

ROSEBANK COLLEGE
FINANCE REPORT
OCTOBER 2015

CFO REPORT

SUMMARY

Current highlights

- The College was notified by the Catholic Block Grant Authority (CBGA) that the grant amount the College will receive for the construction of Project 4 has gone up from \$3,328,973 to \$3,500,000.
- The College has established a loan with the Catholic Development Fund for \$1.5 million for the purpose of having on hand reserve funds in the event they are required during the construction of Project 4. Loan documentation has been reviewed by the College Legal firm (Emil Ford) and is now awaiting the signatories of the Trustees of the Sisters of the Good Samaritan.
- The College was advised this month that negotiations between the Catholic Commission for Employment Relations (CCER) and the Independent Education Union (IEU) with regard to the Enterprise Agreements (EA) for 2015/2016 have now been finalised and agreed upon. College staff have been provided with a copy of the EA and a summary of the EA. In addition, the College has now held briefing sessions regarding the EA for all staff. The next step is that all teaching, support and operational staff of the College will vote on whether to accept the EA from 10-13 November. If the vote is to accept the EA's the College anticipates that it will be back paying staff amounts due for 2015 in early December.
- The College continues to pursue Catholic Church Insurance (CCI) for an explanation as to why only \$15,500 of our claim for \$58,988 was paid out. To date CCI has provided an explanation (which the College rejects) that they consider 15,500 represents what they consider to be a fair amount of costs to defend the claim prior to CCI involvement and enable the continuation of work on Project 3.
- Debtor arrears as at October each year have improved year on year from 11.24% in 2013 to 10.28% in 2014 to now 6.56% in 2015. A significant amount of billings are done 3 times a year in the months of February, May and September. The % of arrears is at its highest when the reporting month is just after the month of billing. As months pass after the month of billing the % of arrears falls.

DETAILED REPORTS**CASHFLOW**

- Closing cash position as at 31 October was \$10,717,577.
- Projected closing cash position at 31 December 2015 is \$9,048,928 which is \$2,148,968 higher than our budgeted closing cash position for the year of \$6,899,960. The projection for 2015 this month has not changed significantly since last month.
- Our long range cash forecast for the period ending 31 December 2016 is \$5,973,184. The projection for 2016 this month has not changed significantly since last month.

INCOME ANALYSIS

- **Schools Fees and Charges (No significant change in projection from September2015)**
- **Grants Received (No significant change in projection from September2015)**

During the month the College received the third and final Commonwealth Recurrent grant allocation for 2015. The amount received was \$2,808,726. The amount received was not significantly different to our budgetary expectations.

- **Building Fund**

Building funds received in the month of October were \$26,996. Interest received on the building fund for October 2015 was \$2,878. \$200,000 was transferred out of the Building Fund this month to pay for building works and building related repairs and maintenance. The balance as at the end of October 2015 is \$1,362,742. The Building fund reserve is held in three accounts. Two accounts are held with the CDF that total \$1,133,144 and, the other account is held with the ANZ bank \$229,598.

- **Other Income (No significant change in projection from September2015)**
- **EXPENDITURE ANALYSIS (No significant change in projection from September2015)**

REVENUE AND EXPENDITURE SURPLUS / (LOSS)

- Year to date surplus is \$4,681,679 which is \$799,398 higher than budget.
 - Wages and salaries expense is contributing to \$642,122 of the surplus amount in excess of budget. This is due to the following reasons;
 - There has been a lot of staff movement during 2015 which has seen a number of experienced higher paid staff replaced by younger staff.
 - A number of staff that were at a Step 13 level at the end of 2014 have not yet applied to move up to a senior teacher 1 (ST1). The progress from Step 13 is not an automatic one. We have made the assumption that in 2016 that all staff on Step 13 will apply to become an ST1. Two staff members are waiting for reclassification and the remainder have postponed this process until 2016.

- There were 3 new teacher positions created in 2015 where we had budgeted for there to be 6. In addition 1 of those positions appointed was appointed at a Step 13 level. When budgeting for 2015 for additional staff we assumed that we would be employing a ST1 with 2 point co-ordinators loading.
- During 2015 we have employed the equivalent of 2.0 FTE Support staff members however they did not start until mid-way through the year.
- Our excess surplus year to date for wages and salaries expenses will be reduced to \$529,314 by the end of 2015 once the new EA's for Teachers, Support and Operational Staff is voted upon, approved then amounts due to our staff for 2015 are back paid for the current year.
 - Interest expense on loans with the Catholic Development Fund (CDF) is contributing to \$124,052 of the year to date surplus. For budget setting purposes interest rates were set at 6.5% for 2015. Throughout 2015 interest rates charged by the CDF have been 5.0% and are unlikely to rise for the remainder of 2015.
- The projected operating surplus for the year is \$2,756,091 which is \$809,901 higher than the annual budget of \$1,946,190. There has been no significant change to the surplus projection for 2015 since September 2015.

