

***NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED***

30 JUNE 2014

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.

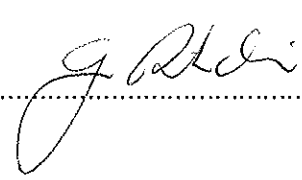
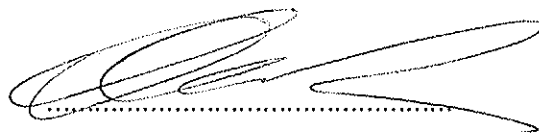
The Board has determined that this financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

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 2014 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.

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

Name: Glenys Ritchie PAUL CRICKSHANK

Signature:  

Position: Board member PRESIDENT

DATED AT LISMORE
DATE: 22 October 2014

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

**REGISTERED
COMPANY
AUDITORS**

TW Graham
BBus, CA, FFin

GJ Smith
BBus, LLB, CA

SI Trustum
BBus, CA

TL Kirkland
BBus, CA

**SMSF
AUDITORS**

GJ Smith
BBus, LLB, CA

SI Trustum
BBus, CA

AM Jones
BBus, Affiliate ICAA, CPA

T Bazzana
BBus, CA, Dip. FP

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 2014, 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). 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
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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), including:

- giving a true and fair view of Northern Rivers Social Development Council Incorporated's financial position as at 30 June 2014 and of its performance for the year ended on that date, and
- complying with Australian Accounting Standards - Reduced Disclosure Requirements.

158 MOLESWORTH STREET
LISMORE NSW 2480

DATE: 22 October 2014

WCA audit & assurance services Pty Ltd



Trevor W Graham
Director

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**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 (The Act).

The Board resolved to adopt accounting standard AASB 1053 'Application of Tiers of Australian Accounting Standards'. The Association satisfies the definition of a Tier 2 entity in accordance with AASB 1053.

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
Statement of Financial Position
As at 30 June 2014

	2014	2013
	\$	\$
<u>Assets</u>		
Current Assets		
Cash at Bank & On Hand		
Cash at Bank	1,121,170	816,590
Cash on Hand	2,190	2,490
	<u>1,123,360</u>	<u>819,080</u>
Trade Debtors	18,801	125,088
Other Assets	23,261	6,313
GST Receivable	189,248	0
Stock	1,272	1,160
Total Current Assets	<u>1,355,942</u>	<u>951,641</u>
Non Current Assets		
Property, Plant & Equipment		
Plant & Equipment - At Cost	103,286	103,286
Accumulated Depreciation	<u>-60,115</u>	<u>-46,793</u>
	43,171	56,493
Motor Vehicles - At Cost	518,080	329,763
Accumulated Depreciation	<u>-97,746</u>	<u>-62,033</u>
	420,334	267,730
House @ 22 Cathcart Street - At Valuation 2013	225,000	225,000
House Additions - At Cost	0	0
Accumulated Depreciation	<u>-2,561</u>	<u>-2,195</u>
	222,439	222,805
Total Non Current Assets	<u>685,944</u>	<u>547,028</u>
Total Assets	<u>2,041,886</u>	<u>1,498,669</u>
<u>Liabilities</u>		
Current Liabilities		
Trade Creditors	109,625	55,668
GST Payable	0	14,765
Provision for Annual Leave	132,495	138,506
Provision for Long Service Leave	87,845	92,634
Provision for Redundancy	0	46,991
Accrued Expenses	102,700	72,392
Grants In Advance	823,139	389,213
Total Current Liabilities	<u>1,255,804</u>	<u>810,169</u>
Non Current Liabilities		
Provision for Long Service Leave	<u>20,943</u>	<u>13,298</u>
Total Non Current Liabilities	<u>20,943</u>	<u>13,298</u>
Total Liabilities	<u>1,276,747</u>	<u>823,467</u>
<u>Net Assets</u>	<u>765,139</u>	<u>675,202</u>
<u>Members Equity</u>		
Retained Earnings		
Beginning of financial year	590,021	443,703
Surplus/(Deficit)	89,937	146,318
	<u>679,958</u>	<u>590,021</u>
Asset Revaluation Reserve	85,181	85,181
Total Members Equity	<u>765,139</u>	<u>675,202</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 2014

	Note	2014 \$	2013 \$
Revenue from ordinary activities	2	6,156,789	4,186,314
Expenses from ordinary activities excluding borrowing expenses	3	-6,066,852	-4,039,996
Borrowing expenses		<u>-</u>	<u>-</u>
Profit/(loss) from ordinary activities before income tax		89,937	146,318
Income tax attributable to operating activities		<u>-</u>	<u>-</u>
Profit/(loss) from ordinary activities after income tax		89,937	146,318
Net profit/(loss)		<u>89,937</u>	<u>146,318</u>
Other Comprehensive Income:			
Revaluation decrement Land & Building	4	0	-89,633
Total Comprehensive Income		<u>89,937</u>	<u>68,680</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 2014

	2014 \$	2013 \$
Total Retained Earnings at the beginning of the year	590,021	443,703
Net profit/(loss) for the financial year	89,937	146,318
Total Retained Earnings at the end of the financial year	<u>679,958</u>	<u>590,021</u>
Asset Revaluation Reserve opening	85,181	174,814
Less: Revaluation decrement	<u>0</u>	<u>-89,633</u>
Asset Revaluation Reserve closing	85,181	85,181
Total Equity at the end of the financial year	<u>765,139</u>	<u>675,202</u>

To be read in conjunction with attached notes.

