

24 January 2013

## Linux Australia Treasurer's Report for 2012

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This document contains the presentation of the 2012 Linux Australia financials.

### Note from the Treasurer

This is my last term as Treasurer for Linux Australia. Over the last 3 years I believe I have made great progress improving our financial management and work flow. Here are a few dot points summarising changes that have been implemented:

- We use a new financial software suite (Xero),
- All of our reporting and legal requirements are met and up to date,
- We have an accountant to help with queries and reporting,
- We have an auditor to check our accounts and bookkeeping along with providing useful management advice,
- We have a business banker specialist at *Westpac* to manage our accounts,
- All of our account signatories have been audited and security levels on accounts refined,
- Three council members have debit cards to make transactions and purchases with,
- We have a credit account with the Flight Centre to make booking travel painless,
- We have two merchant accounts both enabled with *Visa*, *Mastercard* and *Amex*,
- We have new accounts to have a flexible balance between access to cash and high interest rates,

I must thank John Ferlito for his help in envisioning and implementing some of the above. I hope that I have not only been able to serve the community as a good treasurer but leave the state of the accounts and books in good order for my successor. Despite no longer being involved as Treasurer for Linux Australia I intend to be as available to support the new treasurer practically and morally providing advice and help where needed - particularly where documentation may be lacking.

## Financial Year

Linux Australia's 2012 financial year runs from the 1<sup>st</sup> of October 2011 through to the 30<sup>th</sup> of September 2012. This was changed in a special general meeting in 2011 and the 2012 financial year was the first full 12 months under the new period<sup>1</sup>.

## Treasury management

In 2010 we migrated to new accounting software, Xero, which has continued to greatly ease our financial management. Thanks to continued improvements in Xero our management and audit this year was easier than ever allowing our financial advisors to make Journal entries directly and generate reports for their own use.

Our accountants at *Matrix On Board* have continued doing great work. All of our BAS's have been delivered before the deadlines ensuring our accounts have been correct all year and are free from overdue fees.

This is our third year undergoing an audit and we are continuing to reduce the workload. As we did last year, our auditor, Greg Middleton, helped us create journals to move conference registrations and expenses to be in the term of the conference itself. This makes our reporting a lot more sensible in terms of which financial years our income is reported.

## Sub-committee Management

Each event had their own bank account allowing organisers to run conferences with minimal hassle. Each sub-committee who had an account was required to have their own treasurer. These people, listed below, were responsible for making payments, reconciling transactions and ensuring their sub-committee ran on budget.

- PyCon AU 2012/2013 - Matthew D'Orazio
- Drupal Down Under 2012 - Peter Lieverdink
- LCA2012 - Cameron Tudball
- LCA2013 - Mike Carden
- Wordcamp Gold Coast - Bronson Quick
- Sydney Wordcamp - Dee Teal
- Joomla! Day Melbourne - Heide Robson and Pete Nurse

While the 2013 conferences have been active this year their figures will be reported in the 2013 term due to the prepayment sorting advised by our auditor.

As per the sub-committee policy all profit is returned to Linux Australia for use in their budgeting<sup>2</sup>. It is the hard work of these sub-committee and conference organisers that enables Linux Australia to continue supporting the Australian/New Zealand and greater open source communities. Where possible, Linux Australia endeavours to return conference income to the community that generated it, by using it to support that community's future conferences and events.

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1 <http://www.linux.org.au/meeting/2011-08-29>

2 <http://linux.org.au/policies/sub-committee>

## Audit

Our auditor picked up on a lack of documentation used in tracking petty cash. This has not affected our reporting but he has sent a letter to the management (council) highlighting the need for better notes on cash transactions. We have all of the receipts from the last few LCA's filed away, so should we need to we can recall them. However, for the next LCA we will be doing more thorough data entry of petty cash transactions to ensure our books are in good order.

## Budget Tracking - 2012

1 October 2011 to 30 September 2012

This is just a brief overview of the councils management budget. The full profit and loss is attached.

