

COMMUNITY ACTION INC.

YEAR ENDED 30 JUNE 2018

COMMUNITY ACTION INC.

CONTENTS

Committee's Report

Income Statement

Balance Sheet

Cash Flow Statement

Notes to the Financial Statements

Statement by Members of the Committee

Auditors' Report

Certificate by Members of the Committee

COMMUNITY ACTION INC.

COMMITTEE'S REPORT

Your committee members submit the financial report of the COMMUNITY ACTION INC. for the financial year ended 30 June 2018.

Committee Members

The name of each member of the committee during the year and if different, at the date of the report;

- Rae Gate
- Abbie Grant-Taylor
- Ann Rigbye
- Kevin Irlie
- Clacy Fatnowna
- Jeffrey Davies
- Andy Nethercott

Principal Activities

The principal activities of the association during the financial year were:

To provide community housing, crisis accommodation and support services for young people, and crisis accommodation and support services for women and children escaping domestic and family violence

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit of the association after providing for income tax amounted to \$1,516.45.

Signed in accordance with a resolution of the Members of the Committee.

Committee Member: Rae A Gate
Rae Gate

Committee Member: A. H. Grant-Taylor
Abbie Grant-Taylor

Dated this day of

COMMUNITY ACTION INC.

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue		3,941,565.41	3,032,785.25
Other income		430.82	1,871.91
		<u>3,941,996.23</u>	<u>3,034,657.16</u>
Advertising expenses		(3,119.00)	(270.00)
Auditors' remuneration		(8,100.00)	(8,100.00)
Bad and doubtful debt expenses		(13,478.25)	(33,650.09)
Commissions paid		(18,373.86)	(20,397.15)
Depreciation and amortisation expenses		(37,440.16)	(33,583.91)
Employee benefits expenses		(2,107,347.46)	(1,492,344.29)
Other expenses		<u>(1,752,621.05)</u>	<u>(1,326,094.48)</u>
Profit before income tax		1,516.45	120,217.24
Retained earnings at the beginning of the financial year		883,351.55	848,376.10
Transfer To Reserves		<u>102,432.72</u>	<u>(85,241.79)</u>
Profit attributable to the association		<u><u>987,300.72</u></u>	<u><u>883,351.55</u></u>

COMMUNITY ACTION INC.

**BALANCE SHEET
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,620,008.41	1,539,301.38
Trade and other receivables	4	83,469.45	84,026.00
Prepayments		39,775.73	38,857.58
TOTAL CURRENT ASSETS		<u>1,743,253.59</u>	<u>1,662,184.96</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	3,129,842.77	3,094,102.47
TOTAL NON-CURRENT ASSETS		<u>3,129,842.77</u>	<u>3,094,102.47</u>
TOTAL ASSETS		<u>4,873,096.36</u>	<u>4,756,287.43</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable		44,103.73	139,211.98
PAYG Withholding Payable		25,122.00	15,964.00
Superannuation Payable		14,810.86	11,043.66
GST Payable		43,666.78	32,208.84
Leave Provisions		620,607.00	525,477.45
Bendigo Mastercards		1,085.11	-
Unspent Grants		59,575.53	50,513.15
RTA Bonds		1,551.32	693.91
TOTAL CURRENT LIABILITIES		<u>810,522.33</u>	<u>775,112.99</u>
NON-CURRENT LIABILITIES			
HQ Mortgage - 10 Louisa Street		1,031,615.30	1,031,615.30
HQ Mortgage - 58 Furness Road		109,800.00	109,800.00
HQ Mortgage - 22 Lily Street		100,800.00	100,800.00
HQ Mortgage - 8 Loder Street		97,200.00	97,200.00
HQ Mortgage - 17 Somerset Street		167,400.00	167,400.00
HQ Mortgage - 5 Wilbraham Court		205,000.00	205,000.00
HQ Mortgage - 5/109 Duke Street		105,600.00	105,600.00
HQ Mortgage - 7/109 Duke Street		105,600.00	105,600.00
HQ Mortgage - 11/109 Duke Street		107,800.00	107,800.00
HQ Mortgage - 8 Conifer Court		227,838.30	227,838.30
TOTAL NON-CURRENT LIABILITIES		<u>2,258,653.60</u>	<u>2,258,653.60</u>
TOTAL LIABILITIES		<u>3,069,175.93</u>	<u>3,033,766.59</u>
NET ASSETS		<u>1,803,920.43</u>	<u>1,722,520.84</u>

The accompanying notes form part of these financial statements.

COMMUNITY ACTION INC.

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
MEMBERS' FUNDS			
Reserves	8	816,619.71	839,169.29
Retained earnings	9	<u>987,300.72</u>	<u>883,351.55</u>
TOTAL MEMBERS' FUNDS		<u><u>1,803,920.43</u></u>	<u><u>1,722,520.84</u></u>

The accompanying notes form part of these financial statements.

