

St. Catherine's Hostel Wangaratta Inc.

ABN 94 626 363 306

Financial Statements

For the year ended 30 June 2020

CONTENTS

Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to and forming part of the financial statements	6
Statement by members of the committee	16
Independent auditor's report to the members	17

St. Catherine's Hostel Wangaratta Inc. ABN 94 626 363 306

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue	2	6,910,295	7,055,831
Expenses			
Employee related expenses		4,896,580	4,903,207
Depreciation & Amortisation	3	375,271	357,253
Repairs, Maintenance and Replacement		129,762	157,289
Residents' expenses		611,402	615,041
Finance Costs	3	45,781	63,567
Impairment of property, plant and equipment	8	312,159	-
Other expenses		639,903	746,893
		<u>7,010,858</u>	<u>6,843,250</u>
Surplus/(Deficit) before income tax		(100,563)	212,581
Income tax expense	1(e)	-	-
Net surplus/(deficit) for the year		<u>(100,563)</u>	<u>212,581</u>
Other comprehensive income		-	-
Total comprehensive result for the year		<u>(100,563)</u>	<u>212,581</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

For the year ended at 30 June 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	2,225,931	2,247,264
Trade and other receivables	5	93,675	134,736
Investments	6	21,855,068	24,661,059
Other	7	133,239	109,632
Total current assets		<u>24,307,913</u>	<u>27,152,691</u>
Non-current assets			
Property, plant and equipment	8	4,613,907	3,002,620
Intangible assets	9	72,309	86,772
Total non-current assets		<u>4,686,216</u>	<u>3,089,392</u>
Total assets		<u>28,994,129</u>	<u>30,242,083</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	317,894	360,780
Employee provisions	11	793,522	646,364
Other Liabilities	13	15,220,242	16,463,682
Total current liabilities		<u>16,331,658</u>	<u>17,470,826</u>
Non-current liabilities			
Employee provisions	12	310,213	318,436
Total non-current liabilities		<u>310,213</u>	<u>318,436</u>
Total liabilities		<u>16,641,871</u>	<u>17,789,262</u>
Net assets		<u>12,352,258</u>	<u>12,452,821</u>
EQUITY			
Retained surplus		12,352,258	12,452,821
Total equity		<u>12,352,258</u>	<u>12,452,821</u>

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

St. Catherine's Hostel Wangaratta Inc. ABN 94 626 363 306

Statement of changes in equity

For the year ended 30 June 2020

	2020	2019
	\$	\$
Retained surplus at the beginning of the financial year	12,452,821	12,240,240
Net surplus/(deficit) for the year	(100,563)	212,581
Other comprehensive income	-	-
Retained surplus at the end of the financial year	<u>12,352,258</u>	<u>12,452,821</u>

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

Statement of cash flows

For the year ended at 30 June 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from operations		6,476,467	6,308,370
Payments to suppliers and employees		(6,204,203)	(6,187,272)
		272,264	121,098
Donations and Bequests received		12,717	15,900
Interest received		462,171	723,055
Interest Paid		(45,781)	(63,567)
Net cash inflow (outflow) from operating activities		<u>701,371</u>	<u>796,486</u>
Cash flows from investing activities			
Payments for property, plant & equipment		(2,294,783)	(408,142)
Net cash inflow (outflow) from investing activities		<u>(2,294,783)</u>	<u>(408,142)</u>
Cash flows from financing activities			
Residents entry contributions/Daily accommodation payments received		2,643,857	5,955,275
Residents entry contributions/Daily accommodation payments refunded		(3,876,623)	(4,605,661)
Residents trust monies received		78,846	58,729
Residents trust monies expended/refunded		(79,992)	(75,999)
Net Cash provided by (used in) Financing Activities		<u>(1,233,912)</u>	<u>1,332,344</u>
Net increase (decrease) in cash and cash equivalents held		(2,827,324)	1,720,688
Cash and cash equivalents at the beginning of the financial year		26,908,323	25,187,635
Cash and cash equivalents at the end of the financial year	4	<u>24,080,999</u>	<u>26,908,323</u>

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

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

1. Summary of significant accounting policies

(a) Basis of preparation of accounting

St. Catherine's Hostel Wangaratta Inc. applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Reporting Standards (IFRS) requirements. The Association has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Association has elected to apply options and exemptions within the accounting standards which are applicable to not-for-profit entities.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated. Comparative information has been reclassified where appropriate to enhance comparability. The following is a summary of the material accounting policies adopted by St. Catherine's Hostel (Wangaratta) Inc. ("the Association") in the preparation of the financial report. The accounting policies have been consistently applied to all years presented.

