

EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC

IA 13162

SPECIAL PURPOSE FINANCIAL REPORT
For the year ended 30 June 2017

EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC

STATEMENT BY MEMBERS OF THE COMMITTEE

The Management Committee has determined that Eudlo Public Hall & Recreation Grounds Association Inc ("the Association") is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements which are considered appropriate to meet the requirements of the *Associations Incorporation Act 1981 (Queensland)*. The Management Committee acknowledges and understands its responsibilities for the preparation of the financial report and maintenance of the underlying accounting records.

In the opinion of the Management Committee:

- a) the financial statements and notes set out on pages 2 to 6 present fairly the financial position of the Association as at 30 June 2017 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- b) at the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due; and
- c) all expenditure transactions recorded in the accounting records of the Association represent expenditure necessarily incurred in the pursuit of the Association's objectives.

Signed on behalf of the Management Committee:



Margaret Bradburn
Treasurer

14 September 2017

EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
<i>Income</i>		
Grants	12,607.00	50,244.00
Fundraising	430.72	10,282.05
Hall hire rental	6,624.45	6,249.50
Concert	3,776.80	-
Ground hire	900.00	1,060.00
Donations	500.00	-
Interest	1,038.86	900.33
Membership fees	270.00	260.00
Equipment hire	97.00	60.00
	26,244.83	69,055.88
 <i>Expenditure</i>		
Audit fee	275.00	275.00
Bank charges	4.00	1.50
Bond refunds	400.00	1,050.00
Cleaning	1,280.00	1,250.00
Concert expenses	5,441.63	-
Depreciation	297.00	330.00
Electricity	1,120.72	1,199.71
Fundraising	-	6,826.65
Grant expenditure	-	320.00
Hall upgrades	202.72	4,672.10
Insurance	3,934.19	3,984.01
Kitchen upgrade	-	31,340.14
Office of Fair Trading	51.70	49.95
Printing, postage and stationery	-	29.00
Rates	504.00	460.49
Repairs and maintenance	1,628.84	4,466.08
Sportsground shed renovations	20,175.26	-
Wagon restoration	10,906.29	-
Website	63.90	78.90
Miscellaneous items	585.81	-
	46,871.06	56,333.53
 Surplus / (deficit) before income tax expense	(20,626.23)	12,722.35
Income tax expense	-	-
 Surplus / (deficit) for the year	(20,626.23)	12,722.35

The accompanying notes form part of these financial statements.

EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC

BALANCE SHEET AS AT 30 JUNE 2017

	2017 \$	2016 \$
ASSETS		
Current Assets		
Cash and cash equivalents		249.63
- Commonwealth Bank cheque account	-	4,333.65
- Heritage Bank cheque account	11,097.58	19,372.09
- Heritage Bank investment account #I3	-	8,066.17
- Heritage Bank investment account #I3	-	18,000.00
- Heritage Bank investment account #I4	18,594.73	400.00
- Cash float	400.00	24.00
- Security deposit	24.00	-
Total Current Assets	<u>30,116.31</u>	<u>50,445.54</u>
Non-Current Assets		
Fixed assets		300.00
- Land at cost	300.00	2,573.75
- Buildings at cost	2,573.75	14,288.47
- Plant and equipment at cost	14,288.47	(11,318.47)
- Accumulated depreciation	(11,615.47)	5,843.75
Total Non-Current Assets	<u>5,546.75</u>	<u>5,843.75</u>
Total Assets	<u>35,663.06</u>	<u>56,289.29</u>
LIABILITIES		
Current Liabilities		
Payables	-	-
Key and padlock deposits held	60.00	60.00
Total Current Liabilities	<u>60.00</u>	<u>60.00</u>
Total Liabilities	<u>60.00</u>	<u>60.00</u>
Net Assets	<u>35,603.06</u>	<u>56,229.29</u>
MEMBERS FUNDS		
Retained earnings		43,506.94
- brought forward	56,229.29	12,722.35
- surplus / (deficit) for the year	(20,626.23)	-
Total Members Funds	<u>35,603.06</u>	<u>56,229.29</u>

The accompanying notes form part of these financial statements.

EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies

Special purpose financial report

In the Management Committee's opinion, Eudlo Public Hall & Recreation Grounds Association Inc ("the Association") is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared for the purpose of fulfilling the financial reporting responsibilities under the *Associations Incorporation Act 1981 (Queensland)* to the members and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and contains only those disclosures considered necessary by the Management Committee to meet the needs of the members.

