



# Financial statements



## INDEPENDENT AUDITOR'S REPORT

To the Parliamentary Secretary to the Prime Minister

### Scope

I have audited the accompanying financial statements of Australian Institute of Family Studies (the Institute) for the year ended 30 June 2009, which comprise: a Statement by Directors and Chief Finance Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

### *The Responsibility of the Director for the Financial Statements*

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are 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 statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements 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 Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Institute's Director, as well as evaluating the overall presentation of the financial statements.

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

### ***Independence***

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### **Auditor's Opinion**

In my opinion, the financial statements of the Australian Institute of Family Studies:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Institute of Family Studies' financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Ron Wah

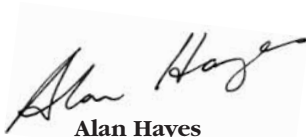
Senior Director

Delegate of the Auditor-General

Canberra  
28 August 2009

## Statement by Directors and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



**Alan Hayes**  
Director

28 August 2009



**Sue Tait**  
Deputy Director  
(Corporate and Strategy)

28 August 2009



**Susan Leong**  
Chief Finance Officer

28 August 2009

# Australian Institute of Family Studies

## INCOME STATEMENT

for the period ended 30 June 2009

	Notes	2009 \$	2008 \$
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from Government	3A	4,037,000	4,256,000
Sale of goods and rendering of services	3B	9,680,897	8,468,376
Royalties	3C	126,216	40,014
Other revenue	3D	19,036	8,525
<b>Total revenue</b>		<b>13,863,149</b>	<b>12,772,915</b>
<b>Gains</b>			
Resources received free of charge		22,650	22,700
<b>Total gains</b>		<b>22,650</b>	<b>22,700</b>
<b>Total income</b>		<b>13,885,799</b>	<b>12,795,615</b>
<b>EXPENSES</b>			
Employee benefits	4A	6,516,241	5,456,605
Suppliers	4B	7,236,595	6,983,096
Depreciation and amortisation	4C	311,070	297,202
Losses from asset sales	4D	1,387	13,281
<b>Total expenses</b>		<b>14,065,293</b>	<b>12,750,184</b>
<b>Surplus (deficit)</b>		<b>(179,494)</b>	<b>45,431</b>

The above statement should be read in conjunction with the accompanying notes.

# Australian Institute of Family Studies

## BALANCE SHEET

as at 30 June 2009

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	169,910	457,076
Trade and other receivables	5B	<u>4,549,852</u>	<u>5,434,650</u>
<b>Total financial assets</b>		<u><b>4,719,762</b></u>	<u><b>5,891,726</b></u>
<b>Non-financial assets</b>			
Buildings—leasehold improvements	6A,C	491,907	523,417
Plant and equipment	6B,C	1,250,039	1,360,814
Intangibles	6D	17,729	28,844
Other non-financial assets	6E	133,876	306,574
<b>Total non-financial assets</b>		<u><b>1,893,551</b></u>	<u><b>2,219,649</b></u>
<b>Total assets</b>		<u><u><b>6,613,313</b></u></u>	<u><u><b>8,111,375</b></u></u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	302,875	601,803
Other payables	7B	3,257,342	4,507,481
<b>Total payables</b>		<u><b>3,560,217</b></u>	<u><b>5,109,284</b></u>
<b>Provisions</b>			
Employee provisions	8A	1,260,535	1,030,036
<b>Total provisions</b>		<u><b>1,260,535</b></u>	<u><b>1,030,036</b></u>
<b>Total liabilities</b>		<u><b>4,820,752</b></u>	<u><b>6,139,320</b></u>
<b>Net assets</b>		<u><u><b>1,792,561</b></u></u>	<u><u><b>1,972,055</b></u></u>
<b>EQUITY</b>			
Contributed equity		1,409,295	1,409,295
Retained surplus		<u>383,266</u>	<u>562,760</u>
<b>Total equity</b>		<u><u><b>1,792,561</b></u></u>	<u><u><b>1,972,055</b></u></u>
<b>Current assets</b>		<b>4,853,638</b>	6,198,300
<b>Non-current assets</b>		<b>1,759,675</b>	1,913,075
<b>Current liabilities</b>		<b>3,828,520</b>	5,182,141
<b>Non-current liabilities</b>		<b>992,232</b>	957,179

The above statement should be read in conjunction with the accompanying notes.

# Australian Institute of Family Studies

## STATEMENT OF CHANGES IN EQUITY

as at 30 June 2009

	Retained earnings		Contributed equity		Total equity	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Opening balance</b>	<b>562,760</b>	342,094	<b>1,409,295</b>	1,409,295	<b>1,972,055</b>	1,751,389
Adjustment for errors <sup>1</sup>	–	175,235	–	–	–	175,235
<b>Adjusted opening balance</b>	<b>562,760</b>	517,329	<b>1,409,295</b>	1,409,295	<b>1,972,055</b>	1,926,624
<b>Income and expense</b>						
Surplus (deficit) for the period	(179,494)	45,431	–	–	(179,494)	45,431
<b>Total income and expenses</b>	<b>(179,494)</b>	45,431	–	–	<b>(179,494)</b>	45,431
<b>Closing balance at 30 June</b>	<b>383,266</b>	562,760	<b>1,409,295</b>	1,409,295	<b>1,792,561</b>	1,972,055

1 Please refer to Note 17 for details.

The above statement should be read in conjunction with the accompanying notes.