NORTHERN RIVERS SOCIAL DEVELOPMENT COUNCIL INCORPORATED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Receipts from operating activities	621,857	249,223
Receipts from grant funding	6,618,076	3,867,833
Payments to suppliers and employees	(6,793,166)	(4,321,708)
Interest received	45,829	44,229
Interest paid	-	-
Net cash provided by (used in) operating activities	<u>492,596</u>	<u>(160,423)</u>
 Cash flows From Investing Activities:		
Proceeds - sale of property, plant and equipment	-	-
Payment for property, plant and equipment	(188,316)	(110,596)
Net cash provided by (used in) investing activities	<u>(188,316)</u>	<u>(110,596)</u>
 Net increase (decrease) in cash	304,280	(271,019)
Cash and cash equivalents at the beginning of the financial period	819,080	1,090,099
 Cash and cash equivalents at the end of the financial period	<u>1,123,360</u>	<u>819,080</u>

To be read in conjunction with attached notes.

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

2. Revenue, consisting of

	2014	2013
Grant Income	5,621,955	3,842,984
Contributions	94,604	91,661
Trading / Operating Income	323,536	132,985
Other Income	116,693	118,684
	<u>6,156,789</u>	<u>4,186,314</u>
	=====	=====

3. Expenditure, consisting of

	2014	2013
Wage Payments	2,007,624	1,879,607
Superannuation Expense	172,337	151,753
Leave and Other Provisions	21,673	84,482
Program Partners/Consultants	2,742,462	970,022
Motor Vehicle Costs	179,962	76,533
Travel & Accommodation	43,479	27,350
Supervision	32,735	27,465
Audit Fee	15,000	11,635
Bank Fees	923	483
Bad debts	489	-
Board Costs	25,612	14,702
Brokerage	38,552	71,952
Business Planning Costs	-	9,818
Building Maintenance	63,620	32,117
Cleaning	15,112	19,198
Client Support	7,299	4,355
Depreciation	49,400	49,774
Utilities & Rates	25,745	15,845
Equipment & Maintenance	16,790	20,640
Insurance	17,250	17,997
IT Support & Maintenance	31,428	76,526
W.H. & S.	738	2,198
Printing / Photocopying	23,611	24,218
Program, Training & Conference	121,213	121,940
Promotion / Advertising	24,638	13,351
Postage / Distribution	2,348	3,365

**NORTHERN RIVERS SOCIAL DEVELOPMENT
COUNCIL INCORPORATED**

NOTES TO THE FINANCIAL STATEMENTS

3. Expenditure, continued

	2014	2013
Recruitment	15,757	18,641
Stationery / Staff Amenities	8,927	8,632
Security and Storage	5,682	5,173
Subscriptions	57,651	10,053
Sundry	33,563	26,092
Telephone / Fax	69,680	65,745
Website Hosting	-	156
Workers Compensation	22,968	29,172
Workplace Training	42,664	33,223
Premises Costs	129,919	115,783
	<u>6,066,852</u>	<u>4,039,996</u>
	=====	=====

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	222,805	56,493	267,730	547,028
Additions	-	-	188,316	188,316
Disposals	-	-	-	-
Depreciation	(366)	(13,322)	(35,712)	(49,400)
Revaluation	-	-	-	-
Carrying Amount at the end of the year	<u>222,439</u>	<u>43,171</u>	<u>420,334</u>	<u>685,944</u>

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

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

5. Related Party Disclosures

	2014	2013
	\$	\$
Key Management Personnel Compensation		
Short Term and post employment Benefits	382,943	242,941

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 2014

	2014 \$	2013 \$
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	2,190	2,490
Cash at bank	1,121,170	816,590
Balance per Statement of Cash flows	<u>1,123,360</u>	<u>819,080</u>
 (b) Reconciliation of cash flow from operations with operating surplus after income tax		
Operating surplus after Income Tax	89,937	146,318
Non-cash flows in operating surplus		
Depreciation	49,400	49,774
Net Profit / (Loss) on sale of fixed assets	-	-
Employee benefits expense	(50,146)	74,754
Changes in assets and liabilities		
(Increase)/decrease in receivables	106,287	(63,427)
(Increase)/decrease in other assets	(16,948)	(3,591)
(Increase)/decrease in stock	(112)	243
Increase/(decrease) in GST payable	(204,013)	(10,367)
Increase/(decrease) in payables	84,265	5,322
Increase/(decrease) in other liabilities	433,926	(359,449)
Cash Flows from operations	<u>492,596</u>	<u>(160,423)</u>