<b>Expenses</b>		<b>Budget</b>	<b>Actual</b>
Donations	Grants	\$10,000.00	\$4,483.00
	Sponsorship/Donations	\$10,000.00	\$6,459.00
Operating	Face-to-Face Meetings	\$6,000.00	\$2,992.00 <sup>1</sup>
	Insurance	\$5,000.00	\$4,826.00
	Accounting costs	\$5,000.00	\$5,020.00
	Storage	\$3,500.00	\$5,649.00
	Travel (Team review)	\$1,500.00	\$3,139.00
	Misc Office Expenses	\$1,500.00	\$1,037.00
	Bank Fees	\$2,000.00	\$4,295.00 <sup>2</sup>
Ongoing Projects	Software Freedom Day	\$0.00	\$0.00
	Mirror Project	\$0.00	\$0.00
	Admin Team (HW)	\$15,000.00	\$1,673.00 <sup>3</sup>
	Media Training	\$5,000.00	\$1,496.00 <sup>4</sup>
	zookepr hackfest	\$3,500.00	\$2,580.00
Ghosts Thanks	\$1,500.00	\$1,484.00	
<b>Sub-Total</b>		\$69,500.00	\$45,133.00
<b>Income</b>			
Conference Return	LCA2012	\$50,000.00	\$76,836.00
	DDU2012	\$5,000.00	\$20,147.00
	PyConAU	\$7,000.00	\$6,822.00
	Wordcamp	\$1,000.00	\$4,845.00
	Interest	\$4,000.00	\$25,022.00 <sup>5</sup>
<b>Sub-Total</b>		\$67,000.00	\$133,672.00

1 Only one face-to-face meeting instead of two as planned.

2 Includes \$3,843 of merchant fees.

3 This large budget item was spent in 2011.

4 We bundled the travel allocated here with the face-to-face meeting.

5 We missed out the interest from our term deposit from 2011 so it was carried into this year.

## 2013 Budget

1 October 2012 to 30 September 2013.

This budget is presently only as a draft as the new council for 2013 may want to change how they allocate the funds. It is perhaps best taken as a friendly suggested budget.

<b>Expenses</b>		<b>Budget</b>
Donations	Sponsorship/Donations/Grants <sup>1</sup>	\$30,000.00
Operating	Face-to-Face Meetings	\$6,000.00
	Insurance	\$5,000.00
	Accounting costs	\$5,000.00
	Storage	\$5,000.00
	Travel (Team review)	\$3,500.00
	Misc Office Expenses	\$1,500.00
	Bank Fees	\$5,000.00
Ongoing Projects	Admin Team (HW)	\$1,000.00
	Training	\$1,000.00
	zookeepr hackfest	\$3,500.00
	Ghosts Thanks	\$1,500.00
<b>Sub-Total</b>		<b>\$68,000.00</b>
<b>Income</b>		
Conference Return	LCA2013	\$30,000.00
	PyConAU 2013	\$7,000.00
	Wordcamp Melbourne	\$1,000.00
	Interest	\$15,000.00
<b>Sub-Total</b>		<b>\$53,000.00</b>

The above mostly represents the changes between 2012's budget and 2012's actuals along with expected items.

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<sup>1</sup> Grouping a large amount in here for flexibility. The council should look to reach out to more groups such as Software Freedom Day and other events that could use sponsorship. This allows the council to weigh up between supporting such events and any grants they may receive.

## Notes on the figures

Attached below are the *Profit and Loss*, *Balance* and *Cash Flow* reports for the 2012 financial year.

There is unfortunately a few grand unassigned to an area. This is due to Xero being difficult to manage when an area is not immediately assigned to an expense claim. Due to the workflow on expense claims not fitting our model we can't easily change this so I decided to leave it. The area is only for our benefit to track each subcommittee and not related to our financial reporting. Nearly all of the assigned amounts relate to LCA2013.

As mentioned earlier there was a large profit earned from our term deposit maturing. We missed counting it last year so the extra \$5,416 was carried into this year:

Date	Invested	Interest Earned
2010-01-13 -> 2010-06-13	\$150,000.00	\$3,785.34
2010-06-13 -> 2010-11-13	\$153,785.34	\$1,643.82
2010-11-13 -> 2011-06-13	\$155,429.16	\$5,416.60
2011-07-13 -> 2012-07-13	\$160,845.76	\$9,677.19
2012-07-13 -> 2013-07-13	\$170,522.95	NA

The two *Foreign Currency Gains and Losses* accounts exist to balance a couple of International transactions. The first is Xero's automatic calculation but we needed to place another set of transactions as *Foreign Currency* during the audit so we created an account to do so.

