

*Caring locally, building community*

**Uniting Care Kippax Financial Report for the Year ended 30 June 2012**

Once again we come to the end of a challenging financial year. The 2012 financial year again brought changes and challenges to our financial team. We had the resignation of our Executive Officer and have since had a temporary arrangement where the role has been split between Steve Newman and Meg Richens, my thanks to both of them. The Finance Officer role went through a number of people whilst we attempted to find a permanent placement and we welcome Julia Li who hopefully will be with us for an extended period. Again I would just like to express my appreciation for the support provided to me by the finance team and the UCK board as a whole during a turbulent year.

The changes that we have gone through in the last 12 months is in no way a reflection on the service that we deliver, we are an organisation that has grown significantly over the last couple of years and our reach in terms of community support and assistance into West Belconnen region continues to grow.

As in past years the work done by Uniting Care Kippax is largely funded by grants and donations from government with additional support from the community and the Kippax Uniting Church congregation. Volunteers are an integral part of our ability to deliver our services and though we can not quantify this value in the financial figures it should be acknowledged that they are a vital part of the life and culture of our organisation. They support UCK in almost every aspect of service provided to the community.

As was done last year where possible I have tried to quantify the “In-Kind” donations that we have received in the financial statements. Due to the wide ranging goods and services provided to us as an organisation this is not always possible. However, we have improved our processes for capturing these “In-Kind” donations and this has helped us to place a realistic yet conservative value on the items and services received. The attached Tables show the Income of the organisation over the last 5 years excluding “In-Kind donations” as these were not available for all years (Table 1) and an analysis of funding received over the last 12 months (Table 2) including “in-kind” donations.

**Table 1**

**Prior Year analysis of Income excluding funds carried forward**

<b>Financial Year Ended</b>	<b>Government Grants</b>	<b>Private sector Grants (Snow, Brotherhood of st Lawrence &amp; Woolworths)</b>	<b>Total</b>
2008	533,628	0	533,628
2009	645,588	61,170	706,758
2010	626,060	215,465	841,525
2011	637,440	189,145	826,585
2012	687,495	165,505	853,000

**Table 2****30 June 2012 Income Received excluding funds carried forward**

	2012		2011	
	\$	%	\$	%
Government Grants Recurrent & One Off	687,495	64.26%	637,443	62.24%
Private sector Grants (Snow, Brotherhood of St Lawrence & Woolworths)	165,505	15.47%	189,145	18.47%
Donations from congregation and Community Synod	50,992	4.77%	54,186	5.29%
Playgroup Fees & Other	0	0.00%	15,000	1.46%
Bank Interest Received	8,417	0.79%	5,307	0.52%
	17,019	1.59%	12,524	1.22%
KUC Contribution to Salary Costs & Other Inc	30,000	2.80%	36,149	3.53%
Donations in kind - Goods	110,459	10.32%	74,366	7.26%
	1,069,887	100.00%	1,024,120	100.00%

For the purposes of the above analysis I have ignored any grant monies that may be carried forward from year to year unspent and only included the income that has been received or is receivable in the current financial year. Though cash donations from the congregation and community are down on last year the amount received exceeded our expected budget and the contributions In-Kind increased, they both remain a significant part of our ability to deliver a much needed service to the community. As with most community service organisations the vast majority of our funding is from government or reliant on government funding and the board and EO are continually advocating for ways to ensure that this funding continues. The Board is aware of this reliance and one of its long term goals is to seek additional funding sources and programs that are not so heavily reliant on the whims of government. A long term financially sustainable organisation that is not solely reliant on government, though a stretch goal is still a goal. Each year we are attempting to refine our financial systems to create systems and processes that are in line with the size of the organisation that we have become and provide reliable financial reporting to assist us in making strategic directions of the organisation (this is a continual process of improvement).

During the 2011 financial year we tried to streamline the costs attributable to the Kippax Uniting Church through the implementation of a Memorandum of Understanding (MOU). This process seems to have worked fairly well and we have continued this agreement for the 2012 and future years. Naturally the MOU will be continually monitored to ensure that it remains commercial and equitable on a cost sharing basis. The MOU ensures that as much as possible UCK has certainty of expenditures that are attributed to each of our operational programs and service delivery lines.

Though we received additional grant funding at the end of the financial year that remains unspent the actuals for the 2012 year are substantially in accordance with the approved 2012 organisational budget and we have met our acquittal commitments for the financial year. Due to an inability to recruit staff we did achieve some savings in staffing costs. These savings have allowed us to the luxury of maintaining various provisions in case of potential redundancies, leave accruals and equipment replacements as well as assist in the funding of additional accommodation for the staff and programs.

The following Financial Statements are currently not audited. When the audit is completed, it will be formally received by the Uniting Care Kippax Board and the Church Council and then be available for circulation for those who would like a copy.

