

Part 4

Financial statements



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Independent auditor's report



INDEPENDENT AUDITOR'S REPORT

To the President of the Senate and the Speaker of the House of Representatives

I have audited the accompanying annual financial statements of the Parliamentary Budget Office for the year ended 30 June 2015, which comprise:

- Statement by the Parliamentary Budget Officer and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments; and
- Notes comprising a Summary of significant accounting policies and other explanatory information.

Accountable Authority's Responsibility for the Financial Statements

The Parliamentary Budget Officer of the Parliamentary Budget Office is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Parliamentary Budget Officer is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Opinion

In my opinion, the financial statements of the Parliamentary Budget Office:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Parliamentary Budget Office as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Jocelyn Ashford
Acting Group Executive Director

Delegate of the Auditor-General

Canberra
25 September 2015

PARLIAMENTARY BUDGET OFFICE

STATEMENT BY THE PARLIAMENTARY BUDGET OFFICER AND CHIEF FINANCIAL OFFICER

Certification of financial statements

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Parliamentary Budget Office will be able to pay its debts as and when they fall due.



Phil Bowen PSM FCPA
Parliamentary Budget Officer

25 September 2015



Jenny Jacobs CPA
Chief Financial Officer

25 September 2015

Statement of comprehensive income

for the period ended 30 June 2015

	Notes	2015 \$	2014 \$
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	5,705,811	5,175,644
Supplier	3B	1,273,682	1,655,290
Depreciation and amortisation	4C	260,602	159,604
Total expenses		7,240,095	6,990,538
Own-source income			
Gains			
Resources received free of charge			
Auditor remuneration		45,000	30,000
Accommodation		295,694	260,970
Other gains		-	452
Total gains		340,694	291,422
Total own-source income		340,694	291,422
NET COST OF SERVICES		6,899,401	6,699,116
Revenue from Government			
Departmental Appropriation		7,013,000	7,574,000
Special Appropriation		-	700,000
Total revenue from Government		7,013,000	8,274,000
Surplus attributable to the Australian Government		113,599	1,574,884
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserve		-	50,305
Total other comprehensive income		-	50,305
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT		113,599	1,625,189

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

Statement of financial position

as at 30 June 2015

	Notes	2015 \$	2014 \$
ASSETS			
Financial assets			
Cash		28,198	11,077
Receivables			
Appropriation receivable		2,142,915	1,893,055
GST receivable		10,043	2,988
Other receivables		59,187	53,086
Total financial assets		2,240,343	1,960,206
Non-financial assets			
Property, plant and equipment	4A,C	1,954,715	2,040,551
Intangibles	4B,C	961,211	1,135,977
Prepayments		44,542	15,340
Total non-financial assets		2,960,467	3,191,868
Total assets		5,200,810	5,152,074
LIABILITIES			
Payables			
Trade creditors		74,001	325,370
Other payables	5	232,284	145,509
Total payables		306,285	470,879
Provisions			
Employee leave provisions		1,531,419	1,431,688
Total provisions		1,531,419	1,431,688
Total liabilities		1,837,704	1,902,567
Net assets		3,363,106	3,249,507
EQUITY			
Asset revaluation reserve		50,305	50,305
Retained earnings		3,312,801	3,199,202
Total equity		3,363,106	3,249,507

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

Statement of changes in equity

as at 30 June 2015

	Retained earnings		Asset revaluation reserve		Total equity	
	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$
Opening balance as at 1 July 2014	3,199,202	1,740,100	50,305	-	3,249,507	1,740,100
Adjustment for ICT transfer ¹	-	(115,782)	-	-	-	(115,782)
Adjusted opening balance	3,199,202	1,624,318	50,305	-	3,249,507	1,624,318
Comprehensive income						
Surplus for the period	113,599	1,574,884	-	-	113,599	1,574,884
Other comprehensive income	-	-	-	50,305	-	50,305
Total comprehensive income	113,599	1,574,884	-	50,305	113,599	1,625,189
Closing balance as at 30 June 2015	3,312,801	3,199,202	50,305	50,305	3,363,106	3,249,507
Closing balance attributable to the Australian Government	3,312,801	3,199,202	50,305	50,305	3,363,106	3,249,507

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

¹ During 2014 the Presiding Officers endorsed the consolidation of Information and Communication Technology (ICT) across the parliamentary departments. In accordance with this decision the PBO transferred its ICT hardware assets at net book value to the Department of Parliamentary Services for no consideration, recognising a reduction in equity.

