

Youth Action & Policy Association (NSW) Inc.

Suite 403, Level 4, 64-76 Kippax Street, Surry Hills NSW 2010

Tel: (02) 9281 5522, Fax (02) 9281 5588

www.yapa.org.au

Annual Financial Report –31 December 2009

Youth Action & Policy Association ABN 17 209 492 539
Annual financial report - 31 December 2009

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REPORT FROM THE BOARD OF GOVERNANCE

The Board present their report on the Association for the financial year ended 31 December 2009.

Principal Activities

The principal activity of the Association during the course of the financial year was to work in the interests of young people and the youth sector in New South Wales.
No significant changes in the nature of this activity occurred during the year.

Results

The deficit result of the Association for 2009 was (\$54,617), compared to (2008 surplus - \$121,057).

Core Operations – YAPA and WS Regional grants expended previous year surplus amounts of \$5,715 and \$4,036 respectively, to fund Unleash and WS Youth Conference held in 2009. A grant of \$40,000 was received in advance for Youth Participation project. The Youth Sector Development project was finalized in 2009, receiving \$50,000 and expending (\$75,000). Interest earned in 2009 was lower due to the downfall in current interest rates. YAPA implemented an interest proposal, late in 2009, incorporating both short and long term deposits to minimize the impact of interest changes.

Transactions with Board Members

In the opinion of the Members of the Board of Youth Action & Policy Association Inc:

During this financial year, no:

- Officer of the Association;
- firm of which the officer is a member; or
- body corporate in which the officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association; and

during this financial year, no officer of the Association received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

Employees

During the financial year, the association employed 6.50 full time equivalent employees.

Insurance

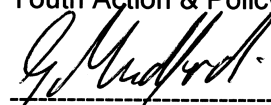
The Association has insurance policies which are adequate for current obligations and include:

- GIO Insurance – Workers Compensation
- AON Insurance – Association Liability, Volunteers
- Marsh Insurance – Business Insurance

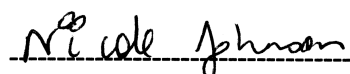
Auditors' Independent Declaration

A copy of the Auditors' Independent declaration in relation to the audit for the financial year is attached and forms part of this report.

Signed in accordance with a resolution of the members of the Board of Governance of Youth Action & Policy Association, dated 2010.



Board member
Name/Position Chairperson



Board member
Name/Position Chairperson

INCOME STATEMENT	Notes	<u>2009 - \$</u>	<u>2008 - \$</u>
Revenue			
Sales of Goods and services	2 (a)	83,376	47,354
Investment Revenue	2 (b)	24,618	53,346
Grants	2 (c)	601,870	752,383
Other Revenue	2 (d)	22,437	18,978
Total Revenue		<u>732,301</u>	<u>872,061</u>
Less: Expenses			
Employee related expenses	3 (a)	410,631	399,481
Project expenses	3 (b)	235,204	225,500
Administration expenses	3 (b)	139,751	126,023
Total Expenses		<u>785,586</u>	<u>751,004</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>(53,286)</u>	<u>121,057</u>
Retained earnings at the beginning of the year	9	457,663	304,354
Pre-2003 project – from provisions	9		<u>32,252</u>
RETAINED EARNING AT THE END OF THE YEAR	9	<u>404,377</u>	<u>457,663</u>

BALANCE SHEET - 31 December 2009	Notes	<u>2009 - \$</u>	<u>2008 - \$</u>
ASSETS			
Current Assets			
Cash and cash equivalents	4	953,846	989,974
Receivables	5	10,702	3,640
Total current assets		<u>964,548</u>	<u>993,614</u>
Non-Current Assets			
Property, Plant & Equipment			
Information technology & Communications	6	19,042	19,939
Furniture, plant & equipment	6	9,479	12,185
Less: Accumulated Depreciation	6	(28,521)	(32,124)
Total non-current assets		<u>0</u>	<u>0</u>
Total Assets		<u>964,548</u>	<u>993,614</u>
LIABILITIES			
Current Liabilities			
Payables	7	143,225	142,396
Provisions			
Employee benefits and costs	8 (a)	133,300	119,000
Projects	8 (b)	134,068	134,143
Total current liabilities		<u>410,593</u>	<u>395,539</u>
Non-current Liabilities			
General provisions	8 (c)	149,578	140,413
Total non-current liabilities		<u>149,578</u>	<u>140,413</u>
Total Liabilities		<u>560,171</u>	<u>535,951</u>
Net Assets		<u>404,377</u>	<u>457,663</u>
EQUITY			
Accumulated Funds	9	<u>404,377</u>	<u>457,663</u>

