

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED**

30 JUNE 2015

Financial Statements

NORTHERN RIVERS SOCIAL DEVELOPMENT

COUNCIL INCORPORATED

STATEMENT BY MEMBERS OF THE BOARD

The Board has determined that Northern Rivers Social Development Council Incorporated is not a reporting entity, however is required to comply with the Associations Incorporation Act 2009.

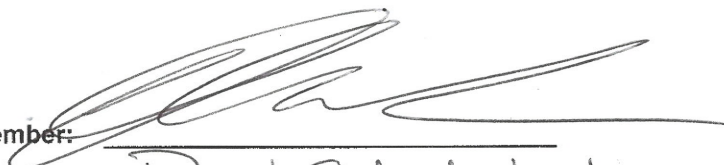
The Board has determined that this financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board:


1. The financial report presents fairly the financial position of Northern Rivers Social Development Council Incorporated as at 30 June 2015 and the results of the entity for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. At the date of this statement, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they fall due.
3. Amounts received as grant funding have been expended in accordance with the terms of the funding agreements.
4. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Committee Member:


Paul Crickshank

Committee Member:


Keith Sloan

DATED AT LISMORE
DATE: 22 October 2015

22 October 2015

The Committee
Northern Rivers Social Development Council Incorporated
16 Keen Street
LISMORE NSW 2480

**REGISTERED
COMPANY
AUDITORS**

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA, Dip. FP

SI Trustum
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AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of Northern Rivers Social Development Council Incorporated for the year ended 30 June 2015 and in accordance with the provisions of the Australian Charities and Not-for-profits Act 2012.

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable Code of Professional Conduct in relation to this audit.

Yours faithfully,

WCA audit & assurance Pty Ltd
Authorised Audit Company



Trevor W Graham
Director

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report of Northern Rivers Social Development Council Incorporated, which comprises the Statement of Financial Position at 30 June 2015, the Statement Of Comprehensive Income, Cash Flow Statement and Statement of Changes In Equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by members of the board.

Boards' responsibility for the Financial Report

The committee of the association is responsible for the preparation of the financial report in accordance with the Associations Incorporation Act (NSW) and the Australian Charities and Not-for-profits Commission Act 2012. The Committee's responsibility also includes internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED

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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of Northern Rivers Social Development Council Incorporated is in accordance with the Associations Incorporation Act (NSW) and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- giving a true and fair view of Northern Rivers Social Development Council Incorporated's financial position as at 30 June 2015 and of its performance for the year ended on that date, and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

158 MOLESWORTH STREET
LISMORE NSW 2480

DATE: 22. October 2015

WCA audit & assurance services Pty Ltd



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Northern Rivers Social Development Council Incorporated
Statement of Financial Position
As at 30 June 2015

	2015	2014
	\$	\$
Assets		
Current Assets		
Cash at Bank & On Hand		
Cash at Bank	2,292,615	1,121,170
Cash on Hand	1,931	2,190
	<u>2,294,546</u>	<u>1,123,360</u>
Trade Debtors	160,756	18,801
Other Assets	39,338	23,261
GST Receivable	25,819	189,248
Inventory	1,273	1,272
Total Current Assets	<u>2,521,732</u>	<u>1,355,942</u>
Non Current Assets		
Property, Plant & Equipment		
Plant & Equipment - At Cost	103,286	103,286
Accumulated Depreciation	<u>-68,725</u>	<u>-60,115</u>
	<u>34,561</u>	<u>43,171</u>
Motor Vehicles - At Cost	636,850	518,080
Accumulated Depreciation	<u>-227,486</u>	<u>-97,746</u>
	<u>409,364</u>	<u>420,334</u>
House @ 22 Cathcart Street - At Valuation 2013	225,000	225,000
House Additions - At Cost	0	0
Accumulated Depreciation	<u>-2,927</u>	<u>-2,561</u>
	<u>222,073</u>	<u>222,439</u>
Total Property, Plant & Equipment	<u>665,998</u>	<u>685,944</u>
Other- Financial Assets : IAG Shares at valuation	10,524	0
Total Non Current Assets	<u>676,522</u>	<u>685,944</u>
Total Assets	<u>3,198,254</u>	<u>2,041,886</u>
Liabilities		
Current Liabilities		
Trade Creditors	385,384	109,625
Accrued Expenses	263,768	102,700
Grants in Advance	872,888	823,139
Lease Liability	23,198	0
Provision for Annual Leave	245,429	132,495
Provision for Long Service Leave	92,878	87,845
Total Current Liabilities	<u>1,883,545</u>	<u>1,255,804</u>
Non Current Liabilities		
Provision for Long Service Leave	<u>39,695</u>	<u>20,943</u>
Total Non Current Liabilities	<u>39,695</u>	<u>20,943</u>
Total Liabilities	<u>1,923,240</u>	<u>1,276,747</u>
Net Assets	<u>1,275,014</u>	<u>765,139</u>
Members Equity		
Retained Earnings		
Beginning of financial year	679,958	590,021
Surplus/(Deficit)	<u>509,875</u>	<u>89,937</u>
	<u>1,189,833</u>	<u>679,958</u>
Asset Revaluation Reserve	<u>85,181</u>	<u>85,181</u>
Total Members Equity	<u>1,275,014</u>	<u>765,139</u>