Cash flow statement

for the period ended 30 June 2015

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Appropriations		6,763,140	9,421,398
Net GST received		36,737	76,192
Other ¹		125,126	274,421
Total cash received		6,925,003	9,772,011
Cash used			
Employees		5,537,498	4,993,832
Suppliers		1,370,384	2,430,788
Total cash used		6,907,882	7,424,620
Net cash from operating activities	6	17,121	2,347,391
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		-	1,770,134
Purchase of intangibles		-	587,817
Total cash used		-	2,357,951
Net cash used by investing activities		-	(2,357,951)
Net (decrease) / increase in cash held		17,121	(10,560)
Cash at the beginning of the reporting period		11,077	21,637
Cash at the end of the reporting period		28,198	11,077

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

¹ Non-appropriation receipts are required to be returned to the Official Public Account. They increase the PBO's available appropriation under section 74 of the PGPA Act and when subsequently drawn down for use by the PBO they are recorded as ordinary appropriations.

Schedule of commitments

as at 30 June 2015

	Maturity of one year or less	
	2015 \$	2014 \$
BY TYPE		
Commitments receivable		
Net GST receivable on commitments	(2,056)	(6,978)
Total commitments receivable	(2,056)	(6,978)
Other commitments		
Other	34,408	83,645
Total other commitments	34,408	83,645
NET COMMITMENTS	32,352	76,667

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

Notes to and forming part of the financial statements for the period ended 30 June 2015

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Note 1: Summary of significant accounting policies

1.1. Objectives of the Parliamentary Budget Office

The purpose of the Parliamentary Budget Office (PBO) is to inform the parliament by providing independent non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals. The PBO's single outcome reflects this purpose. The PBO is structured to meet its outcome.

The PBO's activities contributing towards this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right.

1.2. Basis of preparation of the financial report

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)* and
- b. Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention. No allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest dollar.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the PBO or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. Liabilities and assets that are unrecognised are reported in the schedule of commitments.

Income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Note 1: Summary of significant accounting policies (continued)

1.3. Significant accounting judgments and estimates

In the process of applying the accounting policies listed in this note, the PBO has made the following judgements that have a significant impact on the amounts recorded in the financial statements.

The calculation of leave provisions involved actuarial assumptions based on the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates (refer to Note 1.8 – *Employee benefits* for further information).

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

1.4. Changes in Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

The PBO has adopted the AASB 2015-7 *Amendments to the Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. This amending standard applies to annual reporting periods beginning on or after 1 July 2016. Early adoption impacts on disclosure of fair value measurements of property plant and equipment assets, with no effect on the face statements.

AASB 1055 *Budgetary Reporting* applies to reporting periods commencing on or after 1 July 2014 and requires the PBO to disclose budgeted information, presented to Parliament in the Portfolio Budget Statements. The PBO is also required to provide explanations of major variances between budgeted and actual amounts. The required disclosures have been included at Note 11.

With the exception of the above mentioned, no other accounting standards have been adopted earlier than the application date as specified in the standards. Accounting standards that were issued prior to the signing of the statement by the Parliamentary Budget Officer and Chief Financial Officer, and applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the PBO's financial statements.

Future Australian Accounting Standard requirements

Accounting standards that were issued prior to the signing of the statement by the Parliamentary Budget Officer and Chief Financial Officer, and applicable to future reporting period/s, are not expected to have a future material effect on the PBO's financial statements.

From 1 July 2015, the PBO will adopt the disclosure requirements of AASB 124 *Related Party Disclosures*.

Note 1: Summary of significant accounting policies (continued)

1.5. Revenue

Revenue from Government

Amounts appropriated for departmental appropriations for the year are recognised as Revenue from Government when the PBO gains control of the appropriation.

1.6. Gains

Resources received free of charge

Resources received free of charge are recognised as gains when and only when 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.

1.7. Transactions with the Government as owner

Net assets relinquished to another Government entity are adjusted at their book value directly against contributed equity. Where there exists no contributed equity balance, the adjustment is made directly against retained earnings.

1.8. Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) due within twelve months of the end of reporting period are measured at their nominal amounts. There were no termination benefits during 2014–15.

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

Other long-term employee benefits are measured at the present value of the defined benefit obligation at the end of the reporting period.

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 PBO 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 will be applied at the time the leave is taken, including the PBO'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 reference to the work of an actuary as at 30 June 2015. The estimate of the present value of the liability takes into account an estimate of attrition rates and pay increases through promotion and inflation.

Note 1: Summary of significant accounting policies (continued)

Superannuation

The PBO's employees are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other funds of employee choice.