CASH FLOW FROM OPERATIONS	Notes	<u>2009 - \$</u>	<u>2008 - \$</u>
<i><u>Receipts</u></i>			
Receipts from members		83,376	47,354
Operating grants		601,870	752,383
Interest earned		24,618	53,346
Other receipts		537	78
		<u>710,401</u>	<u>853,161</u>
<i><u>Payments</u></i>			
Payments to suppliers		267,027	179,533
Payments to employees		396,331	392,481
Payments for rent		43,318	40,409
GST paid (net)		39,853	48,856
		<u>746,529</u>	<u>661,279</u>
Net cash inflow/(outflow) from operations	10 (b)	<u>(36,128)</u>	191,881
Cash and cash equivalents at the beginning of the year		<u>989,974</u>	<u>798,093</u>
Cash and cash equivalents at the end of the year	10 (a)	<u>953,846</u>	<u>989,974</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial report is a general purpose report, which has been prepared in accordance with Australian Accounting Standards, for distribution to the Members of the Board of Governance to fulfill the Board of Governance financial accountability requirements, under the Association's Incorporation Act 1984 and the Association's Constitution.

It has been prepared on an accrual basis and is based on historical costs, except where stated, and does not take into account changing money values or current valuations of non-current assets.

The accounting policies that have been adopted in preparing this report are described below and are in the opinion of the Board of Governance, appropriate to meet the needs of the Association.

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, at call deposits and short term deposits with banks or financial institutions. There are no bank overdrafts.

b) Acquisition of Assets

All assets acquired including plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Assets are fully depreciated in the financial year acquired and any gains on disposals are included in the income statement.

Acquisition of assets that do not meet the criteria for capitalisation are expensed as incurred.

c) Provisions

Provisions are recognised when the Association has a legal, equitable or constructive obligation to make a future payment to other entities as a result of past transactions or events, it is probable that a future payment will be required and a reliable estimate can be made of the amount of obligation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) Employment Entitlements

Liabilities for employee entitlements, leave and redundancies, represent present obligations resulting from employees' services provided up to the reporting date, calculated at amounts based on current wage and salary rates including related on-costs expected to apply at settlement.

The Long Service Leave employee entitlement provision, represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The entitlements are recognised from the commencement of employment, but provisions for each employee is provided from the 3rd year of continual employment, due to LSL being payable after 5 years of continual employment at the Association.

Contributions to employee superannuation funds are charged as an expense when incurred or become payable.

e) Revenue

Revenue is recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Interest revenue is treated as income when it occurs.

Grant money are treated as income in the year in which it is received, except to the extent that the grant is received in advance and is to be extended for future years. These amounts are treated as a liability and are disclosed as grants received in advance.

Revenue from services provided is recognised upon the delivery of the service to customers.

f) Income Tax

The Association has received endorsement from the Commissioner of Taxation as an income tax exempt Association under Section 50-5 of the Income Tax Assessment Act 1997, and in accordance with the restrictions imposed by exempt status, no asset or income of the Association may be transferred to any member of the Association.

g) Goods and Services tax

Revenue, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of the expense item ; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

2 REVENUE	<u>2009 - \$</u>	<u>2008 - \$</u>
(a) Sales of goods and services		
Sale of services, includes WS Conference and Office Rental	51,005	19,323
Memberships	32,371	28,031
	<u>83,376</u>	<u>47,354</u>
(b) Investment revenue		
Interest	24,618	53,346
- On-call interest rates lower than in 2008		
(c) Grants		
<i>Department of Community Services</i>		
Core Operations - YAPA	405,655	394,405
Western Sydney Regional Youth Develop.	106,215	103,269
<i>DOCS – Community Division</i>		
Youth Participation Grants Program		
- 2010 (\$40,000)	40,000	224,709
YAPA Conference	0	5,000
<i>DOCS – Better Futures Program</i>		
*Youth Sector Development South West Sydney	50,000	25,000
	<u>601,870</u>	<u>752,383</u>
* Projects completed within year		
Other Income & provision income	21,975	18,978
Workers compensation recovery	462	0
	<u>22,437</u>	<u>18,978</u>
Total Revenue	<u><u>732,301</u></u>	<u><u>872,061</u></u>

