



A.B.N 72 733 048 258

Financial Report

For the Year Ended 30 June 2016

CONTENTS

Statement of Income and Expenditure

Statement of Financial Position

Notes to Accounts

Officers' Assertion Statement

Board Members List

Auditor's report

Accru⁺
Hobart

Level 1, 18 Ross Avenue
Rosny Park TAS 7018

Phone: 03 6244 5044 Fax: 03 6244 7319
E-mail: info@accruhob.com.au

Mosaic Support Services
Income and Expenditure Statement
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Income			
DHHS Funding and Service Agreements		12,288,715	9,363,794
NDIA Contracts		2,500,716	1,281,466
DSS (FaHcSIA) Funding		119,544	-
Other Service Delivery Related Income		631,549	-
Training Funding		5,500	17,017
Interest Earned		118,977	98,072
Sponsorship & Fundraising		15,832	14,348
Other Income		104,018	102,835
Profit/Loss on Disposal of Assets		16,864	5,115
		<u>15,801,715</u>	<u>10,882,647</u>
Expenditure			
Audit Fees	8	11,268	11,400
Client Program Costs		272,036	111,361
Computer Costs		91,556	109,528
Consultants		68,054	93,769
Depreciation of Assets		194,297	184,556
Electricity and Telephone Costs		135,206	87,187
Insurance		285,619	180,588
Motor Vehicle Expenses		67,221	49,070
Office Costs		104,955	68,426
Other Direct Staff Costs		139,373	114,608
Other Expenses		35,635	9,909
Promotional		36,703	21,719
Rent/Property, Lease Expenses		319,896	163,505
Repairs & Maintenance		26,488	32,867
Salaries and Oncosts		13,732,226	9,418,557
Training		139,804	57,865
Total expenditure		<u>15,660,336</u>	<u>10,714,913</u>
Operating surplus / (deficit) for the year		<u>141,379</u>	<u>167,734</u>
Surplus / (deficit) for the year		<u>141,379</u>	<u>167,734</u>

Mosaic Support Services
Statement of Financial Position
For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	2	2,577,065	2,040,020
Trade and other receivables		208,099	207,987
Unsecured Loan to COSMOS		-	150,000
Other current assets	3	78,731	78,791
Total current assets		2,863,895	2,476,798
Non-current assets			
Property, plant and equipment	4	1,311,475	609,754
Rental bonds on deposit		17,080	2,080
Total non-current assets		1,328,555	611,834
TOTAL ASSETS		4,192,450	3,088,632
LIABILITIES			
Current liabilities			
Grants - unexpended		50,057	11,841
Prepaid Income		28,941	17,739
Employee entitlements	5	1,618,143	1,358,290
Tax liabilities	6	223,757	308,458
Creditors & accrued expenses	7	271,796	189,318
Asset Purchase Liabilities		-	13,823
Client Unexpended recoveries		156,380	82,415
Other Current Liabilities		279	1,242
Total current liabilities		2,349,353	1,983,126
Non-current liabilities			
Employee entitlements	5	504,510	269,650
		504,510	269,650
TOTAL LIABILITIES		2,853,863	2,252,776
NET ASSETS		1,338,587	835,856
Equity			
Accumulated Funds		835,856	668,122
Loss on Merger - Cosmos Inc.		(436,064)	-
Gifted Assets - Cosmos Inc.		797,416	-
Surplus / (deficit) - General		141,379	167,734
TOTAL MEMBERS FUNDS		1,338,587	835,856

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the reporting requirements of the *Association Incorporation Act 1964 Tasmania*. The Committee has determined that the association is not a reporting entity.

These accounts represent the consolidated entity known as Mosaic Support Services which is the consolidation of assets and liabilities of the former Supported Tenancy Accommodation and Respite Tasmania and Cosmos. The 2015 comparatives in the accounts are solely those of the former Supported Tenancy Accommodation and Respite entity.

The financial report has been prepared in accordance with the requirements of the *Associations Incorporation Act Tasmania* and the following Australian Accounting Standards:

AASB 1031	Materiality
AASB 110	Events Occurring After Balance Sheet Date
AASB 119	Employee Benefits

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standard Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuation of non-current assets and employee entitlement liabilities. The accounts are presented in whole dollars as a result there may be rounding differences between different statements.