## Thanks

On behalf of the Linux Australia council, and personally, I would like to thank all of the sub-committee members for their hard work this term. Specifically I would like to express my gratitude to the sub-committee treasurer's (listed previously) for helping me find documents for the audit, reconcile Xero and keep things running smoothly and on budget.

I would like to personally thank John Ferlito for his guidance and advice over the years and helping me whenever I had a question. I would also like to thank Andrew Ruthven for his continued management of our New Zealand bank accounts throughout the year.

If there are any questions or queries in regards to the reports or figures please contact [treasurer@linux.org.au](mailto:treasurer@linux.org.au) and I will answer your question or provide you with the appropriate documentation.

Warm Regards,  
Joshua Hesketh  
Treasurer  
Linux Australia Incorporated



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# Profit & Loss

## Linux Australia All Areas 1 October 2011 to 30 September 2012

	BCM2012	DDU2012	JDM2013	LA	LCA2010	LCA2011	LCA2012	PYCONAU2011	PYCONAU2012	Wordcamp Goldcoast	Wordcamp Sydney	Unassigned	Total
<b>Income</b>													
Conference Registrations	1,018	66,613	131	-	-	(133)	282,001	-	46,450	6,168	11,034	-	413,282
Interest Income	-	-	-	25,022	-	-	-	-	-	-	-	-	25,022
Miscellaneous Sales	-	84	1	23	-	-	-	-	-	-	-	664	771
Sponsorship - International	-	750	-	-	-	-	65,538	-	-	500	3,000	-	69,788
Sponsorship - Local	7,650	41,082	-	-	-	-	105,545	-	36,173	2,273	8,000	-	200,723
<b>Total Income</b>	<b>8,668</b>	<b>108,529</b>	<b>131</b>	<b>25,045</b>	<b>-</b>	<b>(133)</b>	<b>453,084</b>	<b>-</b>	<b>82,623</b>	<b>8,941</b>	<b>22,034</b>	<b>664</b>	<b>709,586</b>
<b>Gross Profit</b>	<b>8,668</b>	<b>108,529</b>	<b>131</b>	<b>25,045</b>	<b>-</b>	<b>(133)</b>	<b>453,084</b>	<b>-</b>	<b>82,623</b>	<b>8,941</b>	<b>22,034</b>	<b>664</b>	<b>709,586</b>
<b>Less Operating Expenses</b>													
Advertising	-	-	-	-	-	-	1,625	-	-	-	179	-	1,803
AV and Network Equipment	-	10,112	-	-	-	-	18,595	-	3,843	-	3,925	-	36,476
Bank Fees	-	-	-	452	-	-	-	-	-	17	-	-	470
Conference Accommodation	1,517	(6,501)	-	-	-	-	92,149	-	1,437	340	-	-	88,942
Conference Dinner	-	-	-	-	-	-	30,735	-	20,961	-	-	-	51,695
Consulting & Accounting	-	-	-	5,020	-	-	-	-	-	-	-	-	5,020
Donation	-	-	-	6,459	-	-	555	-	-	-	-	-	7,014