# Australian Institute of Family Studies

## CASH FLOW STATEMENT

for the period ended 30 June 2009

	Notes	2009 \$	2008 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		9,714,913	10,287,684
Appropriations		4,500,000	2,505,230
Net GST received		75,006	–
Other cash received		17,520	71,239
<i>Total cash received</i>		<u>14,307,439</u>	<u>12,864,153</u>
<b>Cash used</b>			
Employees		(6,212,920)	(5,352,384)
Suppliers		(8,222,628)	(7,572,104)
Net GST paid		–	(414,803)
<i>Total cash used</i>		<u>(14,435,548)</u>	<u>(13,339,291)</u>
<b>Net cash flow (used by) operating activities</b>	9	<u>(128,109)</u>	<u>(475,138)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of leasehold improvements, plant and equipment		5,464	–
<i>Total cash received</i>		<u>5,464</u>	<u>–</u>
<b>Cash used</b>			
Purchase of leasehold improvements, plant and equipment		(164,521)	(122,211)
<i>Total cash used</i>		<u>(164,521)</u>	<u>(122,211)</u>
<b>Net cash flow (used by) investing activities</b>		<u>(159,057)</u>	<u>(122,211)</u>
<i>Net (decrease) in cash held</i>		<u>(287,166)</u>	<u>(597,349)</u>
Cash and cash equivalents at the beginning of the reporting period		457,076	1,054,425
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<u>169,910</u>	<u>457,076</u>

The above statement should be read in conjunction with the accompanying notes.

# Australian Institute of Family Studies

## SCHEDULE OF COMMITMENTS

as at 30 June 2009

	2009 \$	2008 \$
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Project commitments receivable <sup>1</sup>	(21,480,318)	(15,676,523)
GST recoverable on commitments	(591,080)	(1,319,411)
<b>Total commitments receivable</b>	<u>(22,071,398)</u>	<u>(16,995,934)</u>
<b>Other commitments</b>		
Operating leases <sup>2</sup>	5,722,362	6,243,063
Project commitments payable	728,913	8,203,354
GST payable on commitments	1,952,756	1,425,139
Other commitments	50,600	67,100
<b>Total other commitments</b>	<u>8,454,631</u>	<u>15,938,656</u>
<b>Net commitments by type</b>	<u>(13,616,767)</u>	<u>(1,057,278)</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Project commitments receivable</b>		
One year or less	(4,889,152)	(6,786,681)
From one to five years	(7,694,366)	(8,889,842)
Over five years	(8,896,800)	-
<b>Total project commitments receivable</b>	<u>(21,480,318)</u>	<u>(15,676,523)</u>
<b>GST recoverable on commitments</b>		
One year or less	(132,582)	(379,532)
From one to five years	(265,175)	(683,963)
Over five years	(193,323)	(255,916)
<b>Total GST recoverable on commitments</b>	<u>(591,080)</u>	<u>(1,319,411)</u>
<b>Commitments payable</b>		
<b>Operating lease commitments</b>		
One year or less	694,286	660,821
From one to five years	2,901,526	2,767,165
Over five years	2,126,550	2,815,077
<b>Total operating lease commitments</b>	<u>5,722,362</u>	<u>6,243,063</u>
<b>Project commitments payable</b>		
One year or less	728,913	3,509,626
From one to five years	-	4,693,728
Over five years	-	-
<b>Total project commitments payable</b>	<u>728,913</u>	<u>8,203,354</u>
<b>GST payable on commitments</b>		
One year or less	444,468	616,971
From one to five years	699,488	808,168
Over five years	808,800	-
<b>Total GST payable on commitments</b>	<u>1,952,756</u>	<u>1,425,139</u>
<b>Other commitments payable</b>		
One year or less	35,200	4,400
From one to five years	15,400	62,700
Over five years	-	-
<b>Total other commitments payable</b>	<u>50,600</u>	<u>67,100</u>
<b>Net commitments by maturity</b>	<u>(13,616,767)</u>	<u>(1,057,278)</u>

NB: Commitments were GST-inclusive where relevant.

1 Project commitments receivable are based on known commitments for contracted research funds (i.e., amount specified in contract agreement).

2 Operating leases included effectively are non-cancellable and comprise:

*Lease for office accommodation*

The Institute has entered into a 10-year tenancy agreement at 485 La Trobe Street, Melbourne, which runs to 28 February 2017. Lease payments are subject to an annual fixed percentage increase of 3.75%. The lease may be renewed for a further term of 5 years at the Institute's option, following a once-off adjustment of rental to market levels.

*Agreements for the provision of motor vehicles to senior executive officers*

No contingent rental exists. There are no renewal or purchase options available to the Institute.

The above schedule should be read in conjunction with the accompanying notes.

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# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 1: Summary of significant accounting policies

#### 1.1 Objectives of the Australian Institute of Family Studies

The Australian Institute of Family Studies (“the Institute”) is an Australian Public Service organisation.

The Institute is structured to meet a single outcome, namely to increase understanding of factors affecting how families function by conducting research and communicating findings to policy-makers, service providers, and the broader community. The Institute has one output, namely information and advice on factors influencing how families function.

The Institute’s activities contributing toward this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by the Institute in its own right.

The key objectives of the Institute are to:

- conduct high-quality research relevant to policy and practice on a broad range of issues regarding families in Australia;
- expand the national knowledge base of factors affecting families through collaborative partnerships;
- increase the effectiveness of communications to foster greater understanding about factors that affect families; and
- build organisational capacity to achieve research and communication objectives.

The continued existence of the Institute in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament and contract research revenue for the Institute’s administration and programs.

#### 1.2 Basis of preparation of the financial report

The financial statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister’s Orders (or FMO) for reporting periods ending on or after 1 July 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting Standard or the FMO, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Institute or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under Agreements Equally Proportionately Unperformed are not recognised unless required

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

by an accounting standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

### 1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

### 1.4 Changes in Australian Accounting Standards

#### Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards, amendments to standards and interpretations applicable to the current financial year have no material financial impact on the Institute:

*AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (June 2007)*

*AASB 3 Business Combinations (December 2007)*

*AASB 5 Non-current Assets Held for Sale and Discontinued Operations*

*AASB 7 Financial Instruments: Disclosures*

*AASB 101 Preparation of Financial Statements (December 2007)*

*AASB 114 Segment Reporting*

*AASB 116 Property, Plant and Equipment*

*AASB 127 Consolidated and Separate Financial Statements (December 2007)*

*AASB 137 Provisions, Contingent Liabilities and Contingent Assets*

*AASB 139 Financial Instruments: Recognition and Measurement*

*AASB 1004 Contributions*

*AASB 1048 Interpretation and Application of Standards*

*AASB 1049 Whole of Government and General Government Sector Financial Reporting*