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 in the Department of Finance's administered schedules and notes.

The PBO makes employer contributions to employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The PBO 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. Financial Assets

Cash

Cash is available at call and held on deposit with the Reserve Bank of Australia.

Loans and receivables

Trade receivables are classified as 'receivables' and recorded at face value less any impairment. Trade receivables are recognised where the PBO becomes a party to a contract and has a legal right to receive cash. Trade receivables are derecognised on payment and have settlement terms of 30 days.

Impairment of financial assets

Receivables are assessed for impairment at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable. No indicators of impairment were identified as at 30 June 2015.

1.10. Financial Liabilities

Trade creditors

Trade creditors and accruals are recognised at cost to the extent that the goods or services have been received (and irrespective of having been invoiced). Settlement is usually made net 30 days.

Note 1: Summary of significant accounting policies (continued)

1.11. Property, plant and equipment

Asset recognition threshold

Purchases of property, plant and equipment (including fit-out of accommodation within Parliament House) are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000 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).

Revaluations

Following initial recognition at cost, property, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date.

Revaluation adjustments were made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus/deficit except to the extent that they reversed 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 is restated to the revalued amount.

The PBO performed a valuation of property, plant and equipment assets on 30 June 2014. The valuation was performed by independent qualified valuers Preston Rowe Paterson NSW Pty Limited and was based on valuing the assets at fair value. Preston Rowe Paterson NSW Pty Limited confirmed that the net asset values materially reflected their fair value at 30 June 2015.

Fair value measurement

All property, plant and equipment non-financial assets are measured at fair value using the cost approach (depreciated replacement cost). The unobservable inputs (Level 3 fair value hierarchy) used to determine the fair value, include historical actual cost information and costing guides to estimate the current replacement cost. Appropriate useful life profiles have been adopted to depreciate the replacement cost to reflect the expended life. The PBO deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period. No transfers, revaluations, purchases or sales occurred during 2015 (2014: refer to Note 4C).

Note 1: Summary of significant accounting policies (continued)

Depreciation

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

Depreciation rates (useful lives) and residual values are determined at the initial recognition of the asset.

Depreciation rates for property, plant and equipment are based on their useful lives which cover 10–40 years.

Impairment

All assets were assessed for impairment at 30 June 2015, with no indications of impairment.

1.12. Intangibles

The PBO's intangible asset comprises internally developed software for internal use. The asset is reported at cost.

The asset has been assessed for indications of impairment as at 30 June 2015. No indicators of impairment were identified.

The amortisation rate of the intangible asset is based on its seven year useful life.

1.13. Taxation

The PBO 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 recovered from the Australian Taxation Office. Receivables and payables are recognised inclusive of GST.

Note 2: Events after the reporting period

There were no events following the reporting period that impact on the PBO's financial statements for the year ended 30 June 2015.

Note 3: Expenses

	2015	2014
	\$	\$
Note 3A: Employee benefits		
Wages and salaries	4,343,185	4,046,534
Superannuation		
Defined benefit plans	404,868	373,629
Defined contribution plans	373,256	319,180
Leave and other entitlements	584,502	436,301
Total employee benefits	5,705,811	5,175,644
Note 3B: Suppliers		
Goods and services		
Professional services	205,988	284,806
Enhanced capability	60,990	364,618
Corporate services outsourced	384,782	422,792
Employee related	68,777	55,287
Temporary accommodation and DPS relocation	-	23,849
Accommodation expenses	295,694	248,970
Travel	42,557	51,617
Other	171,051	166,146
Total goods and services	1,229,839	1,618,085
Other supplier expenses		
Workers compensation expenses	43,843	37,205
Total other supplier expenses	43,843	37,205
Total supplier expenses	1,273,682	1,655,290

Note 4: Non-financial assets

	2015	2014
	\$	\$
Note 4A: Property, plant and equipment		
Property, plant and equipment		
Fair value	2,280,551	2,280,551
Accumulated depreciation	(325,836)	(240,000)
Total property, plant and equipment	1,954,715	2,040,551
Note 4B: Intangibles		
Computer software		
Internally developed - in use	1,239,248	1,239,248
Accumulated amortisation	(278,037)	(103,271)
Total computer software	961,211	1,135,977
Total intangibles	961,211	1,135,977

No indicators of impairment were identified for non-financial assets. No non-financial assets are expected to be sold or disposed of within the next 12 months.