# Profit & Loss

	BCM2012	DDU2012	JDM2013	LA	LCA2010	LCA2011	LCA2012	PYCONAU2011	PYCONAU2012	Wordcamp Goldcoast	Wordcamp Sydney	Unassigned	Total
Expenses associated with miniconfs	-	-	-	-	-	-	-	-	-	1,196	-	-	1,196
Face to Face	-	-	-	2,992	-	-	-	-	-	-	-	-	2,992
Food & Drink	186	411	-	1,484	-	-	2,208	45	1,943	-	4,476	1,463	12,215
Foreign Currency Gains and Losses	-	-	-	115	108	33	909	-	-	-	-	(241)	925
Foreign Currency Gains and Losses	-	-	-	132 <sup>1</sup>	-	-	-	-	-	-	-	-	132
Fuel	-	117	-	-	-	-	120	-	-	-	13	-	250
Ghosts	-	-	-	976	-	-	6,488	-	-	-	-	-	7,464
Gift	-	1,221	-	1,072	-	-	2,242	-	400	-	-	72	5,008
Grants - Other	-	-	-	4,483	-	-	-	-	-	-	-	-	4,483
Insurance	-	-	-	4,826	-	-	-	-	-	-	-	-	4,826
Legal expenses	-	-	-	38	-	-	-	-	-	-	-	-	38
Merchant Fees	-	1,776	-	3,843	-	-	-	-	-	44	-	-	5,663
Merchandise and Schwag	1,573	3,229	-	-	-	(115)	54,492	2,784	3,931	254	4,164	-	70,312
Networking Event	-	5,795	-	-	-	-	17,383	-	-	-	-	-	23,179
NZ Income Tax	-	-	-	8	-	-	-	-	-	-	-	-	8
Office Expenses	-	125	-	210	-	-	1,647	-	-	148	40	-	2,171
Papers Committee	-	-	-	-	-	-	2,220	-	-	-	-	-	2,220
Partners Program	-	-	-	-	-	-	1,344	-	-	-	-	-	1,344
Petty Cash	-	-	-	-	-	-	8,499	-	-	-	-	-	8,499
Postage and Freight	-	30	-	514	-	-	843	-	13	15	25	9	1,448
Printing & Stationery	146	3,494	-	313	-	-	1,406	72	828	-	295	718	7,271
Server	-	521	-	662	-	-	464	-	14	-	-	12	1,673

# Profit & Loss

	BCM2012	DDU2012	JDM2013	LA	LCA2010	LCA2011	LCA2012	PYCONAU20 11	PYCONAU20 12	Wordcamp Goldcoast	Wordcamp Sydney	Unassigned	Total
Speakers Accomodation	-	1,882	-	-	-	-	3,982	187	-	2,103	-	-	8,154
Speakers Dinner	-	-	-	-	-	-	15,976	-	-	-	-	-	15,976
Speakers Travel - International	-	4,261	-	-	-	-	16,953	-	-	-	-	-	21,215
Speakers Travel - Local	-	-	-	-	-	-	852	-	-	-	-	-	852
Storage Rental	-	-	-	5,649	-	-	-	-	-	-	-	-	5,649
Tansport buses, taxis etc	-	-	-	-	-	-	10,173	-	2,678	-	-	-	12,851
Telephone & Internet	-	213	-	622	-	-	55	-	-	235	-	-	1,125
Third Party Training	-	23,292	-	1,496	-	-	-	-	-	-	-	-	24,788
Travel - International	-	-	3,139	-	-	-	15,408	-	2,052	-	-	-	20,599
Travel - National	-	301	-	679	-	-	2,436	235	1,267	385	-	12	5,314
Venue - Catering	3,391	32,193	-	-	-	-	-	-	480	-	-	-	36,064
Venue - Hire	918	5,909	-	-	-	-	66,489	-	35,954	6,412	4,073	-	119,755
Zookeepr Hackfest	-	-	-	2,580	-	-	-	-	-	-	-	133	2,714
<b>Total Operating Expenses</b>	<b>7,731</b>	<b>88,382</b>	<b>3,139</b>	<b>44,625</b>	<b>108</b>	<b>(82)</b>	<b>376,248</b>	<b>3,322</b>	<b>75,801</b>	<b>11,149</b>	<b>17,188</b>	<b>2,178</b>	<b>629,790</b>
<b>Net Profit</b>	<b>937</b>	<b>20,147</b>	<b>(3,008)</b>	<b>(19,580)</b>	<b>(108)</b>	<b>(51)</b>	<b>76,836</b>	<b>(3,322)</b>	<b>6,822</b>	<b>(2,208)</b>	<b>4,845</b>	<b>(1,514)</b>	<b>79,796</b>

## Notes

### 1

This account was added to move what was accounted as rounding back into foreign exchange. The other foreign exchange is automatically calculated and we were unable to enter this into there.



