform Shop Sales - 2nd Hand	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,795.50	\$0.00	\$1,795.50
<b>Total Income</b>	<b>\$28,750.00</b>	<b>\$56,474.49</b>	<b>\$0.00</b>	<b>\$31,142.03</b>	<b>\$0.00</b>	<b>\$22,341.00</b>	<b>\$63.00</b>	<b>\$138,770.52</b>
<i>% Increase / (Decrease)</i>	-16%	35%		-50%		-13%		-18%
<b>Less Cost of Sales</b>								
Band - Equipment Maintenance	\$1,943.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,943.16
Band - Workshops & Festivals	\$2,004.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,004.15
Canteen Purchases	\$0.00	\$27,727.75	\$278.64	\$0.00	\$0.00	\$0.00	\$0.00	\$28,006.39
Fund raising expenses	\$0.00	\$0.00	\$0.00	\$8,440.72	\$0.00	\$0.00	\$0.00	\$8,440.72
Music Books, Stands & Trophies	\$1,215.86	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,215.86
On-line Ordering <sup>1</sup>	\$0.00	\$1,310.98	\$0.00	\$199.19	\$0.00	\$616.39	\$0.00	\$2,126.56
Uniform Shop - CoGS <sup>3</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,272.21	\$0.00	\$15,272.21
<b>Total Cost of Sales</b>	<b>\$5,163.17</b>	<b>\$29,038.73</b>	<b>\$278.64</b>	<b>\$8,639.91</b>	<b>\$0.00</b>	<b>\$15,888.60</b>	<b>\$0.00</b>	<b>\$59,009.05</b>
<i>% Increase / (Decrease)</i>	-47%	21%		-64%		-25%		-26%
<b>Gross Profit</b>	<b>\$23,586.83</b>	<b>\$27,435.76</b>	<b>-\$278.64</b>	<b>\$22,502.12</b>	<b>\$0.00</b>	<b>\$6,452.40</b>	<b>\$63.00</b>	<b>\$79,761.47</b>
<i>% Increase / (Decrease)</i>	-4%	54%		-41%		43%		-12%
<b>Plus Other Income</b>								
Interest Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,967.61	\$2,967.61
<b>Total Other Income</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,967.61</b>	<b>\$2,967.61</b>
<i>% Increase / (Decrease)</i>							15%	15%
<b>Less Operating Expenses</b>								
Approved Misc Expenses	\$500.98	\$0.00	\$0.00	\$3,456.00	\$0.00	\$0.00	\$0.00	\$3,956.98
Approved Project Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$32,724.50	\$0.00	\$547.80	\$33,272.30
Bank Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14.65	\$14.65
Depreciation Expense	\$0.00	\$0.00	\$391.35	\$0.00	\$0.00	\$0.00	\$0.00	\$391.35
Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450.00	\$450.00
Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.00	\$5.00
Printing & Stationary	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17.63	\$17.63
Rounding & Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.92	\$5.92
Subscriptions & Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$745.27	\$745.27
Superannuation	\$1,035.54	\$1,759.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,794.70
Wages & Salaries	\$10,900.00	\$18,517.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,417.50
Workers Compensation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,123.83	\$1,123.83
<b>Total Operating Expenses</b>	<b>\$12,436.52</b>	<b>\$20,276.66</b>	<b>\$391.35</b>	<b>\$3,456.00</b>	<b>\$32,724.50</b>	<b>\$0.00</b>	<b>\$2,910.10</b>	<b>\$72,195.13</b>
<i>% Increase / (Decrease)</i>	-3%	6%					-46%	93%
<b>Net Profit<sup>4</sup></b>	<b>\$11,150.31</b>	<b>\$7,159.10</b>	<b>-\$669.99</b>	<b>\$19,046.12</b>	<b>-\$32,724.50</b>	<b>\$6,452.40</b>	<b>\$120.51</b>	<b>\$10,533.95</b>
<i>% Increase / (Decrease)</i>	-5%	-643%		-50%		43%	-95%	-81%
<b>Net Profit Prior Year</b>	<b>\$11,725.65</b>	<b>-\$1,319.62</b>	<b>\$0.00</b>	<b>\$38,363.86</b>	<b>\$0.00</b>	<b>\$4,497.88</b>	<b>\$2,408.87</b>	<b>\$55,676.64</b>

**Notes:**

1. For both the Canteen and the Uniform shop in 2016, the Flexischool fees have been included as an expense rather than netted with income, which causes a slight comparability issue for both Income and Cost of Sales (the Net Profit is not impacted).
2. The fundraising results can't be compared between years due to Gala Day in prior year (\$22k Net Profit).
3. The Uniform shop Inventory has had a stock-take and the balance sheet has been updated accordingly. It should be noted that since our financial system does not manage the inventory, the COGS may not equate to Uniform shop reporting.
4. The Total Net Profit is not comparable to the prior year due to Gala Day vs Election Day and the Canteen and Hall Refurbishments. Excluding those items, the 2016 Net Profit would be \$35k and the 2015 Net Profit would be \$34k.