

Community Activities Lake Macquarie Inc.
ABN 65 323 033 457

Financial Report

30 June 2017

**Community Activities Lake Macquarie Inc.
Financial Report – 30 June 2017**

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Committee's report

Your committee members submit the financial report of Community Activities Lake Macquarie Inc. for the financial year ended 30 June 2017.

Committee Members

The names of committee members throughout the year and at the date of this report are:

G Collins
J Turnbull
T Hardman
P Cardew
M Kyrwood
C Lawler

Principal activities

- (a) To be engaged in all necessary activities in the relief of social distress and deprivation in the Lake Macquarie area particularly with regard to:
- (i) Assisting families that are suffering from misfortune;
 - (ii) Provision of support services to underprivileged youth; and
- (b) At all times to carry out its activities in accordance with the Mission Statement.

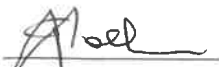
Significant Changes

Community Activities Lake Macquarie Inc. ceased providing Child Care services on 31 December 2016. No other significant change occurred during the year.

Review of operations

	2017	2016
	\$	\$
Net Profit/(loss)	<u>133,646</u>	<u>16,111</u>

Signed in accordance with a resolution of the members of the committee.



Gary Collins
President



Patricia Cardew
Treasurer

Toronto
18 October 2017

Income and Expenditure Statement

For the year ended 30 June 2017

	2017 \$	2016 \$
Income		
Child care benefits	98,332	168,798
Child care fees	120,645	218,165
Donations	2,999	1,885
Grant – Belmont 16ft Sailing Club Ltd	2,880	-
Grant – Children’s services program	7,593	8,437
Grant – Commonwealth Grant one off	-	1,884
Grant – Community Builders	93,336	90,826
Grant – Department of Education & Training	62,500	78,845
Grant – Early Intervention & Placement	292,807	284,935
Grant – FRRR Grant	-	8,000
Grant – Lake Macquarie City Council	455	2,227
Grant – NSW Government Health	1,000	1,000
Grant – Suicide Prevention	69,870	-
Grant – Toronto Diggers	-	9,750
Grant – Toronto Workers Club	-	1,000
Grant – Youth Frontiers Program	87,665	-
Interest	1,937	5,620
Management and administration fees	204,305	152,284
Membership fees	-	2
Motor vehicle use	6,928	401
Recoupments	285	707
Rental income	2,718	2,109
Sale of goods and services	3,841	2,388
Sundry	-	81
Training Delivered	11,500	-
Total Income	1,071,596	1,039,344
Expenses		
Accounting fees	28,353	30,675
Advertising and promotion	3,616	7,454
Allowances	3,219	3,077
Audit fees	4,960	4,960
Auspicing fees	155	4,891
Bank charges	514	613
Bad debts	-	733
Badges	160	40
Board governance expense	376	275
Cleaning and pest control	4,224	4,385
Computer expenses	14,332	19,408
Consultancy fees	941	4,268
Credit card fees	6	-
Depreciation	25,781	27,624
Donation	675	-
Employment Support & Super	1,555	-
Equipment hire/lease	1,364	1,714
Fees and permits	489	964
Flowers and gifts	225	328
Fundraising expenses	-	700
Health and safety	301	690
Insurance	18,584	24,064
Internet	1,846	2,526
Legal fees	413	-
Management and administration fees	140,715	152,129
Meeting expenses	3,274	1,563
Membership and subscriptions	1,517	3,138

Community Activities Lake Macquarie Inc.

Income and Expenditure Statement

For the year ended 30 June 2017 (continued)

Motor vehicle expenses	11,539	11,721
Office Furniture/Equipment	-	636
Postage, freight and couriers	1,032	1,377
Printing and stationery	6,173	3,602
Project support services	18,904	17,271
Publications and information	41	1,020
Rates and utilities	6,003	4,815
Recruitment	677	313
Refund - fees	467	955
Rent	30,172	33,079
Repairs and maintenance	3,040	3,378
Salaries and wages	581,602	621,733
Security expenses	606	489
Staff amenities	332	490
Sundry expenses	-	544
Telephone and fax charges	9,634	9,730
Training and development	8,287	12,400
Travel and accommodation	1,710	3,461
Volunteer costs	136	-
Total Expenses	937,950	1,023,233
Net Profit/(loss) before income tax	133,646	16,111
Income tax expense	-	-
Net Profit/(loss)	133,646	16,111

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

Balance Sheet

As at 30 June 2017

	Notes	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	2	397,142	332,884
Trade and other receivables	3	61,562	14,545
Other	4	5,031	5,033
Total current assets		463,735	352,462
Non-current assets			
Property, plant and equipment	5	100,246	91,115
Total non-current assets		100,246	91,115
Total assets		563,981	443,577
Current liabilities			
Trade and other payables	6	32,297	28,779
Interest bearing liabilities	7	1,064	3,298
Provisions	8	18,844	29,266
Other	9	-	12,591
Total current liabilities		52,205	73,934
Non-current liabilities			
Provisions	10	26,684	18,197
Total non-current liabilities		26,684	18,197
Total liabilities		78,889	92,131
Net assets		485,092	351,446
Members' Funds			
Retained profits	11	485,092	351,446
Total Members' funds		485,092	351,446

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

Community Activities Lake Macquarie Inc.