*AASB 1050 Administered Items*

*AASB 1051 Land Under Roads*

*AASB 1052 Disaggregated Disclosures*

*AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]*

*AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29, and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]*

*AASB 2008-10 Amendments to Australian Accounting Standards—Reclassification of Financial Assets*

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

*AASB 2008-12 Amendments to Australian Accounting Standards—Reclassification of Financial Assets—Effective Date and Transition [AASB 7, AASB 139 & AASB 2008-10]*

*AASB 2009-3 Amendments to Australian Accounting Standards—Embedded Derivatives [AASB 139 & Interpretation 9]*

*Interp 4 Determining whether an Arrangement contains a Lease*

*Interp 12 Service Concession Arrangements (February 2007)*

*Interp 13 Customer Loyalty Programmes*

*Interp 14 AASB 119—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

*Interp 129 Service Concession Arrangements: Disclosures*

*Interp 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*

### Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

*AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards (May 2009)*

*AASB 3 Business Combinations (March 2008)*

*AASB 8 Operating Segments*

*AASB 101 Presentation of Financial Statements (September 2007)*

*AASB 123 Borrowing Costs*

*AASB 127 Consolidated and Separate Financial Statements (March 2008)*

*AASB 1039 Concise Financial Reports*

*AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]*

*AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]*

*AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101*

*AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101*

*AASB 2008-1 Amendments to Australian Accounting Standard—Share-based Payments: Vesting Conditions and Cancellations [AASB 2]*

*AASB 2008-2 Amendments to Australian Accounting Standards—Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]*

*AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]*

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]*

AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1 & AASB 5]*

AASB 2008-7 *Amendments to Australian Accounting Standards—Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136]*

AASB 2008-8 *Amendments to Australian Accounting Standards—Eligible Hedged Items [AASB 139]*

AASB 2008-9 *Amendments to AASB 1049 for Consistency with AASB 101*

AASB 2008-11 *Amendments to Australian Accounting Standard—Business Combinations Among Not-for-Profit Entities [AASB 3]*

AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17—Distribution of Non-cash Assets to Owners [AASB 5 & AASB 110]*

AASB 2009-1 *Amendments to Australian Accounting Standards—Borrowing Costs of Not-for-Profit Public Sector Entities [AASB 1, AASB 111 & AASB 123]*

AASB 2009-2 *Amendments to Australian Accounting Standards—Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]*

AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]*

AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]*

Interp 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*

Interp 12 *Service Concession Arrangements (June 2007)*

Interp 15 *Agreements for the Construction of Real Estate*

Interp 16 *Hedges of a Net Investment in a Foreign Operation*

Interp 17 *Distributions of Non-cash Assets to Owners*

Interp 18 *Transfers of Assets from Customers*

## 1.5 Revenue

### Revenue from Government

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Institute gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable is recognised at its nominal amount.

### Other types of revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Institute.

The Institute receives contract revenue by conducting high-quality research relevant to policy and practice on a broad range of issues regarding families in Australia for various stakeholders. The key stakeholders comprise mainly other Commonwealth agencies, State Government agencies as well as non-government entities.

Revenue from rendering of contract services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the Institute.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Copyright royalty revenue for the use of the Institute's publications and bibliographic databases is recognised on an accrual basis.

Cost recovery which relates mainly to reimbursements from employees and sponsorships of travel expenses is recognised on a cash basis.

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

## 1.6 Gains

### Resources received free of charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government agency or authority as a consequence of a restructuring of administrative arrangements (refer to Note 1.7). The Institute did not receive any contribution of assets in both 2008-09 and 2007-08.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

### Sale of assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### 1.7 Transactions with the Government as Owner

#### Equity injections

Amounts appropriated which are designated as “equity injections” for a year (less any formal reductions) are recognised directly in contributed equity in that year.

#### Restructuring of administrative arrangements

Net assets received from or relinquished to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. The Institute was not involved in any restructuring of administrative arrangements in both 2008–09 and 2007–08.

#### Other distributions to owners

The FMO require that distributions to owners be debited to contributed equity unless in the nature of a dividend. There was no distribution to owners in both 2008–09 and 2007–08.

### 1.8 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for “short-term employee benefits” (as defined in AASB 119 *Employee Benefits*) and termination benefits due within 12 months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Institute is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees’ remuneration at the estimated salary rates that applied at the time the leave is taken, including the Institute’s employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by use of the Australian Government Actuary’s shorthand method using the standard Commonwealth sector probability profile. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Separation and redundancy

No provision has been made for separation and redundancy payments as the Institute has not formally identified any positions as excess to requirements at 30 June 2009.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Superannuation

The majority of the staff of the Institute are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Institute makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the Institute's employees. The Institute accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

### 1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

The Institute has no finance leases.

### 1.10 Cash and cash equivalents

Cash and cash equivalents include notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

### 1.11 Financial assets

The Institute classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- available-for-sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. For both 2008-09 and 2007-08, the Institute only has financial assets classified as loans and receivables.

Financial assets are recognised and derecognised upon trade date.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Institute does not have any non-current loans and receivables in both 2008-09 and 2007-08.

Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

### Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

- *financial assets held at amortised cost*—if there is objective evidence that an impairment loss has been incurred for loans and receivables held at amortised cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

## 1.12 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. For both 2008-09 and 2007-08, the Institute did not have any financial liabilities at fair value through profit or loss.

Financial liabilities are recognised and derecognised upon trade date.

### Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

## 1.13 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

There were no quantifiable contingent liabilities or contingent assets nor were there any unquantifiable or remote contingent liabilities or contingent assets for both 2008-09 and 2007-08.

### 1.14 Acquisition of assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

### 1.15 Leasehold improvements, plant and equipment

#### Asset recognition threshold

Purchases of leasehold improvements, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### Revaluations

Fair values for each class of asset are determined as shown below:

Asset class	Fair value measured at
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price

Following initial recognition at cost, leasehold improvements, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Depreciation

Depreciable leasehold improvements, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Institute using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2009	2008
Leasehold improvements	<b>Lease term</b>	Lease term
Plant and equipment	<b>3 to 15 years</b>	3 to 15 years

### Impairment

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Institute were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value in both 2008-09 and 2007-08.