To be read in conjunction with attached notes.

Northern Rivers Social Development Council Incorporated
Statement of Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue from ordinary activities	2	13,448,657	6,070,650
Expenses from ordinary activities excluding borrowing expenses	3	-12,938,782	-5,980,713
Profit/(loss) from ordinary activities before income tax		<u>509,875</u>	<u>89,937</u>
Income tax attributable to operating activities		-	-
Profit/(loss) from ordinary activities after income tax		<u>509,875</u>	<u>89,937</u>
Net profit/(loss)		<u>509,875</u>	<u>89,937</u>
Other Comprehensive Income:		0	0
Total Comprehensive Income		<u>509,875</u>	<u>89,937</u>

To be read in conjunction with attached notes.

Northern Rivers Social Development Council Incorporated
Statement Of Changes In Equity
For the year ended 30 June 2015

	2015 \$	2014 \$
Total Retained Earnings at the beginning of the year	679,958	590,021
Net profit/(loss) for the financial year	509,875	89,937
Total Retained Earnings at the end of the financial year	<u>1,189,833</u>	<u>679,958</u>
Asset Revaluation Reserve closing	85,181	85,181
Total Equity at the end of the financial year	<u>1,275,014</u>	<u>765,139</u>

To be read in conjunction with attached notes.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL INCORPORATED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
Receipts from operating activities	395,337	621,857
Receipts from grant funding	13,931,345	6,618,076
Payments to suppliers and employees	(13,451,492)	(6,793,166)
Interest received	87,899	45,829
Net cash provided by (used in) operating activities	963,089	492,596
Cash flows From Investing Activities:		
Proceeds - sale of property, plant and equipment	30,342	-
Payment for property, plant and equipment	(58,263)	(188,316)
Net cash provided by (used in) investing activities	(27,921)	(188,316)
Cash flows From Financing Activities:		
Finance Lease repayments	(6,343)	-
Net cash (used in) financing activities	(6,343)	-
Net increase (decrease) in cash	928,825	304,280
Cash at bank acquired in YCNC merger	242,361	-
Cash and cash equivalents at the beginning of the	1,123,360	819,080
Cash and cash equivalents at the end of the financial period	2,294,546	1,123,360

To be read in conjunction with attached notes.

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general-purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW 2009 and the Australian Charities and Not-for-profits Commission Act 2012.

The Association satisfies the definition of a Tier 2 entity in accordance with AASB 1053, therefore the Australian Accounting Standards – Reduced Disclosure Requirements has been adopted.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the association in preparation of the financial report:

(a) Property, Plant & Equipment

Property, plant and equipment are included at cost or independent valuation. All assets are depreciated over their estimated useful lives.

(b) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave have been measured at the amounts expected to be paid when the liability is settled, plus related on costs.

Long Service Leave benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

(c) Receivables & Revenue Recognition

Trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(d) Trade & Other Creditors

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(e) Income Tax

The association is exempt from income tax.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(g) Inventories

Inventories are valued at the lower of cost or net realisable value using the first in first out method of assigning costs.