Note 4: Non-financial assets (continued)

Note 4C: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangible assets for 2015

	Property, plant and equipment \$	Computer software (internally developed) \$	Total \$
As at 1 July 2014			
Gross book value	2,280,551	1,239,248	3,519,799
Accumulated depreciation, amortisation and impairment	(240,000)	(103,271)	(343,271)
Total as at 1 July 2014	2,040,551	1,135,977	3,176,528
Depreciation/amortisation expense	(85,836)	(174,766)	(260,602)
Total as at 30 June 2015	1,954,715	961,211	2,915,926
Total as at 30 June 2015 represented by:			
Gross book value	2,280,551	1,239,248	3,519,799
Accumulated depreciation, amortisation and impairment	(325,836)	(278,037)	(603,873)
Total as at 30 June 2015	1,954,715	961,211	2,915,926

Reconciliation of the opening and closing balances of property, plant and equipment and intangible assets for 2014

	Property, plant and equipment \$	Computer software (internally developed) \$	Total \$
As at 1 July 2013			
Gross book value	399,055	651,431	1,050,486
Accumulated depreciation, amortisation and impairment	(6,828)	-	(6,828)
Total as at 1 July 2013	392,227	651,431	1,043,658
Additions			
Purchase	1,770,134	587,817	2,357,951
Net revaluation increment	50,305	-	50,305
Restructuring ¹	(115,782)	-	(115,782)
Depreciation/amortisation expense	(56,333)	(103,271)	(159,604)
Total as at 30 June 2014	2,040,551	1,135,977	3,176,528
Total as at 30 June 2014 represented by:			
Gross book value	2,280,551	1,239,248	3,519,799
Accumulated depreciation, amortisation and impairment	(240,000)	(103,271)	(343,271)
Total as at 30 June 2014	2,040,551	1,135,977	3,176,528

¹ During 2014 the Presiding Officers endorsed the consolidation of Information and Communication Technology (ICT) across the parliamentary departments. In accordance with this decision the PBO transferred its ICT hardware assets at net book value to the Department of Parliamentary Services for no consideration, recognising a reduction in equity.

Note 5: Other payables

	2015	2014
	\$	\$
Wages and salaries	182,853	118,655
Superannuation	30,054	20,918
FBT payable	12,090	-
Other	7,287	5,936
Total other payables	232,284	145,509

All other payables are expected to be settled within 12 months and settlement is usually made within 30 days.

Note 6: Cash flow reconciliation

	2015	2014
	\$	\$
Reconciliation of cash as per statement of financial position to cash flow statement		
Cash as per		
Cash flow statement	28,198	11,077
Statement of financial position	28,198	11,077
Discrepancy	-	-
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	(6,899,401)	(6,699,116)
Revenue from Government	7,013,000	8,274,000
Adjustments for non-cash items		
Depreciation / amortisation	260,602	159,604
Changes in assets/liabilities		
(Increase) / decrease in receivables	(263,016)	1,138,939
(Increase) / decrease in prepayments	(29,202)	35,888
Decrease in trade creditors	(251,369)	(744,197)
Increase in other payables	86,776	9,547
Increase in employee leave provisions	99,731	172,726
Net cash from operating activities	17,121	2,347,391

Note 7: Senior management personnel remuneration

Total remuneration includes actual salary, all allowances, an employer superannuation component, leave accrued during the period and fringe benefits tax.

	2015	2014
	\$	\$
Short-term employee benefits		
Salary	1,639,796	1,640,521
Total short-term employee benefits	1,639,796	1,640,521
Post-employment benefits		
Superannuation	240,689	230,843
Total post-employment benefits	240,689	230,843
Other long-term benefits		
Annual leave accrued	126,138	114,262
Long service leave accrued	40,995	37,135
Total other long-term benefits	167,133	151,397
Total senior executive remuneration expenses	2,047,618	2,022,761

There are seven senior management positions. There are seven personnel included in the above table. (2014: nine).

Note 8: Financial instruments

	2015	2014
	\$	\$
Note 8A: Categories of financial instruments		
Financial assets		
Cash	28,198	11,077
Other receivables	59,187	53,086
Total financial assets	87,385	64,163
Financial liabilities		
Trade creditors	74,001	325,370
Total financial liabilities	74,001	325,370

Note 8B: Credit risk

The PBO has minimal credit risk, with the maximum exposure arising from potential default of a debtor. This amount is equal to the total amount of receivables at 30 June 2015.

Note 8C: Liquidity risk

The PBO has sufficient available financial assets to meet all financial liabilities at 30 June 2015.

