

Youth Action & Policy Association (NSW) Inc.

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Annual Financial Report –31 December 2010

Youth Action & Policy Association ABN 17 209 492 539
Annual financial report - 31 December 2010

CONTENTS	Page
Report from the board of governance	3
Income statement	4
Balance sheet	5
Cash flow statement	6
Notes to the financial statements	7-14
Independent audit report to the members	15-16

REPORT FROM THE BOARD OF GOVERNANCE

The Board members of the Association, present their report for the financial year ended 31 December 2010.

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 Association recorded a surplus of \$11,527 in 2010, compared to a deficit of (\$53,286) in 2009. Youth Participation Project – Grants recorded in 2009 amounting to \$84,000, were utilized in 2010. An amount of \$5,000 was refunded from Waddi Housing and Broken Hill High School, due to projects not taking place.

2010 one off projects include Youth in Libraries and the WS Youth Ambassador project. The Ambassador project posted a deficit of (\$3,624), due to the original Funder going into receivership prior to YAPA receiving reimbursement of costs already spent.

MYANN & KIT have posted a consolidated surplus of \$4,768 and \$28,347 respectively, with both projects to be completed in 2011.

Interest from term deposits has been steady since 2009 with minimal changes in maturity dates implemented, due to higher interest rates negotiated at the time.

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 8 full time equivalent employees.

Insurance

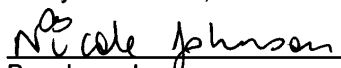
The Association has insurance policies which are adequate for current obligations and include:

- 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 2011.



Board member
Position Chairperson



Board member
Position chairperson.

INCOME STATEMENT	Notes	<u>2010 - \$</u>	<u>2009 - \$</u>
Revenue			
Sales of goods and services	2 (a)	63,430	83,376
Investment revenue	2 (b)	36,631	24,618
Grants	2 (c)	690,218	601,870
Other revenue	2 (d)	48,053	22,437
Total Revenue		<u>838,332</u>	<u>732,301</u>
Less: Expenses			
Employee related expenses	3 (a)	530,204	410,631
Project expenses	3 (b)	102,290	147,030
Administration expenses	3 (b)	194,311	227,925
Total Expenses		<u>826,805</u>	<u>785,586</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>11,527</u>	<u>(53,286)</u>
Retained earnings at the beginning of the year	9	404,377	457,663
Pre-2003 project – from provisions	9		
RETAINED EARNING AT THE END OF THE YEAR	9	<u>415,904</u>	<u>404,377</u>

BALANCE SHEET - 31 December 2010	Notes	<u>2010 - \$</u>	<u>2009 - \$</u>
ASSETS			
Current Assets			
Cash and cash equivalents	4	977,442	953,846
Receivables	5	12,242	10,702
Total current assets		<u>989,684</u>	<u>964,548</u>
Non-Current Assets			
Property, Plant & Equipment			
Information technology & communications	6	23,403	19,042
Furniture, plant & equipment	6	9,479	9,479
Less: Accumulated depreciation	6	(32,882)	(28,521)
Total non-current assets		<u>0</u>	<u>0</u>
Total Assets		<u>989,684</u>	<u>964,548</u>
LIABILITIES			
Current Liabilities			
Payables	7	156,764	143,225
Provisions			
Employee benefits and costs	8 (a)	146,200	133,300
Projects	8 (b)	134,068	134,068
Total current liabilities		<u>437,032</u>	<u>410,593</u>
Non-current Liabilities			
General provisions	8 (c)	136,748	149,578
Total non-current liabilities		<u>136,748</u>	<u>149,578</u>
Total Liabilities		<u>573,780</u>	<u>560,171</u>
Net Assets		<u>415,904</u>	<u>404,377</u>
EQUITY			
Accumulated Funds	9	<u>415,904</u>	<u>404,377</u>

