

BRISBANE YOUTH SERVICE INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017**

1.

BRISBANE YOUTH SERVICE INC.
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
<u>INCOME</u>		
Brisbane City Council	9,392	13,714
Corporate Partnership, Donations & Subscriptions	132,193	139,496
Department of Communities	675,688	660,616
Department of Housing & Public Works	4,592,131	3,353,347
Department of Social Services	71,666	72,936
Department of Health & Ageing	633,166	617,715
Queensland Health	178,828	182,591
Gambling Community Benefit Fund	-	25,313
Other Grants	53,207	42,318
Rent Received	185,851	154,481
Interest Received	124,943	126,453
Medicare	46,713	57,464
Sundry Income	11,375	6,394
Feb Fast	5,912	7,108
Disposal of Assets	-	469
Lord Mayor's Community Trust	1,946	2,000
Cecilia Kilkeary Foundation	6,397	-
	<u>6,729,408</u>	<u>5,462,415</u>
<u>LESS EXPENDITURE</u>		
Total Expenditure (Schedule Attached)	6,405,462	5,402,646
	<u>\$323,946</u>	<u>\$59,769</u>
<u>NET SURPLUS/(DEFICIT) FOR YEAR</u>		

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
<u>EXPENDITURE</u>		
Advertising & Promotion	64,077	70,643
Audit & Accountancy	18,000	21,600
Bank Charges	4,320	3,631
Client Costs	239,885	115,955
Computer Expenses	257,749	88,678
Consulting Fees	6,000	47,381
Depreciation	67,705	62,272
Electricity & Gas	62,768	57,474
Emergency Relief Expenses	60,708	61,130
Fringe Benefits Tax	7,002	2,116
Insurance	59,201	54,493
Legal Fees	5,088	-
Meeting Expenses	3,413	1,982
Minor Equipment	55,782	42,650
Motor Vehicle & Travel Expense	149,982	129,378
Office Cleaning & Supplies	55,826	50,551
Postage, Printing, Stationery & Office Supplies	43,265	61,844
Project Expenses	16,379	6,287
Publications, Subscriptions & Memberships	10,891	13,187
Rent & Rates	187,635	182,394
Repairs & Maintenance	133,073	81,798
Security	23,172	22,682
Staff Costs	4,508	1,333
Staff Training & Supervision	68,749	55,646
Storage	9,990	10,538
Sundry Expenses	3,254	5,696
Superannuation	393,064	330,005
Telephone & Internet	87,048	77,886
Wages & Salaries	4,232,305	3,650,204
Workers Compensation	74,623	93,212
<u>TOTAL EXPENDITURE</u>	<u>\$6,405,462</u>	<u>\$5,402,646</u>

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
ASSETS AND LIABILITIES STATEMENT
AS AT 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash on Hand	2,009	3,079
Cash at Bank (Note 2)	720,737	56,110
Debtors, Prepayments & Deposits (Note 3)	135,792	187,312
<u>TOTAL CURRENT ASSETS</u>	\$858,538	\$246,501
<u>INVESTMENTS</u> (Note 4)	3,718,866	3,793,995
<u>FIXED ASSETS</u> (Note 5)	2,668,204	2,716,421
<u>TOTAL ASSETS</u>	\$7,245,608	\$6,756,917
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Creditors & Accruals (Note 6)	646,428	537,142
Grant Income Received & Unexpended (Note 7)	199,277	62,799
Provisions (Note 8)	840,048	921,067
<u>TOTAL CURRENT LIABILITIES</u>	\$1,685,753	\$1,521,008
<u>NON-CURRENT LIABILITIES</u>		
Borrowings (Note 9)	522,000	650,000
<u>TOTAL NON-CURRENT LIABILITIES</u>	522,000	650,000
<u>TOTAL LIABILITIES</u>	2,207,753	2,171,008
<u>NET ASSETS</u>	\$5,037,855	\$4,585,909
<u>ACCUMULATED FUNDS</u>		
Balance at 1 July 2016	4,585,909	2,493,361
Net Surplus/(Deficit) for Year	323,946	59,769
Transfer from other organisations	-	2,032,779
Adjustment to Borrowings (Note 1(g))	128,000	-
<u>TOTAL ACCUMULATED FUNDS</u>	\$5,037,855	\$4,585,909

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Grant Funding	6,320,425	4,903,517
Interest	124,943	126,453
Other Income	472,038	438,256
Payments		
Wages & Salaries & Other Supplies	6,309,490	4,674,748
Net cash provided by (used in) operating activities	<u>\$607,916</u>	<u>\$793,478</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of plant & equipment	(19,488)	(75,261)
Receipt for sale of plant & equipment	-	7,273
Receipt from merged organisation	-	40,274
Net cash provided by (used in) investing activities	<u>(\$19,488)</u>	<u>(\$27,714)</u>
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Net increase/(decrease) in cash held	588,428	765,764
Cash at beginning of the reporting period	3,853,184	3,087,420
Cash at end of the reporting period	<u>\$4,441,612</u>	<u>\$3,853,184</u>
Reconciliation of Net Surplus/Deficit to Net Cash Provided by (Used in) Operating Activities		
Operating Result	323,946	59,769
- Depreciation	67,705	62,272
- Profit/Loss on sale of Asset	-	(469)
- Increase/(Decrease) in Payables	109,286	308,845
- Increase/(Decrease) in Provisions	(81,019)	356,781
- (Increase)/Decrease in Deposits & Debtors	51,520	(11,429)
- Increase/(Decrease) in Grants Unexpended	136,478	17,709
Net cash provided by (used in) operating activities	<u>\$607,916</u>	<u>\$793,478</u>

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirement of the Associations Incorporated Act (Qld). The committee has determined that the association is not a reporting entity.