3 EXPENSES	<u>2009 - \$</u>	<u>2008 - \$</u>
(a) Employee related expenses		
Salaries and wages (including recreation leave)	360,100	351,511
Superannuation	31,322	29,665
Recruitment	1,905	5,409
Training costs	323	2,831
Workers' compensation insurance	2,681	3,065
Provision - Leave entitlements	14,300	7,000
Total employee expenses	<u>410,631</u>	<u>399,481</u>
(b) Expenses		
<u>Project expenses</u>		
General – Venue/Catering costs	7,189	6,989
Conference costs	30,249	8,714
Consultants & Presenters	13,184	33,724
YPP Grants distributed	53,781	119,380
SWS Grants distributed	63,000	0
Equipment Hire	4,225	2,371
Other administration	21,900	18,900
Printing & Design – Unleash magazine commenced	38,430	30,510
Reference Resources	2,365	1,015
Subsidies	882	3,897
<u>Total project expenses</u>	<u>235,204</u>	<u>225,500</u>
<u>Administration Expenses</u>		
Audit & Accounting	4,075	3,842
Cleaning & Utilities	3,418	3,035
Computer equipment & maintenance	19,385	19,536
Furniture & maintenance	4,016	3,338
General administration	3,433	3,199
Insurance	6,058	5,887
Photocopy charges & Lease	601	7,669
Postage & Couriers	4,550	4,770
Postage – Girls @ Work project	0	9,602
Rent	43,318	40,409
Stationery supplies	3,245	5,051
Telecommunications	7,043	8,347
Training & Seminars	3,065	3,225
Travel	1,713	8,113
Moving costs – Surry Hills	34,500	0
<u>Total administration expenses</u>	<u>139,751</u>	<u>126,023</u>
Total expenses	<u>785,586</u>	<u>751,004</u>

4 CASH AND CASH EQUIVALENTS	2009 - \$	2008 - \$
Cash on hand	400	400
Cash at bank	323,446	943,155
Term deposits – short term	630,000	46,419
	<u>953,846</u>	<u>989,974</u>

5 RECEIVABLES		
Rental bond	9,073	4,018
Other receivables	1629	(378)
	<u>10,702</u>	<u>3,640</u>

6 PROPERTY, PLANT & EQUIPMENT		
Information technology & Communications	19,042	19,939
Furniture, plant & equipment	9,479	12,185
Less: Accumulated depreciation	(28,521)	(32,124)
	<u>0</u>	<u>0</u>

Assets with no value have been disposed/written off.

7 LIABILITIES AND PAYABLES		
Accruals - Audit fees	3,600	3,600
Employee deductions - superannuation	0	2,448
Grants received in advance	129,497	126,438
GST Liability	128	(90)
Payables (Dubbo Council)	10,000	10,000
	<u>143,225</u>	<u>142,396</u>

8 PROVISIONS	<u>2009 - \$</u>	<u>2008 - \$</u>
(a) Employee benefits and costs		
Long service leave	21,500	15,500
Parental leave	12,000	12,000
Recreation leave	28,600	21,100
Redundancy	61,200	60,400
Sick leave	10,000	10,000
Employee provision - Current	<u>133,300</u>	<u>119,000</u>
 (b) Project provision		
Access & Equity - SAAP	2,816	2,816
Campaigns - statewide	67,050	67,050
Census	3,900	3,900
YAPRAP	5,000	5,000
Multicultural Yth Issues Network	3,832	3,907
Statewide Conference - Workers/Youth	31,969	31,969
Governance & Organisational	11,500	11,500
General projects	8,000	8,000
	<u>134,068</u>	<u>134,143</u>
 (c) General provisions		
Rental lease on offices	12,000	12,000
Moving costs	39,165	30,000
Equipment	25,942	25,942
Computer equipment, software & upgrades	72,471	72,471
	<u>149,578</u>	<u>140,413</u>