(b) Revenue

Revenue from Government subsidies, resident fees and daily accommodation payments, are recognised overtime as the performance obligations are met being as the related services are provided.

Donation and fundraising revenue is recognised as revenue upon receipt.

Interest revenue is recognised as it is earned.

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

(c) Cash and cash equivalents

For the purposes of the statement of cash flows, cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of any outstanding bank overdrafts.

(d) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision is raised based on an expected credit loss method in accordance with AASB 9: *Financial Instruments*.

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

1. Summary of significant accounting policies (continued)

(e) Income Tax

The Incorporated Association is not subject to income tax.

(f) Goods and services tax

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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost is measured as the fair value of the assets given up, liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. The purchase method of accounting is used for all acquisitions of assets.

The carrying amounts of property, plant and equipment are reviewed annually by the Board to ensure they are not in excess of the recoverable amount from those assets.

Items with a cost in excess of \$1,000 are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliable. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets, including buildings is depreciated over their useful lives commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Buildings	4%
Plant & Equipment at cost	5% – 33.33%

An asset's carrying amount is written down to its recoverable amount, if the assets carrying amount is greater than its recoverable amount (refer note (i)).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

1. Summary of significant accounting policies (continued)

(h) Land

Legal title to the land which St Catherine's Hostel Wangaratta Inc. occupies is held by the Roman Catholic Trusts Corporation for the Diocese of Sandhurst (Trusts Corporation). By convention, the Trusts Corporation holds legal title on behalf of and for the use of the Diocese of Sandhurst and its associated organisations, including St Catherine's Hostel Wangaratta Inc.

St Catherine's Hostel Wangaratta Inc. uses the land for aged care and considers it is entitled to occupy the land indefinitely. However, in the absence of holding legal title, the Committee of Management of St Catherine's Hostel Wangaratta Inc. has adopted the policy for accounting purposes of nominally treating this arrangement as a right to occupy (refer to note 9).

(i) Impairment of Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. As the Association is a not-for-profit entity, the value in use is the depreciated replacement cost of the asset.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which remain unpaid. The amounts are usually paid within 30 days of recognition.

(k) Employee entitlements

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on commonwealth bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

1. Summary of significant accounting policies (continued)

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction cost are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

(n) Adoption of the New and Revised Accounting Standards

A number of Australian Accounting Standards have been issued or amended during the current year which may be applicable to the association but are not yet effective. The Committee has noted the likely impact of these amendments and have determined they will have an immaterial, if any, impact on the Association. Consequently, they have not been adopted in the preparation of these financial statements.

(o) Changes in Accounting Policies

The following new accounting standards are effective for the first time in the financial year ending 30 June 2020.

- AASB 16 – *Leases*: This standard requires entities to bring the majority of operating leases on-balance sheet. The implementation of this standard has had a nil impact.
- AASB 15 – *Revenue from Contracts with Customers* and AASB 1058 – *Income of Not-for-profit Entities*: These new standards impacted the timing of when revenue is recognised. The implementation of these new standards was found to have a nil impact on revenue balances.

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

2. Revenue

	2020	2019
	\$	\$
Continued operations		
Revenue from contracts with customers	6,342,183	6,349,071
Other sources of revenue	568,112	706,760
	<u>6,910,295</u>	<u>7,055,831</u>
Revenue from contracts with customers		
Resident Fees	1,575,694	1,653,556
Government Subsidies	4,505,264	4,465,901
Entry Contribution Retention	198,725	229,614
Government COVID-19 cashflow boost	62,500	-
	<u>6,352,183</u>	<u>6,349,071</u>
Other sources of revenue		
Donations and funding	12,717	15,900
Interest	424,979	652,913
Other revenue	130,416	37,947
	<u>568,112</u>	<u>706,760</u>

3. Profit

Net gains and expenses

Profit before income tax expense includes the following expenses:

Expenses

Depreciation and Amortisation		
Buildings	235,711	235,711
Plant and Equipment at cost	125,098	107,080
Amortisation on Right of Occupancy	14,462	14,462
Total Depreciation and Amortisation	<u>375,271</u>	<u>357,253</u>

Finance costs

Interest expense on bond refunds	42,776	62,200
Bank charges	3,005	1,367
Total Finance costs	<u>45,781</u>	<u>63,567</u>