(h) Reciprocal grants

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

(i) Non-reciprocal grants

Revenue from non-reciprocal grants is recognised when the association obtains control of the funds.

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

2. Revenue

	2015	2014
Grant Income	12,648,751	5,621,955
Contributions	92,195	94,604
Trading / Operating Income	203,495	237,397
Other Income	93,342	59,864
Funding Partners	114,980	11,000
Interest Income	87,899	45,829
Gain on YCNC Merger	207,995	-
	<u>13,448,657</u>	<u>6,070,650</u>
	=====	=====

3. Expenditure

	2015	2014
Audit Fees	20,828	15,000
Board Costs	9,051	1,124
Brokerage	163,996	38,552
Building Maintenance	47,133	63,620
Business Planning Costs	33,305	-
Centrepay	23,704	-
Cleaning	21,051	15,112
Client Support	17,856	7,299
Consultants	173,500	109,053
Depreciation	118,743	49,400
Equipment	180,666	16,790
Employment Support/Supervision	49,594	32,735
Insurance	19,048	17,250
IT Support & Maintenance	118,378	31,428
Legal	29,581	14,262
Long Service Leave Provisions	30,759	21,673
Meetings	60,091	10,226
Motor Vehicle Costs	146,558	93,823
Premises Costs	227,382	129,919
Printing / Photocopying	48,511	23,611
Program Partners	6,365,657	2,633,409
Program, Training & Conference	94,966	121,213
Promotion / Advertising	50,834	24,638
Recruitment	21,791	15,757
Staff Amenities	14,610	8,927
Security and Storage	11,841	5,682
Subscriptions	13,830	57,651
Sundry	57,525	35,689
Superannuation	358,275	172,337
Telephone / Fax	118,169	69,680
Travel & Accommodation	62,397	43,479
Utilities & Rates	28,927	25,745
Wages & Salaries	4,027,133	2,007,624
Workers Compensation	88,104	22,968
Workplace Training	70,407	42,664
Volunteers	14,581	-
	<u>12,938,782</u>	<u>5,980,713</u>
	=====	=====

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS**

4. Movements in carrying Amounts – Property Plant & Equipment

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

	Land & Buildings	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at beginning of year	222,439	43,171	420,334	685,944
Additions	-	-	131,415	131,415
Disposals	-	-	(32,619)	(32,619)
Depreciation	(366)	(8,611)	(109,766)	(118,743)
Carrying Amount at the end of the year	222,073	34,561	409,364	665,998

The land & building carrying value was based upon an independent valuation in 2013 on the basis of market value.

5. Related Party Disclosures

	2015	2014
Key Management Personnel Compensation		
Short Term and post employment Benefits	439,644	382,943

Key management personnel is defined as the Chief Executive Officer and the Managers of the major program streams.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
Note 6 Reconciliation of cash		
(a) Cash at the end of the financial period as shown in the Statement of Cash flows is reconciled to the related items in the Balance Sheet Position as follows:		
Cash on hand	1,931	2,190
Cash at bank	2,292,615	1,121,170
Balance per Statement of Cash flows	<u>2,294,546</u>	<u>1,123,360</u>
 (b) Reconciliation of cash flow from operations with operating surplus after income tax		
Operating surplus after Income Tax	509,875	89,937
Non-cash flows in operating surplus		
Depreciation	118,743	49,400
Net Profit / (Loss) on sale of fixed assets	2,277	-
Gain on YCNC Merger	(207,995)	-
Motor Vehicle Transferred	(24,950)	-
Employee benefits expense	100,638	(50,146)
Changes in assets and liabilities		
(Increase)/decrease in receivables	(141,955)	106,287
(Increase)/decrease in other assets	(3,377)	(16,948)
(Increase)/decrease in stock	-	(112)
Increase/(decrease) in GST payable	155,287	(204,013)
Increase/(decrease) in payables	436,827	84,265
Increase/(decrease) in other liabilities	17,719	433,926
Cash Flows from operations	<u>963,089</u>	<u>492,596</u>