9 ACCUMULATED FUNDS

	<u>2009 - \$</u>	<u>2008 - \$</u>
<u>Core Operations - YAPA</u>		
Accumulated funds @ beginning of year	32,065	26,350
Net surplus/(deficit) from activities	(4,892)	5,715
Accumulated funds @ end of year	<u>27,173</u>	<u>32,065</u>
<u>Western Sydney Regional Youth Development</u>		
Accumulated funds @ beginning of year	28,719	27,287
Net surplus/(deficit) from activities	(2,488)	1,432
Accumulated funds @ end of year	<u>26,231</u>	<u>28,719</u>
<u>NSW Youth Participation Program</u>		
Accumulated funds @ beginning of year	155,605	121,460
Net surplus/(deficit) from activities	(70,924)	34,145
Accumulated funds @ end of year	<u>84,681</u>	<u>155,605</u>
<u>Youth Sector Development SWS Program – final 2009</u>		
Accumulated funds @ beginning of year	25,700	0
Net surplus/(deficit) from activities - Grant/expenses \$50,000 - 2009	(25,700)	25,700
Accumulated funds @ end of year	<u>0</u>	<u>25,700</u>
<u>Projects - previous years</u>		
Accumulated funds @ beginning of year	132,293	91,523
Net surplus/ funds tfred from provisions	2,360	40,770
Accumulated funds @ end of year	<u>134,653</u>	<u>132,293</u>
<u>YAPA - Head office</u>		
Accumulated funds @ beginning of year	83,280	25,842
Net surplus/(deficit) from activities	48,359	57,439
Accumulated funds @ end of year	<u>131,639</u>	<u>83,280</u>
<u>Accumulated Funds TOTALS</u>		
Accumulated funds @ beginning of year	457,663	304,354
Net surplus/(deficit) from activities	(53,285)	121,057
Funds tfred from provisions - projects	0	32,252
Accumulated funds @ end of year	<u>404,377</u>	<u>457,663</u>

10 CASH FLOW INFORMATION

	Notes	<u>2009 - \$</u>	<u>2008 - \$</u>	<u>Variance</u>
<u>Reconciliation of Cash and Cash</u>				
(a) <u>Equivalents</u>				
Cash on hand		400	400	0
Cash at bank		323,446	943,155	(619,709)
Term deposits		630,000	46,419	583,581
Total Cash and Cash Equivalents	4	<u>953,846</u>	<u>989,974</u>	<u>(36,128)</u>
<u>Reconciliation of surplus to net cash inflow from</u>				
(b) <u>operations</u>				
Operating surplus /(deficit)		(53,285)	121,057	(174,342)
Increase/(decrease) in finance activities		(7,147)	26,405	(33,552)
Increase/(decrease) in other receivables		(2,007)	5,105	(7,112)
Increase/(decrease) in sundry creditors & accruals		(2,448)	(1,127)	(1,321)
Increase/(decrease) in GST		218	114	105
Increase/(decrease) in grants - equity		10,131	9,808	322
Increase/(decrease) in employee entitlements		14,300	10,823	3,477
Increase/(decrease) in operations provisions		0	10,996	(10,996)
Increase/(decrease) in equipment provisions		0	8,700	(8,700)
Increase/(decrease) in premises provisions		4,110	0	4,110
Net cash inflow/(outflow) from operations		<u>(36,128)</u>	<u>191,881</u>	<u>(228,009)</u>

MS. SANDRA D GROLLMUS

Registered company auditor and tax agent

7 Burraneer Close, Allawah NSW, 2218

Phone: 9546 7366 Fax: 9546 2267

Independent auditor's report to the members of Youth Action & Policy Association (NSW) Inc.

REPORT ON THE FINANCIAL REPORT

I have audited the accompanying financial report which comprises the Balance Sheet, Income statement, a summary of significant accounting policies and other explanatory notes to the financial statements of Youth Action & Policy Association (NSW) Inc. for the year ended 31 December 2009.

The Responsibility of the Members of the Board of Governance for the Financial Report

The members of the Board of Governance of the entity are responsible for the fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statement which form part of the financial report are appropriate to meet with the financial reporting requirements of the Associations Incorporation Act 1984 and are appropriate to meet the needs of the members. The members of the Board of Governance responsibility also includes establishing and maintaining internal control methods relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used as described in Note 1, are appropriate to meet the needs of the members. My audit is conducted in accordance with the Australian Auditing Standards and Charitable Fundraising Act (Sec24(2)). The Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

My 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 judgment, 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 and fair presentation of the financial report, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. The audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by members of the Board of Governance, as well as evaluating the overall presentation of the financial report.

**Independent auditor's report
to the members of Youth Action & Policy Association (NSW) Inc.**

Auditor's Responsibility (cont'd)

The financial report has been prepared to members for the purpose of fulfilling the members of the Board of Governance financial reporting obligations under the Associations Incorporation Act 1984. I disclaim any assumption of responsibility for any relevance on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

AUDIT OPINION

In my opinion, the financial report presents fairly, in all material aspects, the financial position of Youth Action & Policy Association (NSW) Inc. as at 31 December 2009 and of its financial performance in accordance with accounting policies described in Note 1 to the financial statements.

I have obtained all of the information and explanations required from the Association.



Ms. Sandra Grollmus
Registered Company Auditor
Registered No: 1254

Dated: 9/2/10