CASH FLOW FROM OPERATIONS	Notes	<u>2010 - \$</u>	<u>2009 - \$</u>
<i><u>Receipts</u></i>			
Sale of services		63,430	83,376
Operating grants		690,218	601,870
Interest earned		36,631	24,618
Other receipts		0	537
		<u>790,279</u>	<u>710,401</u>
<i><u>Payments</u></i>			
Payments to suppliers		162,712	267,027
Payments to employees		517,304	396,331
Payments for rent		34,131	43,318
GST paid (net)		52,536	39,853
		<u>766,683</u>	<u>746,529</u>
Net cash inflow/(outflow) from operations	10 (b)	<u>23,596</u>	<u>(36,128)</u>
Cash and cash equivalents at the beginning of the year		<u>953,846</u>	<u>989,974</u>
Cash and cash equivalents at the end of the year	10 (a)	<u>977,442</u>	<u>953,846</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 are 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 monies are treated as income in the year in which 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>2010 - \$</u>	<u>2009 - \$</u>
(a) Sales of goods and services		
Fee for service & sundry income	5,442	20,998
Membership fees	33,203	32,371
Registration fees (training, forums, conferences)	24,785	30,007
	<u>63,430</u>	<u>83,376</u>
(b) Investment revenue		
Interest	<u>36,631</u>	<u>24,618</u>
- Main investments constitute short-term deposits		
(c) Grants		
<i>NSW Communities</i>		
Core Operations - YAPA	415,639	405,655
Core Operations - YAPA conference	10,000	0
Western Sydney regional youth development	108,829	106,215
<i>NSW Communities</i>		
Youth Participation grants project – small grant refunds	5,000	40,000
- Previous year income available = \$84,000		
<i>Centre for Multicultural Youth Issues Australia</i>		
Multicultural Youth Issues Network of NSW project	35,000	0
<i>NSW Family Services Incorporated (FAMS)</i>		
Keeping it Together project	80,000	0
<i>Dept. of Education, Employment & Workplace Relations</i>		
*Western Sydney Youth Ambassador project	20,000	0
<i>State Library of New South Wales</i>		
*Youth in Libraries project	10,000	0
<i>Communities NSW, Corporate Strategy, Policy & Report</i>		
*Young People in Emergency Services forum	5,750	0
* Youth Sector Development		50,000
	<u>690,218</u>	<u>601,870</u>
* Projects completed		
(d) Other Revenue		
Administration support fees & sundry	48,053	21,975
Workers compensation recovery		462
	<u>48,053</u>	<u>22,437</u>
Total Revenue	<u>838,332</u>	<u>732,301</u>

3 EXPENSES	<u>2010 - \$</u>	<u>2009 - \$</u>
(a) Employee related expenses		
Salaries and on-costs	502,040	391,422
Recruitment & training costs	11,422	2,228
Workers' compensation insurance	3,842	2,681
Provision - Leave entitlements	12,900	14,300
Total employee expenses	<u>530,204</u>	<u>410,631</u>
 (b) Expenses		
<u>Project expenses</u>		
YAPA Peak – general projects	16,024	
YAPA Peak - campaigns	4,176	
YAPA Peak - publications	38,652	
YAPA Peak - conference	26,697	30,249
YAPA Peak – training & forums	8,501	
WS Regional - conference	5,230	
WS Regional – training & forum committee	3,010	
YPP small grants distributed		53,781
SWS small grants distributed		63,000
<u>Total project expenses</u>	<u>102,290</u>	<u>147,030</u>
 <u>Administration Expenses</u>		
Administration Expenses	672	779
Administration Support costs	43,233	21,900
Advertising & Promotions	179	0
Catering & Venue Hire	5,813	11,414
Cleaning costs	1,404	1,718
Computer Equipment & costs	10,122	19,385
Consultant & Presenter costs	18,483	13,184
Electricity costs	1,899	1,700
Equipment <\$1000	5,463	4,016
Insurance costs	5,517	6,058
Internet & Website	2,856	2,246
Legal & Accounting	5,697	4,075
Postage	6,583	4,550
Printing & Stationery	30,711	42,276
Publications & Reference materials	1,474	1,091
Rent - 1 office vs 2 offices in 2009	34,131	43,318
Repairs & Maintenance	865	0
Staff Amenities	2,001	2,654
Subscriptions & Memberships	1,965	1,274
Phone costs	4,605	4,797
Training & Conferences (external)	0	3,065
Travelling costs (includes staff & subsidies)	10,638	3,925
Moving costs – Surry Hills		34,500
<u>Total administration expenses</u>	<u>194,311</u>	<u>227,925</u>
Total expenses	<u>826,805</u>	<u>785,586</u>

4 CASH AND CASH EQUIVALENTS

	<u>2010 - \$</u>	<u>2009 - \$</u>
Cash on hand	400	400
Cash at bank	318,797	323,446
Term deposits – short term	658,245	630,000
	<u>977,442</u>	<u>953,846</u>

5 RECEIVABLES

Rental bond	7,480	9,073
Other receivables	4,762	1,629
	<u>12,242</u>	<u>10,702</u>

6 PROPERTY, PLANT & EQUIPMENT

Information technology & Communications	23,403	19,042
Furniture, plant & equipment	9,479	9,479
Less: Accumulated depreciation	(32,882)	(28,521)
	<u>0</u>	<u>0</u>

Assets with no value have been disposed/written off.