DEBTOR ANALYSIS

- Total receipts in the month of October related to current year billings total \$552,813. Collections for October year to date are \$6,836,906 (a yield of \$5,839 per student) compared to collections for October year to date in 2014 of \$5,871,798 (a yield of \$5,367 per student). Arrears on current year billings are 6.56% year to date compared to 10.28% in 2014.
- Arrears carried forward from prior years are \$564,425. Receipts during the month of October related to prior year debt were \$36,268. Year to date the College has collected 63% of prior year debt that is \$358,225. The balance of arrears from prior years outstanding as at 31 October 2015 is \$206,200.

CAPITAL EXPENDITURE

A. INTERNAL WORKS

- Actual expenditure incurred on Capital works year to date is \$703,983. This represents 88% of the annual 2015 Capital Works Expenditure budget.

B. BUILDING PROJECTS

PROJECT 4 (The Administration Building)

The College was notified this month that the grant amount to be received for Project 4 has increased from \$3,328,973 up to \$3,500,000. The reason for the increase was that there was a miscalculation by the CBGA which excluded the cost of renovation works required on GLA's in the Erie building. The CBGA require this work to be undertaken as part of their grant offering. The renovation works on the Erie building are included in the College Project 5 with an allocated cost of \$149,000. The College will be allocating the portion of the grant associated with the

renovation of the Erie block GLA's (\$171,027) to Project 5 in order to match grant revenue with associated costs.

In addition the College has put in place a loan facility of \$1.5 million with the CDF this month which the College plans to not draw upon. The facility has been setup in case the College requires additional funds for Project 4.

The contract between the College and Steve Watt Constructions will be signed in the month of November.

Construction insurance is being taken out by the College with Catholic Church Insurance (CCI). Within the policy there will be coverage for existing buildings up to the value of \$3 million.

Insurance coverage of both the chapel and the Gardens / Cemetery area have been moved across to the College insurance program with CCI.

SUMMARY AND STATUS OF COMPLIANCE REPORTING OBLIGATIONS IN 2015

A: FINANCIAL

Reporting to	Reporting Obligation	Due	Status
Catholic Development Fund (CDF)	Quarterly reporting obligations for loans	31 January 2015	Submitted
		30 September 2015	Submitted
		31 September 2015	Submitted
		31 October 2015	Submitted
ATO	BAS return	28 September 2015	Submitted
		28 October 2015	Submitted
		28 September 2016	Not Due
	FBT return	21 September 2015	Submitted
Australian Charities & Not-For-Profit Commission	2014 Annual Information Statement	30 September 2015	Submitted
Catholic Education Commission NSW	Annual Acquittal of funds received for targeted programs	28 November 2015	Not due

B: EDUCATIONAL

Reporting to	Reporting Obligation	Due	Status
Commonwealth Department of Education	Annual Report for 2014	9 September 2015	Submitted
	Annual Financial Questionnaire	30 September 2015	Submitted
	Commonwealth Census	8 October 2015	Submitted
NSW State Government	First Half Census	21 September 2015	Submitted
	Second Half Census	8 October 2015	Submitted

Workplace Gender Equality Agency (WGEA)	Gender Report for 2013-2014	19 September 2015	Submitted
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C: WHS

Reporting to	Reporting Obligation	Due	Status
Canada Bay Council	Annual Fire Safety Statements	30 October 2015	Submitted

D: MEMBERS / GOVERNANCE

Reporting to	Reporting Obligation	Due	Status
Rosebank Company Secretary	Board Declaration Register	Each Board Meeting	Up to Date
Good Samaritan Sisters	Schedule of Outstanding Loans	10 September 2015	Submitted
Good Samaritan Education	SKI Financial Indicators Report – 2014	30 September 2015	Submitted
	AGM Documents – 2014	31 September 2015	Submitted
	Census – October 2015	15 October 2015	Submitted
Rosebank Members	Annual Budget for 2016	5 November 2015	Submitted

D: COMPLISPACE IMPLEMENTATION UPDATE

The College continues to work with Complispace on the development and review of a GAP analysis for the 'WHS' module after the successful implementation of the 'Privacy' module. The College hosted the inaugural meeting of GSE Compliance Managers on October 23. The meeting was well received by all attendees and it was decided that the group should meet on an annual basis to discuss implementation progress and share with each other experiences using the Complispace solution.

James Jeffery
Dean of Finance (CFO)
 6th November 2015