Loss on disposal of Property, Plant and Equipment

Disposals at costs	(10,528)	(20,024)
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Notes to and forming part of the financial statements

For the year ended at 30 June 2020

4. Current assets – Cash and cash equivalents

	2020 \$	2019 \$
Petty Cash	2,500	2,500
NAB Operating Account	1,719,863	526,997
Diocesan Development Fund - Operating Account	42,971	35,791
Entry Contribution Account	226,647	1,448,378
Appeal Account	233,950	233,598
	<u>2,225,931</u>	<u>2,247,264</u>

The above figures are reconciled to the cash flow statement as follows:

- Balance above	2,225,931	2,247,264
- Investments (Note 6)	21,855,068	24,661,059
	<u>24,080,999</u>	<u>26,908,323</u>

5. Current assets – Trade and other receivables

Sundry Receivables	12,500	15,976
Residents Fees in Arrears	6,683	16,954
GST Receivable	46,999	23,981
Government Personal Care Subsidy in Arrears	27,493	77,825
	<u>93,675</u>	<u>134,736</u>

6. Current assets – Investments

Donations Account Term Deposit	2,317,019	2,256,500
Investment Account	325	98,906
Entry Contribution Term Deposit	15,000,000	15,000,000
Bond and Concessional Income Term Deposit	4,537,724	4,805,653
Employee Entitlements Reserve Fund	-	2,500,000
	<u>21,855,068</u>	<u>24,661,059</u>

7. Current assets – Other

Accrued Income	46,627	83,819
Prepayments	86,612	25,813
	<u>133,239</u>	<u>109,632</u>

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

8. Non-current assets – Property, plant and equipment

	2020 \$	2019 \$
Buildings		
Buildings at cost	6,278,397	5,888,331
Less: accumulated depreciation	(4,289,360)	(4,054,696)
	<u>1,989,037</u>	<u>1,833,635</u>
Plant & equipment at cost		
Plant & equipment	1,487,748	1,488,182
Less: accumulated depreciation	(752,820)	(675,356)
	<u>734,928</u>	<u>812,826</u>
Work in Progress	1,889,942	356,159
Total property, plant & equipment	<u>4,613,907</u>	<u>3,002,620</u>

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	WDV at 1 July 2019 \$	Additions \$	Disposals \$	Depreciation \$	Impairment \$	Transfers/ Write-offs \$	WDV at 30 June 2020 \$
Buildings	1,833,635	-	(8,070)	(235,711)	-	399,183	1,989,037
Plant & equipment	812,826	39,299	(1,616)	(125,098)	-	10,359	734,928
Work in progress	356,159	2,255,484	-	-	(312,159)	(409,542)	1,889,942
	<u>3,002,620</u>	<u>2,294,783</u>	<u>(10,528)</u>	<u>(360,809)</u>	<u>(312,159)</u>	<u>-</u>	<u>4,613,907</u>

9. Current assets – Intangible assets

Right of Occupancy – Ryley Street Land

For accounting purposes the Committee of Management has adopted the policy of accounting for its arrangement in respect to the land which it occupies as an intangible asset titled 'Right of Occupancy'. Refer to note 1(h) for further information on this arrangement. The nominal right to occupy is being amortised over 25 years commencing 1 July 2000.

Right of Occupancy	361,544	361,544
Accumulated amortization	(289,235)	(274,772)
	<u>72,309</u>	<u>86,772</u>

10. Current liabilities – Trade and other payables

Trade creditors	138,145	109,028
Accrued expenses	59,587	103,476
PAYG Withholding Tax	54,692	55,141
Residents' Fees in Advance	65,470	93,135
	<u>317,894</u>	<u>360,780</u>

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

11. Current liabilities – Employee provisions

	2020 \$	2019 \$
Provision for annual leave	405,609	372,583
Provision for long service leave	387,913	273,781
	<u>793,522</u>	<u>646,364</u>

12. Non-current liabilities – Employee provisions

Provision for long service leave	<u>310,213</u>	<u>318,436</u>
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13. Current liabilities – Other Liabilities

Accommodation bonds and Resident accommodation deposits (RAD's) held (i)	15,205,890	16,448,184
Residents' Trust Monies	14,352	15,498
	<u>15,220,242</u>	<u>16,463,682</u>

(i) Accommodation bonds and RAD's held are represented by:

Opening balance	16,448,184	15,098,570
Add: new RAD's received	2,643,857	5,955,275
Less: bonds/RAD's refunded	(3,876,623)	(4,553,700)
Less: DAP's offset against RAD's held	(9,528)	(37,728)
Less: retentions paid	-	(14,233)
Closing balance	<u>15,205,890</u>	<u>16,448,184</u>

14. Contingent Liability

The Committee is not aware of any contingent liability that may exist as at 30 June 2020.