# Balance Sheet

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## Linux Australia As at 30 September 2012

30 Sep 2012

30 Sep 2011

### Assets

<b>Bank</b>		
Debit Card	1,696	726
JDM2013	1,009	19,306
LCA2010 Cheque	233 <sup>1</sup>	228 <sup>2</sup>
LCA2010 Interest Bearing	150 <sup>1</sup>	3,418 <sup>2</sup>
LCA2013	15,098	4,912
Primary	6,412	11,653
PyCon2012	2	23,819
Reserve Bonus	41,213	-
Savings	114,276	134,727
Spare	5	25,675
Spare 2	4	-
Term Deposit new	170,523	155,429
Wordcamp 2013	5	6,871
<b>Total Bank</b>	<b>350,627</b>	<b>386,765</b>
<b>Current Assets</b>		
Accounts Receivable	42,450	76,350
Accounts Receivable preinvoiced	(38,000)	-
Bond	909	909
Prepayments	44,394	42,822
<b>Total Current Assets</b>	<b>49,753</b>	<b>120,082</b>
<b>Total Assets</b>	<b>400,379</b>	<b>506,847</b>

### Liabilities

<b>Current Liabilities</b>		
Accounts Payable	-	13,722
GST	(7,050)	6,233
Prepaid Conference Fees	14,959	174,746
Rounding	-	(25)
Unpaid Expense Claims	1,236	733
<b>Total Current Liabilities</b>	<b>9,145</b>	<b>195,408</b>
<b>Total Liabilities</b>	<b>9,145</b>	<b>195,408</b>
<b>Net Assets</b>	<b>391,235</b>	<b>311,439</b>

### Equity

Current Year Earnings	79,796	(39,077)
Retained Earnings	311,439	350,515
<b>Total Equity</b>	<b>391,235</b>	<b>311,439</b>

# Balance Sheet

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## Notes

**1**

Figures converted into Australian Dollar using the following rate:  
1.25102 NZD New Zealand Dollar per AUD. Rate provided by XE.com on 30 Sep 2012.

**2**

Figures converted into Australian Dollar using the following rate:  
1.27276 NZD New Zealand Dollar per AUD. Rate provided by XE.com on 30 Sep 2011.

# Cash Summary

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## Linux Australia For the 12 months ended 30 September 2012 Excluding GST

Sep 2012

### Income

Conference Registrations	364,623
Interest Income	25,022
Miscellaneous Sales	689
Sponsorship - International	69,788
Sponsorship - Local	160,496
<b>Total Income</b>	<b>620,618</b>

### Less Operating Expenses

Advertising	1,758
AV and Network Equipment	32,909
Bank Fees	470
Conference Accommodation	115,192
Conference Dinner	56,241
Consulting & Accounting	5,049
Donation	7,014
Expenses associated with miniconfs	1,196
Face to Face	3,797
Food & Drink	13,253
Foreign Currency Gains and Losses	132
Fuel	250
Ghosts	8,557
Gift	5,205
Grants - Other	4,483
Insurance	4,826
Legal expenses	38
Marketing	9
Merchant Fees	5,663
Merchandise and Schwag	55,660
Networking Event	23,179
NZ Income Tax	8
Office Expenses	713
Partners Program	1,344
Petty Cash	8,499
Postage and Freight	1,491
Printing & Stationery	8,044
Server	12,935
Speakers Accommodation	7,967
Speakers Dinner	14,966
Speakers Travel - International	21,215
Speakers Travel - Local	852
Storage Rental	7,131

# Cash Summary

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	<b>Sep 2012</b>
Transport buses, taxis etc	12,851
Telephone & Internet	1,070
Third Party Training	24,788
Travel - International	20,599
Travel - National	3,454
Venue - Catering	36,064
Venue - Hire	110,183
Zookeepr Hackfest	3,172
Rounding	(25)
<b>Total Operating Expenses</b>	<b>642,198</b>
<b>Operating Surplus (Deficit)</b>	<b>(21,580)</b>
<b>GST Movements</b>	
GST Inputs	(120,799)
GST Outputs	107,382
<b>Net GST Movements</b>	<b>(13,417)</b>
<b>Foreign Currency Gains and Losses</b>	
Bank Revaluations	(30)
Realised Currency Gains	(1,112)
<b>Total Foreign Currency Gains and Losses</b>	<b>(1,142)</b>
<b>Net Cash Movement</b>	<b>(36,139)</b>
<b>Summary</b>	
Opening Balance	386,765 <sup>1</sup>
Plus Net Cash Movement	(36,139)
Closing Balance	350,627

## Notes

**1**

Figures converted into Australian Dollar using the following rate:  
1.27276 NZD New Zealand Dollar per AUD. Rate provided by XE.com on 30 Sep 2011.