COMMUNITY ACTION INC.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(3,806,537.69)	(2,786,667.72)
Interest received	39,926.23	22,556.25
Receipts from clients/tenants	1,364,164.77	1,348,706.36
Government operating grants received	2,546,450.75	1,644,971.44
Interest Paid	(1.61)	(1.81)
Net cash provided by operating activities	<u>144,002.45</u>	<u>229,564.52</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	(86,063.31)	8,700.00
Payments for property, plant and equipment	15,071.00	(19,245.64)
Cash flows from investment in MINS Inc.	7,698.89	-
Net cash used in investing activities	<u>(63,293.42)</u>	<u>(10,545.64)</u>
Net increase in cash held	80,709.03	219,018.88
Cash at beginning of financial year	1,539,301.38	1,320,282.50
Cash at end of financial year	3 1,620,010.41	1,539,301.38

The accompanying notes form part of these financial statements.

COMMUNITY ACTION INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover COMMUNITY ACTION INC. as an individual entity. COMMUNITY ACTION INC. is a not for profit Association incorporated in Queensland under the Associations Incorporation Act 1981 ('the Act').

The functional and presentation currency of COMMUNITY ACTION INC. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

2 Summary of Significant Accounting Policies

Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation

The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

COMMUNITY ACTION INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Impairment of Non-Financial Assets

At the end of each reporting period the association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Cash and Cash Equivalentents

Cash and cash equivalentents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

COMMUNITY ACTION INC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the cash flow statement are included on a gross basis and the GST component of cash flows arising from investing or financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

COMMUNITY ACTION INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
3 Cash and Cash Equivalents		
Cash on Hand	18.00	85.00
Energex Security Deposit	50.00	50.00
Rental Bonds	2,020.00	2,020.00
Petty Cash	599.20	916.75
Bendigo Bank Ac 143410066	468,643.39	399,744.48
Bendigo Mastercards	-	1,678.20
Term Deposit 1 Bendigo	336,086.60	326,938.76
Term Deposit 3 Bendigo	317,591.22	312,868.19
Term Deposit 4 Bendigo	495,000.00	495,000.00
	1,620,008.41	1,539,301.38
Reconciliation of cash		
Cash and Cash equivalents reported in the cash flow statement are reconciled to the equivalent items in the balance sheet as follows:		
Cash and cash equivalents	1,620,008.41	1,539,301.38
	1,620,008.41	1,539,301.38
4 Trade and Other Receivables		
Current		
Sundry Debtors	60,518.01	65,076.35
Rents Receivable	8,580.64	4,578.85
Input Tax Credits	14,370.80	14,370.80
	83,469.45	84,026.00
5 Property, Plant and Equipment		
Land and Buildings		
Freehold Property	610,000.00	610,000.00
Buildings	2,453,802.95	2,453,802.95
Less: Accumulated Depreciation	(92,404.22)	(91,035.28)
	2,361,398.73	2,362,767.67
Total Land and Buildings	2,971,398.73	2,972,767.67
Plant & Equipment	210,712.33	197,755.00
Less: Accumulated Depreciation	(161,598.25)	(155,057.03)
	49,114.08	42,697.97
Motor Vehicles	191,944.96	149,230.83
Less: Accumulated Depreciation	(82,615.00)	(70,594.00)
	109,329.96	78,636.83

COMMUNITY ACTION INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Total Plant and Equipment	158,444.04	121,334.80
Total Property, Plant and Equipment	3,129,842.77	3,094,102.47
 6 Accounts Payable and Other Payables		
Current		
Accounts Payable	44,103.73	139,211.98
PAYG Withholding Payable	25,122.00	15,964.00
Superannuation Payable	14,810.86	11,043.66
GST Payable	43,666.78	32,208.84
Leave Provisions	620,607.00	525,477.45
	748,310.37	723,905.93
 7 Borrowings		
Current		
Bendigo Mastercards	1,085.11	-
Non-Current		
HQ Mortgage - 10 Louisa Street	1,031,615.30	1,031,615.30
HQ Mortgage - 58 Furness Road	109,800.00	109,800.00
HQ Mortgage - 22 Lily Street	100,800.00	100,800.00
HQ Mortgage - 8 Loder Street	97,200.00	97,200.00
HQ Mortgage - 17 Somerset Street	167,400.00	167,400.00
HQ Mortgage - 5 Wilbraham Court	205,000.00	205,000.00
HQ Mortgage - 5/109 Duke Street	105,600.00	105,600.00
HQ Mortgage - 7/109 Duke Street	105,600.00	105,600.00
Total non-current borrowings	1,923,015.30	1,923,015.30
 Total borrowings	4 1,924,100.41	4 1,923,015.30