### 1.16 Intangibles

The Institute's intangibles comprise commercially purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Institute's software are 3 to 5 years (2007-08: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2009.

### 1.17 Taxation

The Institute is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

**Australian Institute of Family Studies**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**Note 2: Events after the Balance Sheet date**

There were no significant events after the Balance Sheet date that would significantly affect the ongoing structure and financial activities of the Institute.

**Note 3: Income**

	2009	2008
	\$	\$
<b>REVENUE</b>		
<b>Note 3A: Revenue from Government</b>		
Appropriations:		
Departmental outputs	4,037,000	4,256,000
<i>Total revenue from Government</i>	<u>4,037,000</u>	<u>4,256,000</u>
<b>Note 3B: Sale of goods and rendering of services</b>		
Provision of goods—related entities	2,927	3,147
Provision of goods—external parties	66,010	76,273
Rendering of services—related entities	8,843,677	7,117,853
Rendering of services—external parties	768,283	1,271,103
<i>Total sale of goods and rendering of services</i>	<u>9,680,897</u>	<u>8,468,376</u>
<b>Note 3C: Royalties</b>		
Copyright	126,216	40,014
<i>Total royalties</i>	<u>126,216</u>	<u>40,014</u>
<b>Note 3D: Other revenue</b>		
Cost recovery	9,508	8,114
Other	9,528	411
<i>Total other revenue</i>	<u>19,036</u>	<u>8,525</u>

**Australian Institute of Family Studies**  
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**Note 4: Expenses**

	2009	2008
	\$	\$
<b>Note 4A: Employee benefits</b>		
Wages and salaries	4,788,965	4,160,410
Superannuation		
Defined contribution plans	347,783	266,714
Defined benefit plans	374,470	341,214
Leave and other entitlements	878,681	571,803
Other employee benefits	126,342	116,464
<b>Total employee benefits</b>	<b>6,516,241</b>	<b>5,456,605</b>
<b>Note 4B: Suppliers</b>		
Provision of goods—related entities	33,451	9,651
Provision of goods—external parties	220,654	196,941
Rendering of services—related entities	3,355,708	3,324,397
Rendering of services—external parties	3,060,469	2,884,491
Operating lease rentals—external parties:		
Minimum lease payments	532,755	534,922
Workers compensation premiums	33,558	32,694
<b>Total supplier expenses</b>	<b>7,236,595</b>	<b>6,983,096</b>
<b>Note 4C: Depreciation and amortisation</b>		
Depreciation:		
Leasehold improvements	60,299	59,399
Plant and equipment	235,106	221,813
<b>Total depreciation</b>	<b>295,405</b>	<b>281,212</b>
Amortisation:		
Intangibles:		
Computer software	15,665	15,990
<b>Total amortisation</b>	<b>15,665</b>	<b>15,990</b>
<b>Total depreciation and amortisation</b>	<b>311,070</b>	<b>297,202</b>
<b>Note 4D: Losses from asset sales</b>		
Plant and equipment		
Proceeds from sale	5,464	—
Carrying value of assets sold	(6,851)	(12,911)
Selling expense	—	—
Intangibles		
Proceeds from sale	—	—
Carrying value of assets sold	—	(370)
Selling expense	—	—
<b>Net losses from sale of assets</b>	<b>(1,387)</b>	<b>(13,281)</b>

**Australian Institute of Family Studies**  
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**Note 5: Financial assets**

	2009	2008
	\$	\$
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	168,872	456,539
Cash on hand	1,038	537
<b>Total cash and cash equivalents</b>	<b>169,910</b>	<b>457,076</b>
<b>Note 5B: Trade and other receivables</b>		
Goods and services—related entities	652,557	727,262
Goods and services—external parties	126,845	328,961
<b>Total receivables for goods and services</b>	<b>779,402</b>	<b>1,056,223</b>
Appropriations receivable:		
For existing outputs	3,751,396	4,214,396
<b>Total appropriations receivable</b>	<b>3,751,396</b>	<b>4,214,396</b>
GST receivable from the Australian Taxation Office	8,539	139,286
Other receivables	10,515	24,745
<b>Total trade and other receivables</b>	<b>4,549,852</b>	<b>5,434,650</b>
Receivables are represented by:		
Current	4,549,852	5,434,650
Non-current	—	—
<b>Total trade and other receivables</b>	<b>4,549,852</b>	<b>5,434,650</b>
Receivables are aged as follows:		
Not overdue	4,474,981	5,159,281
Overdue by:		
Less than 30 days	74,750	22,079
30 to 60 days	121	251,654
61 to 90 days	—	1,636
More than 90 days	—	—
<b>Total receivables</b>	<b>4,549,852</b>	<b>5,434,650</b>

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 6: Non-financial assets

	2009	2008
	\$	\$
<b>Note 6A: Leasehold improvements</b>		
Leasehold improvements:		
Fair value	636,435	607,645
Accumulated depreciation	<u>(144,528)</u>	<u>(84,228)</u>
<b>Total leasehold improvements (non-current)</b>	<b><u>491,907</u></b>	<b><u>523,417</u></b>

The leasehold improvements are at cost, which is materially reflective of their fair value as all the assets were acquired in February 2007.

No indicators of impairment were found for leasehold improvements.

### Note 6B: Plant and equipment

Plant and equipment:		
Gross carrying value (at fair value)	1,903,372	1,850,252
Accumulated depreciation	<u>(653,333)</u>	<u>(489,438)</u>
<b>Total plant and equipment (non-current)</b>	<b><u>1,250,039</u></b>	<b><u>1,360,814</u></b>

The gross carrying value of all the plant and equipment are materially reflective of their fair value.

No indicators of impairment were found for plant and equipment.