15. Commitments

(a) Capital Commitments

Funds committed for the Hostel refurbishment; Within one year	13,841	118,690
	<u>13,841</u>	<u>118,690</u>

(b) Operating commitments

Commitments for operating costs payable as follows:		
Within one year	29,040	107,140
Between one and five years	-	29,040
	<u>29,040</u>	<u>136,180</u>

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

16. Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, entry contributions repayable and resident trust funds.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		2020 \$	2019 \$
(i) Financial Assets			
Cash on hand	4	2,225,931	2,247,264
Trade and other receivables	5	46,676	110,755
Investments	6	21,855,068	24,661,059
Accrued income	7	46,627	83,819
Total Financial Assets		<u>24,174,302</u>	<u>27,102,897</u>
(ii) Financial Liabilities			
Trade and other payables	10	263,202	305,639
Entry contributions repayable	13	15,205,890	16,448,184
Resident trust funds	13	14,352	15,498
Total Financial Liabilities		<u>15,483,444</u>	<u>16,769,321</u>

17. Events occurring after balance date

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial 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 future financial years.

18. Association Details

The registered office and principal place of business for the association is:

St Catherine's Hostel Wangaratta Inc.

59 Ryley Street Wangaratta

Wangaratta VIC 3677

19. Segment Reporting

The Association operates in one business and geographical segment, being the provision of Residential Aged Care facilities in Wangaratta Victoria.

Notes to and forming part of the financial statements

For the year ended at 30 June 2020

20. Related Party Transactions

(a) Committee Members

The names of the people who were members of the Committee of Management at any time during the financial year were:

John McSwiney	Father Mike Pullar	Michael Carlile
Mary Garlick	Neville McCormick	Will Ivey (appointed 23/10/2019)
Matt Byrne	Karen Gunner	Alecia Roman (appointed 23/10/2019)
Jay Comensoli	Peter Versteegen	

(b) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Association either directly or indirectly. The key management personnel of the Association comprise the Committee and senior management.

	2020	2019
	\$	\$
Aggregate remuneration paid to key management personnel for the year	<u>459,305</u>	<u>492,144</u>

The members of the Committee of Management act in an honorary capacity.

(c) Other transactions with members of the Committee of Management and related entities:

There were no other transactions with members of the Committee of Management or any other related entities during the year end 30 June 2020 (2019: Nil).

St. Catherine's Hostel Wangaratta Inc. ABN 94 626 363 306

Statement by members of the committee

For the year ended at 30 June 2020

In the opinion of the members of the committee the financial statements as set out on pages 2 to 15:

1. Presents a true and fair view of the financial position of St. Catherine's Hostel Wangaratta Inc. as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*.
2. At the date of this statement, there are reasonable grounds to believe that St. Catherine's Hostel Wangaratta 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:

Chairperson



Father Mike Pullar

Treasurer



Michael Carlile

Dated this 17th day of September 2020

Independent auditor's report to the members of St. Catherine's Hostel Wangaratta Inc.

Opinion

We have audited the accompanying financial statements of St. Catherine's Hostel Wangaratta Inc. ("the Association") which comprises the statement of financial position at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes, and the statement by the members of the committee.

In our opinion, the financial statements of the Association are in accordance with the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and complying with the *Associations Incorporation Reform Regulations 2012* and the *Australian Charities and Not for Profits Commission Regulation 2013*.

Basis of 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 Statements* section of our report. We are independent of the Association in accordance with the auditor independence 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 statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

In conducting our audit we have complied with the independence requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*.

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

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Committee of Management's financial reporting responsibilities under the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012*. As a result the financial statements may not be suitable for another purpose.

Independent auditor's report (continued)

Responsibilities of the Committee of Management for the Financial Statements

The Committee of Management of the Association is responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements which are appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012* and the *Australian Charities and Not for Profits Commission Act 2012* and are appropriate to meet the needs of the members.

The Committee of Management is also responsible for such internal control as the Committee of Management determines necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Johnsons MME
Chartered Accountants



Ryan Schischka
Director

Albury
17 September 2020