COMMUNITY ACTION INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
8 Reserves		
Maintenance Funds: CMSU PMF		
Opening Balance for the year	104,264.31	111,084.72
Additional Provision	<u>(37,347.20)</u>	<u>(6,820.41)</u>
	66,917.11	104,264.31
Maintenance Funds: CRS PMF		
Opening Balance for the year	63,066.13	75,281.27
Additional Provision	<u>(36,474.16)</u>	<u>(12,215.14)</u>
	26,591.97	63,066.13
Maintenance Funds: LTH M & O & Council PMF		
Opening Balance for the year LTH	299,570.26	289,521.80
Additional Provision LTH PMF	(21,535.44)	10,048.46
Opening Balance for year Council	36,231.65	8,049.35
Additional Provision Council PMF	<u>687.19</u>	<u>28,182.30</u>
	314,953.66	335,801.91
Maintenance Funds: CMSU 3% Furniture Replacement		
Opening Balance for the year	24,194.77	23,444.33
Additional Provision	<u>2,554.43</u>	<u>750.44</u>
	26,749.20	24,194.77
Maintenance Funds: CMSU Laundry Replacement		
Opening Balance for the year	28,415.60	25,625.60
Additional Provision	<u>3,055.00</u>	<u>2,790.00</u>
	31,470.60	28,415.60
CAI Homelessness Project		
Opening Balance for the year	52,702.10	40,339.08
Additional Provision	<u>7,013.69</u>	<u>12,363.02</u>
	59,715.79	52,702.10
Project Reserves		
Youth Service Opening Balance for Year	62,887.09	62,887.09
Erin House Opening Balance for Year	64,778.00	64,778.00
YS - SAAPE Reserve Opening Balance	55,005.11	55,005.11
Additional Provision	9,206.25	-
GRDFVS - Website Reserve	10,000.00	-
BSWAT Reserve	<u>332.89</u>	<u>-</u>
	202,209.34	182,670.20

COMMUNITY ACTION INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Maintenance Funds: Lawrence & Withey Street		
Lawrence Opening Balance for the year	20,577.32	13,522.91
Additional Provision	(7,044.46)	7,054.41
Withey Opening Balance for Year	5,323.52	-
Additional Provision	-	5,323.52
	18,856.38	25,900.84
Youth Health Clinic Reserve		
Opening Balance for the year	46,627.63	35,200.59
Additional Provision	2,901.29	11,427.04
	49,528.92	46,627.63
Surplus/(Defecit) transfers		
CRS	-	(22,917.64)
LTH	-	(460.08)
CAP	724.60	2,799.35
CAP HL	15,456.42	635.11
SHDL	2,800.78	348.47
CMSU	-	(4,879.41)
Unspent Grant	644.94	-
	19,626.74	(24,474.20)
	816,619.71	839,169.29

9 Retained Earnings

Retained earnings at the beginning of the financial year	883,351.55	848,376.10
Net profit attributable to the association	1,516.45	120,217.24
Transfer To Reserves	102,432.72	(85,241.79)
Retained earnings at the end of the financial year	987,300.72	883,351.55

10 Statutory Information

The registered office of the association is:

Nash Street, Gympie QLD 4570

The principal place of business is:

Nash Stree, Gympie QLD 4570

COMMUNITY ACTION 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 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 to 14:

1. Presents a true and fair view of the financial position of COMMUNITY ACTION INC. as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that COMMUNITY ACTION 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:

SECRETARY

President:

Abb Grant-Taylor

Abbie Grant-Taylor

Treasurer:

Rae A Gate

Rae Gate

Dated this

day of

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF COMMUNITY ACTION INC.**

Scope

We have audited the financial report, being a special purpose financial report, of COMMUNITY ACTION INC. for the year ended 30 June 2018, as set out on pages 1 to 15. The Committee is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are consistent with the financial reporting requirements of the Associations Incorporation Act 1981 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of COMMUNITY ACTION INC.. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements under the Associations Incorporation Act 1981. We disclaim any assumption of responsibility for any reliance on this audit report or 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.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and cash flows. These policies do not require the application of all Australian Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Independent

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

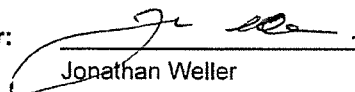
Audit Opinion

In our opinion, the financial report presents fairly in accordance with the accounting policies described in Note 1 of the financial statements, the financial position of COMMUNITY ACTION INC. as at 30 June 2018 and the results of its operations and its cash flows for the year then ended.

In our opinion, the financial report presents a true and fair view of the financial position of COMMUNITY ACTION INC. as at 30 June 2018 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Name of Firm: Brown Macaulay & Warren
Chartered Accountants

Name of Partner:


Jonathan Weller

Address: Suite 9, First Floor, 84 Monkland Street, Gympie QLD 4570

Dated this 7th day of November 2018