The report is also prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Fixed Assets - Depreciation

No depreciation is charged on land and buildings.

Depreciation is charged on all other Fixed Assets on the Prime Cost Method and is brought to account over the estimated economic lives of all Assets.

(b) Comparative Figures

Comparative figures, where necessary, have been reclassified in order to comply with the presentation adopted in the figures reported for the current financial year.

(c) Employee Entitlements

Liabilities for Wages & Salaries and Annual Leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

(d) Income Tax

The Association is exempted from tax under section 50-10 of the Income Tax Assessment Act 1997.

(e) Economic Dependence

The Brisbane Youth Service Inc. is dependant on government funding to operate. As at the date of the report the committee has no reason to believe the government will not continue to support the organisation.

BRISBANE YOUTH SERVICE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Land & Buildings

All properties have been included as assets of Brisbane Youth Service Inc. in the accounts at Note 5 and are valued at committee's valuation.

(g) Borrowings

The organisation signed a new Mortgage Agreement during the year.

The borrowings amount reflects the non-interest loan as per Mortgage Agreement with The Department of Public Works and Housing.

BRISBANE YOUTH SERVICE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
2. CASH AT BANK		
Operating Account	512,821	39,551
Donation Account	78,071	3,450
Rental Account - 1	129,481	12,670
Rental Account - 2	-	439
Other Accounts	364	-
	<u>\$720,737</u>	<u>\$56,110</u>
3. DEBTORS, PREPAYMENTS & DEPOSITS		
Deposits & Bonds	5,710	5,060
Debtors & Prepayments	130,082	182,252
	<u>\$135,792</u>	<u>\$187,312</u>
4. INVESTMENTS		
Term Deposit	2,200,000	2,200,000
Cash Management Account	32,460	7,138
Business Cash Maximiser	632,593	770,951
Business Websaving	415,622	410,190
Premier Investment Account	416,643	405,716
Premier Cecilia Kilkeary	21,548	-
	<u>\$3,718,866</u>	<u>\$3,793,995</u>

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
5. FIXED ASSETS		
Land & Buildings - at Committee Valuation	2,550,000	2,550,000
Motor Vehicles	479,753	460,265
Less Accumulated Depreciation	396,089	342,852
	<hr/> 83,664	<hr/> 117,413
Office Furniture	31,050	31,050
Less Accumulated Depreciation	31,050	31,050
	<hr/> NIL	<hr/> NIL
Office Equipment	403,257	403,257
Less Accumulated Depreciation	390,729	384,732
	<hr/> 12,528	<hr/> 18,525
Leasehold Improvements	140,027	140,027
Less Accumulated Depreciation	118,015	109,544
	<hr/> 22,012	<hr/> 30,483
	<hr/> \$2,668,204	<hr/> \$2,716,421
6. CREDITORS & ACCRUALS		
Trade Creditors & Accruals	403,426	365,053
PAYG Withholding	86,917	48,072
Salary Sacrifice Liabilities	1,258	4,338
GST Liabilities	103,310	86,422
Superannuation Payable	51,517	33,257
	<hr/> \$646,428	<hr/> \$537,142

The accompanying notes form part of these financial statements.

BRISBANE YOUTH SERVICE INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>
7. GRANT INCOME RECEIVED & UNEXPENDED		
Brisbane City Council	11,775	20,668
Department of Housing & Public Works	13,997	-
Department of Health	23,599	-
Cecilia Kilkeary Foundation	15,151	-
Department of Communities	6,092	3,904
Ian Potter Foundation	-	10,000
Virgin Unite Australia	-	28,227
Queensland Health	128,663	-
	<u>\$199,277</u>	<u>\$62,799</u>
 8. PROVISION FOR LEAVE ENTITLEMENTS		
Provision for Annual Leave	310,906	385,154
Provision for Long Service Leave	374,195	367,670
Provision for Sick Leave	154,494	146,331
Provision for On Costs	453	21,912
	<u>\$840,048</u>	<u>\$921,067</u>
 9. BORROWINGS		
Mortgage - Department of Public Works and Housing	522,000	650,000
	<u>\$522,000</u>	<u>\$650,000</u>

The accompanying notes form part of these financial statements.



BRISBANE YOUTH SERVICE INC.
STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 9:

1. Presents a true and fair view of the financial position of Brisbane Youth Service Inc. as at 30 June 2017 and its performance for the year ended of that date.
2. At the date of this statement, there are reasonable grounds to believe that Brisbane Youth Service Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

President 
Treasurer 

Dated this 25th day of September 2017.

11.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BRISBANE YOUTH SERVICE INC.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Brisbane Youth Service Inc., which comprises the assets and liabilities statement as at 30 June 2017, the income and expenditure statement and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, in all material respects the financial position of Brisbane Youth Service Inc. as of 30 June 2017 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act (QLD).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110: code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the Associations Incorporation Act (QLD). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act (QLD) and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

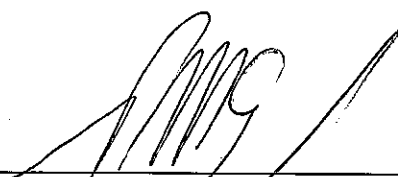
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PETER GESCH
HAYWARDS CHARTERED ACCOUNTANTS
Level 1 / 488 Lutwyche Road
LUTWYCHE QLD 4030

Dated this 25th day of September 2017