### Note 6C: Analysis of leasehold improvements, plant and equipment

**Table A: Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment (2008–09)**

	Leasehold improvements	Plant & equipment	Total
	\$	\$	\$
<b>As at 1 July 2008</b>			
Gross book value	607,645	1,850,252	2,457,897
Accumulated depreciation and impairment	<u>(84,228)</u>	<u>(489,438)</u>	<u>(573,666)</u>
<b>Net book value 1 July 2008</b>	<b>523,417</b>	<b>1,360,814</b>	<b>1,884,231</b>
Additions:			
By purchase	28,789	131,182	159,971
Depreciation expense	<u>(60,299)</u>	<u>(235,106)</u>	<u>(295,405)</u>
Disposals:			
Other disposals	–	<u>(6,851)</u>	<u>(6,851)</u>
<b>Net book value 30 June 2009</b>	<b>491,907</b>	<b>1,250,039</b>	<b>1,741,946</b>
<b>Net book value as of 30 June 2009 represented by:</b>			
Gross book value	636,435	1,903,372	2,539,807
Accumulated depreciation and impairment	<u>(144,528)</u>	<u>(653,333)</u>	<u>(797,861)</u>
	<b>491,907</b>	<b>1,250,039</b>	<b>1,741,946</b>

**Australian Institute of Family Studies**  
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**Table A: Reconciliation of the opening and closing balances of leasehold improvements, plant and equipment (2007–08)**

	Leasehold improvements	Plant & equipment	Total
	\$	\$	\$
<b>As at 1 July 2007</b>			
Gross book value	607,645	1,771,974	2,379,619
Accumulated depreciation and impairment	(24,829)	(284,236)	(309,065)
<b>Net book value 1 July 2007</b>	<u>582,816</u>	<u>1,487,738</u>	<u>2,070,554</u>
Additions:			
By purchase	–	112,581	112,581
Depreciation expense	(59,399)	(221,813)	(281,212)
Disposals:			
Other disposals	–	(17,692)	(17,692)
<b>Net book value 30 June 2008</b>	<u>523,417</u>	<u>1,360,814</u>	<u>1,884,231</u>
<b>Net book value as of 30 June 2008 represented by:</b>			
Gross book value	607,645	1,850,252	2,457,897
Accumulated depreciation and impairment	(84,228)	(489,438)	(573,666)
	<u>523,417</u>	<u>1,360,814</u>	<u>1,884,231</u>

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

	2009	2008
	\$	\$
<b>Note 6D: Intangibles</b>		
Computer software at cost:		
Purchased	95,915	92,768
Accumulated amortisation	(78,186)	(63,924)
<b>Total intangibles (non-current)</b>	<u>17,729</u>	<u>28,844</u>

No indicators of impairment were found for intangible assets.

**Table B: Reconciliation of the opening and closing balances of intangibles (2008–09)**

	Computer software purchased	Total
	\$	\$
<b>As at 1 July 2008</b>		
Gross book value	92,768	92,768
Accumulated amortisation and impairment	(63,924)	(63,924)
<b>Net book value 1 July 2008</b>	<u>28,844</u>	<u>28,844</u>
Additions:		
By purchase	4,550	4,550
Amortisation	(15,665)	(15,665)
<b>Net book value 30 June 2009</b>	<u>17,729</u>	<u>17,729</u>
<b>Net book value as of 30 June 2009 represented by:</b>		
Gross book value	95,915	95,915
Accumulated amortisation and impairment	(78,186)	(78,186)
	<u>17,729</u>	<u>17,729</u>

**Table B: Reconciliation of the opening and closing balances of intangibles (2007–08)**

	Computer software purchased	Total
	\$	\$
<b>As at 1 July 2007</b>		
Gross book value	119,509	119,509
Accumulated amortisation and impairment	(82,427)	(82,427)
<b>Net book value 1 July 2007</b>	<u>37,082</u>	<u>37,082</u>
Additions:		
By purchase	9,630	9,630
Amortisation	(15,990)	(15,990)
Disposals:		
Other disposals	(1,878)	(1,878)
<b>Net book value 30 June 2008</b>	<u>28,844</u>	<u>28,844</u>
<b>Net book value as of 30 June 2008 represented by:</b>		
Gross book value	92,768	92,768
Accumulated amortisation and impairment	(63,924)	(63,924)
	<u>28,844</u>	<u>28,844</u>

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

	2009	2008
	\$	\$
<b>Note 6E: Other non-financial assets</b>		
Prepayments	133,876	306,574
<b>Total other non-financial assets</b>	<u>133,876</u>	<u>306,574</u>

All other non-financial assets were current assets.

No indicators of impairment were found for other non-financial assets.

### Note 7: Payables

	2009	2008
	\$	\$
<b>Note 7A: Suppliers</b>		
Trade creditors	298,813	601,803
Operating lease rentals	4,062	—
<b>Total supplier payables</b>	<u>302,875</u>	<u>601,803</u>
Supplier payables—related entities are represented by:		
Current	12,706	15,511
Non-current	—	—
Supplier payables—external parties are represented by:		
Current	290,169	586,292
Non-current	—	—
<b>Total supplier payables</b>	<u>302,875</u>	<u>601,803</u>

Settlement is usually made net 30 days.

### **Note 7B: Other payables**

Salaries and wages	220,830	159,102
Superannuation	18,365	9,201
Unearned income	1,879,360	3,107,677
Lease incentive	706,100	798,200
Lease payable	158,829	100,762
Accrued expenses	127,494	254,192
Other	146,364	78,347
<b>Total other payables</b>	<u>3,257,342</u>	<u>4,507,481</u>
Other payables are represented by:		
Current	2,484,513	3,700,619
Non-current	772,829	806,862
<b>Total other payables</b>	<u>3,257,342</u>	<u>4,507,481</u>

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 8: Provisions

	2009	2008
	\$	\$
<b>Note 8A: Employee provisions</b>		
Leave	<u>1,260,535</u>	<u>1,030,036</u>
<b>Total employee provisions</b>	<u><u>1,260,535</u></u>	<u><u>1,030,036</u></u>

Employee provisions are represented by:

Current	1,041,132	879,719
Non-current	<u>219,403</u>	<u>150,317</u>
<b>Total employee provisions</b>	<u><u>1,260,535</u></u>	<u><u>1,030,036</u></u>

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from reporting date is \$396,894 (2008: \$376,940), and in excess of one year \$863,641 (2008: \$653,096).