The financial report has been prepared in accordance with a special purpose framework in order to meet the needs of the Association's members. As such, the financial report may not be suitable for another purpose.

Significant Accounting Policies:

a) Goods and Services Tax Liabilities (GST)

Although the Association is an Income Tax Exempt Charitable Entity, it is registered for GST. The GST Liabilities shown in the Balance Sheet are net of GST collected and entitlements to Input Tax Credits for the quarter ended 30 June.

b) Accrued Salaries

The amount accrued reflects the salaries expense for the proportion of working days occurring prior to 30 June in the first pay period ending immediately after the end of the financial year.

c) Provision for Annual Leave

A provision for Annual Leave entitlement is made which represents leave accrued plus additional on costs. These on costs have been calculated as Superannuation Guarantee 9.5%, Workers Compensation 1.99% and average leave loading of 25.71%.

d) Provision for Personal Leave

A provision is made for Personal Leave equivalent to 50% of unused leave at 30 June.

e) Provision for Long Service Leave

An unconditional entitlement to Long Service Leave exists only after an employee completes 10 years continuous service. A conditional entitlement emerges after 7 years upon retirement from work or resignation under specific circumstances.

The liability disclosed in the Balance Sheet is on a probability basis. The likelihood of the liability incurring increases as the length of employee's service increases. The liability is inflated at 1.99% and discounted at the corporate bond rate. The liability includes workers' compensation, super guarantee and penalty loadings payable on Long Service Leave.

f) Land and Buildings

The land and buildings were previously held in the Cosmos entity (part of the consolidated group) and were gifted to Mosaic Support Services in June 2016. They were revalued in 2013 by the Cosmos Board based on the government valuation.

Mosaic Support Services
Notes to the Financial Statements
For the Year Ended 30 June 2016

2 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash Held With Westpac	152,855	75,842
Cash Held with ANZ	1,892,967	1,164,028
Cash Held with NAB	28,550	-
Cash Held with MyState	1,814	-
Cash on Hand	879	150
Short Term Deposits	500,000	800,000
	<u>2,577,065</u>	<u>2,040,020</u>

Mosaic Support Services
Notes to the Financial Statements
For the Year Ended 30 June 2016

3 Other Current Assets	2016	2015
	\$	\$
Prepaid Expenses	78,711	66,218
Share in MyState Financial	20	10
Accrued Income (Interest & NDIS awaiting claim)	-	12,563
	<u>78,731</u>	<u>78,791</u>
4 Property, Plant & Equipment	2016	2015
	\$	\$
Land		
Valuation in accordance with Note 1(f)	<u>380,000</u>	-
Total land	<u>380,000</u>	-
Buildings		
Valuation in accordance with Note 1(f)	440,000	-
Less provision for depreciation	<u>(33,019)</u>	-
Total buildings	<u>406,981</u>	-
Office Equipment		
At cost	253,849	243,245
Less provision for depreciation	<u>(184,758)</u>	<u>(161,585)</u>
Total plant, equipment and furniture	<u>69,091</u>	<u>81,660</u>
Motor Vehicles		
At cost	1,122,973	1,098,148
Less provision for depreciation	<u>(752,604)</u>	<u>(680,022)</u>
Total motor vehicles	<u>370,369</u>	<u>418,126</u>
Other and Leasehold Equipment		
At cost	304,729	169,804
Less provision for depreciation	<u>(219,695)</u>	<u>(59,835)</u>
Total other and leasehold equipment	<u>85,034</u>	<u>109,969</u>
Total property, plant and equipment	<u>1,311,475</u>	<u>609,754</u>

Mosaic Support Services
Notes to the Financial Statements
For the Year Ended 30 June 2016

4 Property, Plant & Equipment (continued)

	Land and Buildings	Office Equipment	Motor Vehicles	Other and leasehold improvements	Total
	\$	\$	\$		\$
Balance at the beginning of the year	-	81,660	418,126	109,969	609,754
Additions	797,416	12,652	95,700	15,255	921,023
Disposals	-	642	23,458	906	25,006
Depreciation expense	10,435	24,579	119,999	39,284	194,297
Carrying amount at the end of the year	786,981	69,091	370,369	85,034	1,311,475