**UnitingCare Kippax**  
Statement of Financial Position – Unaudited  
as at 30 June 2012

	30-Jun-12	30-Jun-11
<b>ASSETS</b>	\$	\$
<b>Current Accounts</b>		
Petty Cash/Cash on Hand	200	87
General/Operating Cash Accounts	98,609	63,507
Investment Bank Accounts	238,983	234,416
Accounts Receivable & Prepayments	62,572	33,313
<b>TOTAL ASSETS</b>	400,364	331,323
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Loan from Kippax Uniting Church	4,184	3,786
Employee Provisions (for leave not taken)	33,793	44,799
Provision for Equipment Replacements	0	13,705
Provision for Audit Fees	8,000	0
Tax Liabilities (GST & FBT)	4,343	29,214
Accrued Expenses	14,885	4,814
Credit Card Liability	3,153	5,655
Accounts Payable	120,312	69,352
Grants in Advance	152,258	103,503
Donations in advance of use	59,439	52,114
<b>TOTAL LIABILITIES</b>	400,364	326,942
<b>NET ASSETS</b>	0	4,381
<b>EQUITY</b>		
Retained Earnings	0	4,282
Current Year Earnings	0	98
<b>TOTAL EQUITY</b>	0	4,380

**UnitingCare Kippax**  
 Unaudited Income Statement  
 For the Year Ended 30 June 2012

	30-Jun-12	30-Jun-11
<b>INCOME</b>	\$	\$
Offerings & Donations	50,992	13,003
Interest UCIS and UCIF	17,019	12,524
Grants - private sector	165,505	170,370
Government Grants	687,495	687,443
Playgroup Income	8,417	5,307
Other Income	30,000	36,149
Grants and Donations Carried Forward	153,617	0
Income in Kind	110,459	74,366
<b>Total INCOME</b>	<b>1,223,504</b>	<b>999,162</b>
<b>EXPENSES</b>		
Wages	504,134	497,304
Employer Superannuation	43,196	43,052
Provision for LSL Exp	6,080	(3,453)
Provision for Staff Leave Exp	(8,421)	(2,876)
Long Service Leave Payments	0	8,053
Exec Officer reimbursement to KUC	0	17,600
Consultants and Contractors	37,124	5,793
Workers Compensation Ins	13,491	16,260
FBT expense	4,709	4,814
Staff Travel	6,133	4,421
Staff Development & Training	14,030	6,411
Other Staff Expenses	2,030	1,081
Rent	76,593	47,472
Property Insurance	4,324	1,500
Total Utilities	9,038	8,030
Trade Repairs & Maintenance	357	1,255
Handyman' Repairs & Maintenance	0	135
Cleaning Costs & Waste Removal	12,310	4,210
Replacement Fittings	0	4,410
Internal fittings, furnishings	0	15,115
Provision for Capital Expenditure	9,974	13,705
Program Specific Costs	248,241	240,008
Accounting & Audit Fees	9,809	2,680
Banking Services	1,896	167
General Insurance Non-property	0	84
Repairs & Maintenance Non-property	0	182
Computer Expenses	2,560	25,545
Stationery Copying & Printing	5,328	6,331
Other Office Expenses	78	1,215

Telephones	6,131	7,599
Postage & Courier	112	793
Motor Vehicle Car Expenses	10,836	9,929
Teaching/Learning Materials		4,656
Hospitality	1,547	3,141
Advertising	1,404	1,014
Name Badge Expenses	0	202
Conferences/Seminars Non-staff	1,288	0
Program licence fees	565	326
Volunteer training/expenses	0	900
Donations in Advance of Use	56,077	0
Grant Income Carried Forward	142,529	0
<b>Total EXPENSES</b>	<b>1,223,504</b>	<b>999,064</b>
<b>Net Profit / (Loss)</b>	<b>(0)</b>	<b>98</b>

## Notes to the Financial Statements

- The Financial Statements are prepared on an accruals basis and both revenue and expenses are recognised when they are receivable and payable.
- Grant funds as well as donations received from the community that have not been expended as at 30 June each year are carried forward to the following financial year. These amounts are reflected as a liability in the Financial Statements and not recognised as income until spent.
- Donations in Kind of both goods and services during the current financial year have been included as a separately reportable amount in the financial statements. Please note this amount records only the value of easily reportable and recordable goods and services and does not attempt to value the time of our many volunteers.
- Provisions have been made in the Financial Statements for unpaid employee benefits as well as for future equipment replacement requirements. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.
- There are no items of property plant and equipment recorded in the financial statements as UnitingCare Kippax does not own assets in it's own right, all assets are owned by Kippax Uniting Church and UnitingCare Kippax pays a contribution to the church for the right to use those assets. This is governed by a Memorandum of Understanding between the two entities.
- 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 (ATO).
- Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the financial statements.
- No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.
- Where necessary the comparative figures for the year ended 30 June 2011 have been adjusted to conform with changes in presentation for the current financial year.