### Note 9: Cash flow reconciliation

	2009	2008
	\$	\$
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
Report cash and cash equivalents as per:		
Cash Flow Statement	169,910	457,076
Balance Sheet	<u>169,910</u>	<u>457,076</u>
<b>Difference</b>	<u><u>—</u></u>	<u><u>—</u></u>

#### Reconciliation of operating result to net cash from operating activities

Operating result	(179,494)	45,431
Depreciation/amortisation	311,070	297,200
Net loss on disposal of assets	1,387	19,572
(Increase)/decrease in net receivables	884,798	(2,377,078)
(Increase)/decrease in prepayments	172,698	(197,930)
Increase in employee provisions	230,499	126,866
Increase/(decrease) in supplier payables	(298,928)	196,035
Increase/(decrease) in unearned income	(1,228,317)	1,319,858
(Decrease) in GST payable	—	(38,014)
(Decrease) in lease incentive	(92,100)	(92,100)
Increase in lease payable	58,067	74,241
Increase in accrued expenses	<u>12,211</u>	<u>150,781</u>
<b>Net cash (used by) operating activities</b>	<u><u>(128,109)</u></u>	<u><u>(475,138)</u></u>

**Australian Institute of Family Studies**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

**Note 10: Senior executive remuneration**

	2009	2008
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$190,000 to \$204,999	–	2
\$205,000 to \$219,999	2	–
\$325,000 to \$339,999	1	1
<b>Total</b>	<u><u>3</u></u>	<u><u>3</u></u>
The aggregate amount of total remuneration of senior executives shown above.	<u><u>\$743,484</u></u>	<u><u>\$713,218</u></u>
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	<u><u>Nil</u></u>	<u><u>Nil</u></u>

**Note 11: Remuneration of auditors**

	2009	2008
	\$	\$
Financial statement audit services were provided free of charge to the Institute.		
The fair value of the services provided was:		
Australian National Audit Office	<u>22,650</u>	<u>22,700</u>
	<u><u>22,650</u></u>	<u><u>22,700</u></u>
No other services were provided by the Auditor-General.		

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 12: Financial instruments

	2009	2008
	\$	\$
<b>Note 12A: Categories of financial instruments</b>		
<b>Financial assets</b>		
Loans and receivables:		
Cash and cash equivalents	169,910	457,076
Trade and other receivables	789,917	1,080,968
<i>Carrying amount of financial assets</i>	<u>959,827</u>	<u>1,538,044</u>
<b>Financial liabilities</b>		
Other liabilities:		
Payables—suppliers	302,875	601,803
<i>Carrying amount of financial liabilities</i>	<u>302,875</u>	<u>601,803</u>

#### Note 12B: Net income and expense from financial assets

There is no income or expense from financial assets—loans and receivables in the financial year ended 30 June 2009 (2008: nil).

#### Note 12C: Net income and expense from financial liabilities

There is no income or expense from financial liabilities—payables and accrued expenses in the financial year ended 30 June 2009 (2008: nil).

#### Note 12D: Fair value of financial instruments

	Carrying amount 2009	Fair value 2009	Carrying amount 2008	Fair value 2008
	\$	\$	\$	\$
<b>Financial assets</b>				
Loans and receivables:				
Cash and cash equivalents	169,910	169,910	457,076	457,076
Trade and other receivables	789,917	789,917	1,080,968	1,080,968
<b>Total</b>	<u>959,827</u>	<u>959,827</u>	<u>1,538,044</u>	<u>1,538,044</u>
<b>Financial liabilities</b>				
Other liabilities:				
Payables—suppliers	302,875	302,875	601,803	601,803
<b>Total</b>	<u>302,875</u>	<u>302,875</u>	<u>601,803</u>	<u>601,803</u>

#### Note 12E: Credit risk exposures

The Institute is exposed to minimal credit risk as loans and receivables are cash, trade and other receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade and other receivables (2009: \$789,917 and 2008: \$1,080,968). The Institute has assessed the risk of the default on payment and has decided that no allowance for impairment losses is required.

The Institute manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship and has no significant exposures to any concentrations of credit risk.

The Institute holds no collateral to mitigate against credit risk.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2009	Not past due nor impaired 2008	Past due or impaired 2009	Past due or impaired 2008
	\$	\$	\$	\$
<b>Loans and receivables</b>				
Cash and cash equivalents	169,910	457,076	–	–
Trade and other receivables	715,046	805,599	74,871	275,369
<b>Total</b>	<b>884,956</b>	<b>1,262,675</b>	<b>74,871</b>	<b>275,369</b>

### Ageing of financial assets that are past due but not impaired for 2009

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
<b>Loans and receivables</b>					
Trade and other receivables	74,750	121	–	–	74,871
<b>Total</b>	<b>74,750</b>	<b>121</b>	<b>–</b>	<b>–</b>	<b>74,871</b>

### Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
<b>Loans and receivables</b>					
Trade and other receivables	22,079	251,654	1,636	–	275,369
<b>Total</b>	<b>22,079</b>	<b>251,654</b>	<b>1,636</b>	<b>–</b>	<b>275,369</b>

### Note 12F: Liquidity risk

The Institute's financial liabilities are payables and accrued expenses. The exposure to liquidity risk is based on the notion that the Institute will encounter difficulty in meeting its obligations associated with financial liabilities.

This is highly unlikely as the Institute is funded by contract research revenue and appropriated funding from the Australian Government. The Institute manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Institute has policies in place to ensure timely payment are made when due and has no past experience of default.

All financial liabilities mature within one year (2008: one year).

### Note 12G: Market risk

The Institute holds basic financial instruments that do not expose the Institute to certain market risks.