Note 9: Appropriations

Note 9A: Annual appropriations ('recoverable GST exclusive')

	2015	2014
Ordinary annual services	\$	\$
Annual appropriation	7,013,000	7,702,000
Section 74 PGPA Act receipts	125,126	-
Section 31 FMA Act receipts	-	274,654
Total appropriation	7,138,126	7,976,654
Appropriation applied (current and prior years)	6,888,266	6,072,522
Variance¹	249,860	1,904,132

¹ The variance between appropriation provided and applied is largely due to retained funding for future leave entitlements and capital purchases.

Note 9B: Unspent annual appropriations ('recoverable GST exclusive')

	2015	2014
Authority	\$	\$
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2014–15</i>	2,171,113	-
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2013–14</i>	-	1,904,132
Total	2,171,113	1,904,132

Note 9C: Special appropriations ('recoverable GST exclusive')

	Appropriation applied	
	2015	2014
Authority	\$	\$
<i>Parliamentary Service Act 1999</i>		
Limited amount	-	700,000
Total special appropriations applied	-	700,000

The purpose of the special appropriation is to provide an appropriation for payments in relation to the Parliamentary Budget Officer or the Parliamentary Budget Office.

Note 10: Reporting of outcomes

	Outcome 1	
	2015	2014
Net cost of outcome delivery	\$	\$
Departmental		
Expenses	7,240,095	6,990,538
Own source income	340,694	291,422
Net cost of outcome	6,899,401	6,699,116

Note 11: Budgetary reporting

The following tables provide a comparison of the original budget as presented in the 2014–15 PBS to the 2014–15 final outcome as presented in accordance with Australian Accounting Standards for the PBO. The budget is not audited. Major variances are in relation to the management of resources, to ensure the performance of the PBO in achieving its mandate during the course of the year.

Statement of Comprehensive Income

	Actual	Budget original	Major variance	Major variance explanation
	2015	2015		
	\$	\$	\$	
NET COST OF SERVICES				
Expenses				
Employee benefits	5,705,811	5,987,000	281,189	Timing of commencement of staff during the year
Supplier	1,273,682	1,358,000		
Depreciation and amortisation	260,602	180,000		
Total expenses	7,240,095	7,525,000		
Own-source income				
Gains				
Other gains	340,694	332,000		
Total gains	340,694	332,000		
Total own-source income	340,694	332,000		
NET COST OF SERVICES	6,899,401	7,193,000		
Revenue from Government	7,013,000	7,263,000	250,000	Anticipated use of special appropriation not required
Surplus attributable to the Australian Government	113,599	70,000		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT	113,599	70,000		

Note 11: Budgetary reporting (continued)

Statement of Financial Position			
	Actual	Budget original	Major variance
	2015	2015	Major variance explanation
	\$	\$	\$
ASSETS			
Financial assets			
Cash	28,198	22,000	
Other receivables	2,212,145	2,519,000	
Total financial assets	2,240,343	2,541,000	
Non-financial assets			
Property, plant and equipment	1,954,715	1,916,000	
Intangibles	961,211	1,270,000	
Prepayments	44,542	51,000	
Total non-financial assets	2,960,467	3,237,000	
Total assets	5,200,810	5,778,000	308,789 Capital purchases to be undertaken in 2015–16
LIABILITIES			
Payables			
Trade creditors	74,001	1,069,000	
Other payables	232,284	136,000	
Total payables	306,285	1,205,000	
Provisions			
Employee leave provisions	1,531,419	1,283,000	
Total provisions	1,531,419	1,283,000	
Total liabilities	1,837,704	2,488,000	
Net assets	3,363,106	3,290,000	
EQUITY			
Asset revaluation reserve	50,305	-	
Retained earnings	3,312,801	3,290,000	
Total Equity	3,363,106	3,290,000	

Note 11: Budgetary reporting (continued)

Cash Flow Statement			
	Actual	Budget original 2015	Major variance
	\$	\$	\$
OPERATING ACTIVITIES			
Cash received			
Appropriations	6,763,140	7,238,000	474,860
Net GST received	36,737	-	
Other	125,126	-	
Total cash received	6,925,003	7,238,000	
Cash used			
Employees	5,537,498	5,962,000	424,502
Suppliers	1,370,384	1,026,000	
Total cash used	6,907,882	6,988,000	
Net cash from operating activities	17,121	250,000	
INVESTING ACTIVITIES			
Cash used			
Purchase of intangibles	-	250,000	250,000
Total cash used	-	250,000	
Net cash used by investing activities	-	(250,000)	
Net (decrease) / increase in cash held	17,121	-	
Cash at the beginning of the reporting period	11,077	22,000	
Cash at the end of the reporting period	28,198	22,000	