The financial report has been prepared on an accruals basis and is based on historical costs.

The financial report has been prepared on a going concern basis which contemplates the continuity of normal operational activities and the realisation of assets and discharge of liabilities in the ordinary course of these activities. Normal operating activities are dependent upon the sourcing of income through grants, rental, functions and interest which the Management Committee has assessed as being a reasonable assumption upon which to prepare the financial report on a going concern basis.

Accounting policies

The following significant accounting policies, which are consistent with the previous year unless otherwise stated, have been adopted in the preparation of the financial statements.

a) Income

Income is measured at the fair value of the consideration received or receivable.

Income from the rendering of goods or services is recognised upon delivery of the goods or services to the customer.

Non-reciprocal grant funds are recognised as income when the Association obtains control over the funds, which is generally at the time of receipt of the funds as the Association has or will, comply with all attached conditions or incurred the costs that the funds are intended to compensate. Grant funds relating to the purchase of property, plant and equipment are included in liabilities as unspent grant funds and offset against the cost of the asset when acquired. When conditions or costs are not incurred the unspent funds are returned to the grantor.

Donations and fundraising activity income are recognised when received.

Interest income is recognised when received.

EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies (continued)

b) Expenditure

Expenditure represents liabilities for goods or services provided to the Association and are recognised upon incurrence of the liability and the receipt of an invoice.

c) Taxation

No provision for income tax has been recognised as the Management Committee has assessed the Association as being exempt from income tax under Section 50 of the *Income Tax Assessment Act 1997*.

d) Cash and cash equivalents

Cash includes cash on hand, cash at bank and funds held in term deposits and cash management accounts that are readily convertible to cash on hand with an insignificant risk of change in value, which are used in the Association's cash management strategy.

e) Fixed assets

Land, buildings and improvements are carried at cost.

Plant and equipment, whether owned or leased, are carried at cost less accumulated depreciation and, where applicable, any impairment losses.

The depreciable amount of all plant and equipment are depreciated on a diminishing value basis over their estimated useful lives to the Association commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable asset are:

Plant and equipment – 10.0%

f) Payables

Payables represent liabilities for goods or services provided to the Association prior to the end of the financial year and which remain unpaid.

g) Goods and Services Tax (GST)

The Association is not registered for GST. As such, all income and expenditure items are stated inclusive of any applicable amount of GST.

EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 2: Mortgages, Charges and Other Security

There are no mortgages, charges or other securities affecting the property of the Association at any time during the period, or as at or subsequent to balance date.

The Association did not have any contingent assets or liabilities as at 30 June 2017.

Note 3: Matters Subsequent to the end of the Financial Year

No matter or circumstances have arisen since the end of the year that has significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in years subsequent to 30 June 2017.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC**

Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report of Eudlo Public Hall & Recreation Grounds Association Inc ("the Association") which comprises the Balance Sheet as at 30 June 2017, the Income and Expenditure Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Committee.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of the audit report, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2017 and of its performance for the year then ended in accordance with Australian Accounting Standards to the extent described in the accounting policies disclosed in Note 1 to the financial statements and the *Associations Incorporation Act 1981 (Queensland)*.

Basis for Qualified Opinion

As is common with other similar organisations, it is impracticable to establish and maintain an effective system of internal control over fundraising and events income transactions prior to amounts being banked and recorded in the accounting records. Accordingly, our audit procedures with respect to income have been restricted to ensuring that the amounts banked were properly recorded in the accounting records. We therefore are unable to express an opinion as to whether income is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of the audit report.

We are independent of the Association in accordance with the auditor independence and ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Management Committee's financial reporting responsibilities under the *Associations Incorporation Act 1981 (Queensland)*. As a result, the financial report may not be suitable for another purpose and should not be distributed to or used by parties other than the members. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The Management Committee of the Association is responsible for the preparation of the financial report that presents fairly and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Act 1981 (Queensland)* and the needs of the members. The Management Committee's responsibility also includes such internal control as the Management Committee determines is necessary to enable the preparation of the financial report that presents fairly and is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EUDLO PUBLIC HALL & RECREATION GROUNDS ASSOCIATION INC
(continued)**

In preparing the financial report, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as appropriate, matters relating to going concern and using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- b) Obtain an understanding of internal controls relevant to the audit 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 controls;
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee;
- d) Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- e) Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.



Simon Green CA
Director

Nambour, 14 September 2017