The Institute is not exposed to currency risk, other price risk or interest rate risk.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 13: Appropriations

**Table A: Acquittal of authority to draw cash from the consolidated revenue fund for ordinary annual services appropriations**

Particulars	Departmental outputs		Total	
	2009 \$	2008 \$	2009 \$	2008 \$
Balance brought forward from previous period (Appropriation Acts)	<b>4,810,758</b>	3,480,037	<b>4,810,758</b>	3,480,037
<i>Appropriation Act:</i>				
<i>Appropriation Act (No. 1) 2008–09 as passed</i>	<b>4,037,000</b>	4,276,000	<b>4,037,000</b>	4,276,000
<i>Appropriation Act (No. 3) 2008–09 as passed</i>	–	–	–	–
<i>Appropriation Act (No. 5) 2008–09 as passed</i>	–	–	–	–
Other annual appropriation acts as passed	–	–	–	–
Departmental appropriations reduced (Appropriation Act section 10) <sup>1</sup>	–	(20,000)	–	(20,000)
Advance to the Finance Minister (Appropriation Act section 14)	–	–	–	–
Advance to the Finance Minister recovered (2007–08 only)	–	–	–	–
Flexible funding pool receipts (Appropriation Act section 15)	–	–	–	–
<i>FMA Act:</i>				
Repayments to the Commonwealth (FMA Act section 30)	<b>9,508</b>	8,114	<b>9,508</b>	8,114
Appropriations to take account of recoverable GST (FMA Act section 30A)	<b>(55,741)</b>	(237,503)	<b>(55,741)</b>	(237,503)
Relevant agency receipts (FMA Act section 31)	<b>9,728,389</b>	10,350,809	<b>9,728,389</b>	10,350,809
Adjustment of appropriations on change of agency function (FMA Act section 32)	–	–	–	–
<b>Total appropriation available for payments</b>	<b>18,529,914</b>	17,857,457	<b>18,529,914</b>	17,857,457
Cash payments made during the year (GST inclusive)	<b>14,600,069</b>	13,046,699	<b>14,600,069</b>	13,046,699
Appropriations credited to special accounts (GST exclusive)	–	–	–	–
Balance of authority to draw cash from the Consolidated Revenue Fund for ordinary annual services appropriations and as represented by:	<b>3,929,845</b>	4,810,758	<b>3,929,845</b>	4,810,758
Cash at bank and on hand	<b>169,910</b>	457,076	<b>169,910</b>	457,076
Departmental appropriations receivable	<b>3,751,396</b>	4,214,396	<b>3,751,396</b>	4,214,396
GST receivable from/(payable to) the Australian Taxation Office	<b>8,539</b>	139,286	<b>8,539</b>	139,286
<b>Total as at 30 June</b>	<b>3,929,845</b>	4,810,758	<b>3,929,845</b>	4,810,758

1 Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. There was no reduction in departmental appropriation under *Appropriation Act (No. 1) of 2008–09*.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

**Table B: Acquittal of authority to draw cash from the consolidated revenue fund for other than ordinary annual services appropriations**

Particulars	Operating Outcome 1		Total	
	2009	2008	2009	2008
	\$	\$	\$	\$
Balance brought forward from previous period (Appropriation Acts)	—	—	—	—
Appropriation Act:			—	—
Appropriation Act (No. 2) 2008–09 as passed	—	—	—	—
Appropriation Act (No. 4) 2008–09 as passed	—	—	—	—
Appropriation Act (No. 6) 2008–09 as passed	—	—	—	—
Other annual appropriation acts	—	—	—	—
Departmental appropriations reduced (Appropriation Act section 13)	—	—	—	—
Advance to the Finance Minister (Appropriation Act section 15)	—	—	—	—
Advance to the Finance Minister recovered (2007–08 only)	—	—	—	—
FMA Act:			—	—
Repayments to the Commonwealth (FMA Act section 30)	—	—	—	—
Appropriations to take account of recoverable GST (FMA Act section 30A)	—	—	—	—
Adjustment of appropriations on change of agency function (FMA Act section 32)	—	—	—	—
<b>Total appropriations available for payments</b>	—	—	—	—
Cash payments made during the year (GST inclusive)	—	—	—	—
Appropriations credited to special accounts (GST exclusive)	—	—	—	—
Balance of authority to draw cash from the Consolidated Revenue Fund for other than ordinary annual services appropriations and as represented by:	—	—	—	—
Cash at bank and on hand	—	—	—	—
Departmental appropriations receivable	—	—	—	—
Adjustments under s 101.13 of the Finance Minister's Orders not reflected above	—	—	—	—
<b>Total as at 30 June</b>	—	—	—	—

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 14: Special accounts

The Institute has an Other Trust Monies Special Account established under subsection 20(1) of the *Financial Management and Accountability Act 1997*. There were no transactions during the year 2008–09 (2007–08: nil) and the account has a nil balance as at 30 June 2009 (2008: nil).

The purpose of the Special Account is to maintain amounts temporarily held on trust for or held for the benefit of a person other than the Australian Government.

### Note 15: Compensation and debt relief

#### Departmental

In both 2008–09 and 2007–08, no payments were made in relation to the following:

- (a) Act of Grace payments under subsection 33(1) of the *Financial Management and Accountability Act 1997* (FMA Act);
- (b) waivers of amounts owing to the Australian Government (being amounts that the Institute would, but for the waiver, have been entitled to receive on behalf of the Australian Government) pursuant to subsection 34(1) of the *FMA Act*;
- (c) payments made under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme;
- (d) payments made under approved ex-gratia programs; and
- (e) payments made in special circumstances relating to APS employment pursuant to s73 of the *Public Service Act 1999*.