Statement of Changes in Equity

For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
Total members' funds at the beginning of the financial year		351,446	335,335
Total recognised income and expense for the year	11	133,646	16,111
Total members' funds at the end of the financial year	11	485,092	351,446

The above statement of changes in equity should be read in conjunction with the accompanying notes

Notes to the Financial Statements

30 June 2017

Note 1. Summary of significant accounting policies

This financial report is for Community Activities Lake Macquarie Inc. (the Association) and is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *NSW Associations Incorporation Act 2009*. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

(a) Income tax

The association is exempt from income tax under Australian taxation laws in accordance with section 50-65 of the *Income Tax Assessment Act 1997*. The association is not liable for income tax therefore no provision is made.

(b) Property, Plant and Equipment

Motor vehicles and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

(c) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised in the income and expenditure statement.

(d) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(e) Provision

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of 3 months or less.

(g) Trade and other receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(h) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements

30 June 2017 (continued)

Note 1. Summary of significant accounting policies (continued)

(i) Leases

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

(k) Trade and other payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Note 2. Current assets – Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and on hand	17,938	24,309
Cash Management account	272,100	203,678
Term deposits	107,104	104,897
Total cash and cash equivalents	<u>397,142</u>	<u>332,884</u>

Note 3. Current assets – Trade and other receivables

	2017	2016
	\$	\$
Trade debtors	61,188	12,405
Other receivables	374	2,140
	<u>61,562</u>	<u>14,545</u>

Note 4. Current assets – Other

	2017	2016
	\$	\$
Prepayments	<u>5,031</u>	<u>5,033</u>

Note 5. Non-current assets – Property, plant and equipment

	2017	2016
	\$	\$
Plant and equipment		
At cost	325,189	290,277
Less: Accumulated depreciation	<u>(224,943)</u>	<u>(199,162)</u>
Total plant and equipment	<u>100,246</u>	<u>91,115</u>

Notes to the Financial Statements

30 June 2017 (continued)

Note 6. Current liabilities – Trade and other payables

	2017	2016
	\$	\$
Trade creditors	11,149	13,229
Accruals	11,753	10,641
Net BAS payable	9,395	4,909
	<u>32,297</u>	<u>28,779</u>

Note 7. Current liabilities – Interest bearing liabilities

	2017	2016
	\$	\$
Credit card	<u>1,064</u>	<u>3,298</u>

Note 8. Current liabilities - Provisions

	2017	2016
	\$	\$
Employee entitlements	<u>18,844</u>	<u>29,266</u>

Note 9. Current liabilities - Other

	2017	2016
	\$	\$
Income in advance – Deposits received	<u>-</u>	<u>12,591</u>

Note 10. Non-current liabilities - Provisions

	2017	2016
	\$	\$
Employee entitlements	<u>26,684</u>	<u>18,197</u>

Note 11. Members' Funds

	2017	2016
	\$	\$
Retained profits		
Retained profits at the beginning of the financial year	351,446	335,335
Net Profit/(loss)	133,646	16,111
Retained profits at the end of the financial year	<u>485,092</u>	<u>351,446</u>

Community Activities Lake Macquarie Inc.


Statement by Members of the Committee

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

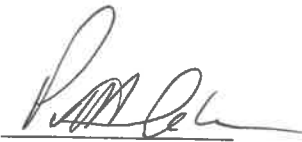
In the opinion of the committee the financial report as set out on pages 1 to 8:

1. Presents a true and fair view of the financial position of Community Activities Lake Macquarie Inc. as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Community Activities Lake Macquarie Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



Carry Collins
President



Patricia Cardew
Treasurer

Toronto
18 October 2017

Independent Audit Report to the Members of Community Activities Lake Macquarie Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report as set out on pages 1 to 9, being a special purpose financial report, of Community Activities Lake Macquarie Inc. (the Association), which comprises the committee's report, the income and expenditure statement for the year 30 June 2017, the balance sheet as at 30 June 2017, the statement of changes in equity as at 30 June 2017, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In our opinion, the financial report gives a true and fair view, in all material respects, the financial position of Community Activities Lake Macquarie Inc. as at 30 June 2017 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the *NSW Associations Incorporation Act 2009*.

Basis for Opinion

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 our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the *NSW Associations Incorporation Act 2009*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *NSW Associations Incorporation Act 2009* and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities 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.

**Independent Auditor's report to the Members
of Community Activities Lake Macquarie Inc. (continued)**

Auditor's Responsibilities for the Audit of the Financial Report (continued)

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

- 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 control.
- Obtain an understanding of internal control 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the 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 association'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 association to cease to continue as a going concern.
- 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 committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ben McEwan
Registered Company Auditor

Newcastle
18 October 2017

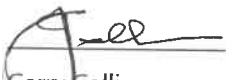
McEwan and Partners Pty Ltd
Chartered Accountants

Community Activities Lake Macquarie Inc.

Certificate by the Members of the Committee

I, Garry Collins of 12 Biddabah Avenue, Warners Bay, NSW 2282 and I, Patricia Cardew of 123 Glad Gunson Drive, Ellebana, NSW 2283 and certify that:

- (a) I attended the annual general meeting of the association held on 18 October 2017.
- (b) The financial statements for the year ended 30 June 2017 were submitted to the members of the association at its annual general meeting.


Garry Collins
President



Patricia Cardew

Treasurer

Toronto

18 October 2017