5 Employee Entitlements

	2016	2015
	\$	\$
Provision for annual leave	797,317	577,893
Provision for long service leave	886,626	550,916
Provision for personal leave	245,561	158,594
Accrued wages	183,219	333,366
Other	9,930	7,171
	<u>2,122,653</u>	<u>1,627,940</u>
Current	1,618,143	1,358,290
Non-Current	504,510	269,650
	<u>2,122,653</u>	<u>1,627,940</u>

6 Tax Liabilities

	2016	2015
	\$	\$
PAYG withholding	-	142,660
GST payable	223,757	165,798
	<u>223,757</u>	<u>308,458</u>

Mosaic Support Services
Notes to the Financial Statements
For the Year Ended 30 June 2016

7 Creditors and Accrued Expenses

	2016	2015
	\$	\$
Accrued expenses	668	-
Accounts payable	<u>271,128</u>	<u>189,318</u>
	<u>271,796</u>	<u>189,318</u>

8 Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by Accru Hobart Pty Ltd, the auditor of the Incorporated Association.

	2016	2015
	\$	\$
Audit and review of the financial statements and grant acquittals	10,500	9,400
Other services	<u>768</u>	<u>2,695</u>
	<u>11,268</u>	<u>12,095</u>

9 Events after the Balance Sheet Date

10 Contingent Assets and Liabilities

There are no contingent assets or liabilities as at 30 June 2016.

11 Association Details

Registered office and principal place of business

The registered office and principal place of business of the Association is:
 Suites 2 & 3 / 31 Tower Rd, New Town TAS 7008

MOSAIC SUPPORT SERVICES

OFFICERS' ASSERTION STATEMENT

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 1 to the financial statements.

In the opinion of the Committee, the attached financial report:

1. Presents a true and fair view of the financial position of Mosaic Support Services, as at 30 June 2016 and its performance for the period 1 July 2015 to 30 June 2016;
2. At the date of this statement, there are reasonable grounds to believe that Mosaic Support Services 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:

Dated at Hobart this 5th day of September 2016


.....
CHAIRPERSON


.....
TREASURER

BOARD MEMBERS LIST
2016

Kim Baumeler (Chair)

Kate Cuthbertson (Vice Chair) - JOINED BOARD 1 JULY 2015

Kane Salter (Treasurer)

Keryn Welch (Secretary) - JOINED BOARD 1 JULY 2015

Peter Nelson

Jane Stephens

Garth Stevens

Ron Franks

Gina Gunn

David Benbow - JOINED BOARD 1 JULY 2015

Mike Larkin - JOINED BOARD 1 JULY 2015

INDEPENDENT AUDITOR'S REPORT

To the members of Mosaic Support Services.

We have audited the accompanying financial report, being a special purpose report, of Mosaic Support Services, which comprises the statement of financial position as at 30 June 2016, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the officers' assertion statement.

Officers' Responsibility for the Financial Report

The officers of Mosaic Support Services, are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation Act 1964* and is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers determine is necessary to enable the preparation of a 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 have 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 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 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 association's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the officers, as well as evaluating the overall presentation of the financial report.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

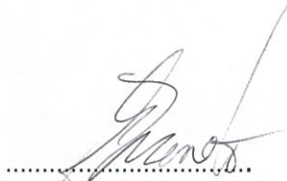
In our opinion, the financial report presents fairly, in all material respects, the financial position of Mosaic Support Services, as at 30 June 2016 and of its financial performance for the year then ended in accordance with the *Associations Incorporation Act (1964)*.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the officers' financial reporting requirements under the *Associations Incorporation Act 1964* and as such may be unsuitable for another purpose.

The officers have determined that the financial report shall be prepared in accordance with a special purpose framework. As a result, the financial report may not be suitable for another purpose as only the accounting standards specifically stated in note 1 to the accounts have been applied in the preparation of this special purpose financial report.

As such, this report should not be distributed or used by parties other than Mosaic Support Services, and its members.


.....
Michael J Burnett FCA
Registered Company Auditor
Partner, Accru⁺ Hobart
Lvl 1, 18 Ross Avenue
ROSNY PARK TAS 7018

Date: 6-9-16.....