### Note 16: Reporting of outcomes

#### Note 16A: Net cost of outcome delivery

	Outcome 1		Total	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Expenses</b>				
Departmental	14,065,293	12,750,184	14,065,293	12,750,184
<b>Total expenses</b>	<b>14,065,293</b>	<b>12,750,184</b>	<b>14,065,293</b>	<b>12,750,184</b>
<b>Costs recovered from provision of goods and services to the non-government sector</b>				
Departmental	(834,293)	(1,347,376)	(834,293)	(1,347,376)
<b>Total costs recovered</b>	<b>(834,293)</b>	<b>(1,347,376)</b>	<b>(834,293)</b>	<b>(1,347,376)</b>
<b>Other external income</b>				
Departmental	(8,991,856)	(7,169,539)	(8,991,856)	(7,169,539)
<b>Total other external revenues</b>	<b>(8,991,856)</b>	<b>(7,169,539)</b>	<b>(8,991,856)</b>	<b>(7,169,539)</b>
<b>Net cost of outcome</b>	<b>4,239,144</b>	<b>4,233,269</b>	<b>4,239,144</b>	<b>4,233,269</b>

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 16B: Major classes of departmental income and expenses by output groups and outputs

Outcome 1	Output Group 1		Outcome 1 Total	
	Output 1.1		2009	2008
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Departmental expenses</b>				
Employees	6,516,241	5,456,605	6,516,241	5,456,605
Suppliers	7,236,595	6,983,096	7,236,595	6,983,096
Depreciation and amortisation	311,070	297,202	311,070	297,202
Net loss from disposal of assets	1,387	13,281	1,387	13,281
<b>Total departmental expenses</b>	<b>14,065,293</b>	<b>12,750,184</b>	<b>14,065,293</b>	<b>12,750,184</b>
<b>Funded by:</b>				
Revenues from government	4,037,000	4,256,000	4,037,000	4,256,000
Sale of goods and services	9,680,897	8,468,376	9,680,897	8,468,376
Other non-taxation revenues	167,902	71,239	167,902	71,239
<b>Total departmental income</b>	<b>13,885,799</b>	<b>12,795,615</b>	<b>13,885,799</b>	<b>12,795,615</b>

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

### Note 16C: Major classes of departmental assets and liabilities by outcomes

	Outcome 1		Total	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Departmental assets</b>				
Cash and cash equivalents	169,910	457,076	169,910	457,076
Trade and other receivables	4,549,852	5,434,650	4,549,852	5,434,650
Buildings—leasehold improvements	491,907	523,417	491,907	523,417
Plant and equipment	1,250,039	1,360,814	1,250,039	1,360,814
Intangibles	17,729	28,844	17,729	28,844
Other non-financial assets	133,876	306,574	133,876	306,574
<b>Total departmental assets</b>	<b>6,613,313</b>	<b>8,111,375</b>	<b>6,613,313</b>	<b>8,111,375</b>
<b>Departmental liabilities</b>				
Suppliers	302,875	601,803	302,875	601,803
Other payables	3,257,342	4,507,481	3,257,342	4,507,481
Employee provisions	1,260,535	1,030,036	1,260,535	1,030,036
<b>Total departmental liabilities</b>	<b>4,820,752</b>	<b>6,139,320</b>	<b>4,820,752</b>	<b>6,139,320</b>

Outcome 1 is described in Note 1.1.

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

### Note 17: Corrections to prior periods

In prior years, long service leave was calculated using a five-day week instead of the seven-day week as required by the FMOs. This amounted to a difference of \$201,756 for the financial years ended 30 June 2007 and prior, and \$11,301 for the financial year ended 30 June 2008.

In addition, the operating lease has not been accounted on a straight-line basis in accordance with AASB 117. This amounted to a difference of \$26,521 for the financial year ended 30 June 2007 and \$74,241 for the financial year ended 30 June 2008.

The financial statements have been restated as follows:

Income statement	As reported 2008	Impact on financial year ended 30 June 2008	As adjusted 2008
	\$	\$	\$
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from Government	4,256,000		4,256,000
Sale of goods and rendering of services	8,468,376		8,468,376
Royalties	40,014		40,014
Other revenue	8,525		8,525
<b>Total revenue</b>	<b>12,772,915</b>		<b>12,772,915</b>
<b>Gains</b>			
Resources received free of charge	22,700		22,700
<b>Total gains</b>	<b>22,700</b>		<b>22,700</b>
<b>Total income</b>	<b>12,795,615</b>		<b>12,795,615</b>
<b>EXPENSES</b>			
Employee benefits	5,467,906	(11,301)	5,456,605
Suppliers	6,908,855	74,241	6,983,096
Depreciation and amortisation	297,202		297,202
Losses from asset sales	13,281		13,281
<b>Total expenses</b>	<b>12,687,244</b>		<b>12,750,184</b>
<b>Surplus (deficit)</b>	<b>108,371</b>	(62,940)	<b>45,431</b>

# Australian Institute of Family Studies

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the period ended 30 June 2009

Balance sheet	As reported 2008 <sup>1</sup>	Impact on opening balance 1 July 2007	Impact on financial year ended 30 June 2008	As adjusted 2008
	\$	\$	\$	\$
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	457,076			457,076
Trade and other receivables	5,434,650			5,434,650
<b>Total financial assets</b>	<b>5,891,726</b>			<b>5,891,726</b>
<b>Non-financial assets</b>				
Buildings—leasehold improvements	523,417			523,417
Plant and equipment	1,360,814			1,360,814
Intangibles	28,844			28,844
Other non-financial assets	306,574			306,574
<b>Total non-financial assets</b>	<b>2,219,649</b>			<b>2,219,649</b>
<b>Total assets</b>	<b>8,111,375</b>			<b>8,111,375</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	601,803			601,803
Other payables	4,406,719	26,521	74,241	4,507,481
<b>Total payables</b>	<b>5,008,522</b>			<b>5,109,284</b>
<b>Provisions</b>				
Employee provisions	1,243,093	(201,756)	(11,301)	1,030,036
<b>Total provisions</b>	<b>1,243,093</b>			<b>1,030,036</b>
<b>Total liabilities</b>	<b>6,251,615</b>			<b>6,139,320</b>
<b>Net assets</b>	<b>1,859,760</b>	175,235	(62,940)	<b>1,972,055</b>
<b>EQUITY</b>				
Contributed equity	1,409,295			1,409,295
Retained surplus	450,465	175,235	(62,940)	562,760
<b>Total equity</b>	<b>1,859,760</b>			<b>1,972,055</b>

1. Certain figures have been reclassified to conform with current financial year's presentation.