7 LIABILITIES AND PAYABLES

Accruals – 2010 project costs	14,435	3,600
Employee deductions - superannuation	(372)	0
Grants received in advance	132,734	129,497
GST Liability	(33)	128
Payables (Dubbo Council)	10,000	10,000
	<u>156,764</u>	<u>143,225</u>

8 PROVISIONS	<u>2010 - \$</u>	<u>2009 - \$</u>
(a) Employee benefits and costs		
Long service leave	24,000	21,500
Parental leave	12,000	12,000
Recreation leave	32,000	28,600
Redundancy	68,200	61,200
Sick leave	10,000	10,000
Employee provision - Current	<u>146,200</u>	<u>133,300</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	3,832
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>134,068</u>
 (c) General provisions		
Rental lease on offices	12,000	12,000
Moving costs	30,696	39,165
Equipment	25,942	25,942
Computer equipment, software & upgrades	68,110	72,471
	<u>136,748</u>	<u>149,578</u>

9 ACCUMULATED FUNDS

	<u>2010 - \$</u>	<u>2009 - \$</u>
<u>Core Operations - YAPA</u>		
Accumulated funds @ beginning of year	27,173	32,065
Net surplus/(deficit) from activities	(53)	(4,892)
Accumulated funds @ end of year	<u>27,120</u>	<u>27,173</u>
<u>Western Sydney Regional Youth Development</u>		
Accumulated funds @ beginning of year	26,231	28,719
Net surplus/(deficit) from activities	1,282	(2,488)
Accumulated funds @ end of year	<u>27,513</u>	<u>26,231</u>
<u>NSW Youth Participation Program</u>		
Accumulated funds @ beginning of year	84,681	155,605
Net surplus/(deficit) from activities	(75,875)	(70,924)
Accumulated funds @ end of year – grant monies	<u>8,806</u>	<u>84,681</u>
<u>Multicultural Youth Issues Network (MYIN) Program</u>		
Accumulated funds @ beginning of year	0	0
Net surplus/(deficit) from activities	4,768	0
Accumulated funds @ end of year – grant monies	<u>4,768</u>	<u>0</u>
<u>Keeping it Together (KIT) Program</u>		
Accumulated funds @ beginning of year	0	0
Net surplus/(deficit) from activities	28,347	0
Accumulated funds @ end of year – grant monies	<u>28,347</u>	<u>0</u>
<u>Youth in Libraries Program</u>		
Accumulated funds @ beginning of year	0	0
Net surplus/(deficit) from activities	2,151	0
Accumulated funds @ end of year – costs paid in 2011	<u>2,151</u>	<u>0</u>
<u>WS Youth Ambassador Program – final 2010</u>		
Accumulated funds @ beginning of year	0	0
Net surplus/(deficit) from activities	(3,625)	0
Accumulated funds @ end of year	<u>(3,625)</u>	<u>0</u>
<u>Projects - previous years</u>		
Accumulated funds @ beginning of year	134,653	132,293
Net surplus/ funds – includes future project funds	605	2,360
Accumulated funds @ end of year	<u>135,257</u>	<u>134,653</u>
<u>YAPA - Head office</u>		
Accumulated funds @ beginning of year	131,639	83,280
Net surplus/(deficit) from activities	53,927	48,359
Accumulated funds @ end of year	<u>185,566</u>	<u>131,639</u>
<u>Accumulated Funds TOTALS</u>		
Accumulated funds @ beginning of year	404,377	431,963
Net surplus/(deficit) from activities	11,527	(27,585)
Funds tfred from provisions - projects	0	0
Accumulated funds @ end of year	<u>415,904</u>	<u>404,377</u>

10 CASH FLOW INFORMATION

	Notes	<u>2010 - \$</u>	<u>2009 - \$</u>	<u>Variance</u>
<u>Reconciliation of Cash and Cash</u>				
<u>Equivalents</u>				
(a) Cash on hand		400	400	0
Cash at bank		318,797	323,446	(4,649)
Term deposits		658,245	630,000	28,245
Total Cash and Cash Equivalents	4	<u>977,442</u>	<u>953,846</u>	<u>23,596</u>
<u>Reconciliation of surplus to net cash inflow from</u>				
<u>operations</u>				
(b) Operating surplus /(deficit)		11,527	(53,285)	64,812
Increase/(decrease) in finance activities		7,380	(7,147)	14,527
Increase/(decrease) in other receivables		(3,134)	(2,007)	(1,127)
Increase/(decrease) in accruals		10,463	(2,448)	12,911
Increase/(decrease) in GST		(162)	218	(380)
Increase/(decrease) in grants - equity		(4,143)	10,131	(14,273)
Increase/(decrease) in employee entitlements		12,900	14,300	(1,400)
Increase/(decrease) in operations provisions		0	0	0
Increase/(decrease) in equipment provisions		(4,361)	0	(4,361)
Increase/(decrease) in premises provisions		(6,875)	4,110	(10,985)
Net cash inflow/(outflow) from operations		<u>23,596</u>	<u>(36,128)</u>	<u>59,724</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 2010.

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)

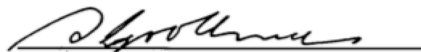
The financial report has been prepared to members for the purpose of fulfilling the members of the Board of Governance financial reporting obligations under the Associations Incorporation Act 1984. I disclaim any assumption of responsibility for any relevance on the financial report to which it relates 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 2010 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: 1/4/11