

ROTARY CLUB OF KU-RING-GAI INCORPORATED

**FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2018**

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INDEPENDENT AUDITOR'S REPORT
To the Members of the
ROTARY CLUB OF KU-RING-GAI INCORPORATED

Scope

I have audited the attached special purpose financial report, comprising the Charities Account, General Account, Statement of Accumulated Funds, Statement of Financial Position, Statement of Cash Flows and Notes to and forming part of the Financial Report of Rotary Club of Ku-ring-gai Incorporated for the year ended 30th June 2018. The Board of Directors is responsible for the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Club's constitution and are appropriate to meet the needs of the members. I have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Club.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. My procedures included planning the audit, consideration of internal controls, and examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly.

These procedures have also been undertaken to form an opinion in regard to certain specific requirements of the Charitable Fundraising Act 1991.

The audit opinion expressed in this report has been formed on the above basis.

Qualification

As is common for organisations of this type, it is not practicable for the Club to maintain a fully effective system of internal control over donations and collections in relation to certain fundraising activities until their initial entry in the accounting records, nor is it practical to circularise possible contributors to confirm that all such monies have been received and recorded. The examination relating to donations and certain project and joint project income received was therefore limited to the amounts recorded in the books of the Club and I have accepted such amounts as being the total revenue received by the Club from these sources.

The Club accounts for its share of the net income of joint projects conducted with other clubs, and its share of donations made from that net income, together with its interest in the net assets of and specific loan advances to the joint projects. No independent audit report has been received in respect to the Gordon Markets joint project. An independent audit report for the Bobbin Head Cycle Classic joint project has been received. The report is subject to qualifications, mainly similar to the above paragraph. I have accepted that amounts shown as received from or accounted for by that joint project reflects the Club's share of net income received or donations made.

I express no opinion on the extent of liabilities of any joint project whose financial accounts have not been audited by me, for which the Club may be jointly and severally liable.

Qualified Audit Opinion

In my opinion, except for the effects of such adjustments and exceptions, if any, as might have been determined to be necessary had the limitations discussed in the qualification paragraph not existed, the financial report presents fairly in all material respects the financial position of the Rotary Club of Ku-ring-gai Incorporated as at 30th June 2018, and the results of its operations and cash flows for the year then ended.

Charitable Fundraising Act 1991

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitations discussed in the qualification paragraph not existed, the financial report presents fairly the financial result of fundraising appeals for the year ended 30th June 2018, the accounts and associated records have been properly kept during the year in accordance with the Act and the regulations, money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Act and the regulations, and the Club is solvent and able to meet its liabilities as and when they fall due.

David Forsythe.....

Dated:.....

25/11/18

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ROTARY CLUB OF KU-RING-GAI INCORPORATED

DECLARATION BY DIRECTORS

In the opinion of the Directors of the Club:

The Club is not a reporting entity, and the special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The accompanying Financial Report is drawn up so as to present fairly the financial position of the Club at 30th June 2018 and the results and cash flows of the Club for the financial year ended 30th June 2018.

At the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

In regard to the provisions of the Charitable Fundraising Act 1991:

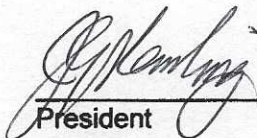
The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals.

The statement of financial position gives a true and fair view of the state of affairs of the Club with respect to fundraising appeals.


The provisions of the Act, the regulations under the Act and the conditions under the fundraising authority have been complied with.

The internal controls exercised by the club are appropriate and effective in accounting for all income received and applied by the Club from any of its fundraising appeals.

SIGNED at SYDNEY this ^{25th} day of ^{November} 2018 in accordance with a resolution of the Board of Directors.



President



Secretary

ROTARY CLUB OF KU-RING-GAI INCORPORATED

**CHARITIES ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
INCOME		
Gordon Markets - 50% of Net Income Raised - Note 2	15,524	14,883
Bobbin Head Cycle Classic - 25% (2017 25%) of Net Income Raised - Note 2	48,731	50,125
Interest Received	335	358
Rotary Foundation Day	376	570
Hat Day - Rotary Health Research Mental Health	41	77
Film Night 1 - General Fundraising	4,379	-
Film Night 2 - General Fundraising	1,810	-
Film Night - Polio Plus	-	1,210
Theatre Night - General Fundraising	2,150	-
International Night - International Projects	2,860	2,045
Bowelscan - Kit Sales - Note 2	-	2,175
Cakes & Puddings - Net Income - General Fundraising - Note 2 - (Gross Income 2017)	226	1,678
Car Raffle - Net Income - General Fundraising - Note 2	1,822	-
Bunnings BBQ 1 - Net Income - General Fundraising - Note 2	622	-
Bunnings BBQ 2 - Net Income - General Fundraising - Note 2	1,263	-
Rotary Foundation Grant - Nepal Project	3,000	-
Indonesia Small Grant Project Night	-	400
Bendigo Bank Grant - Rocket Project	-	500
Donations - for Clarke Rd School - Cluck Rd Farm Project Member Donations	1,470	-
General Account Donation - in Changeover Expenses	50	-
Reimbursement of Project Expenses - Clarke Rd School	1,520	-
National Youth Science Forum - Contributions	2,347	-
Other Fundraising	59	-
TOTAL INCOME	88,585	74,021
EXPENDITURE		
<u>Fundraising Expenses</u>		
Film Night 1	2,935	902
Film Night 2	250	-
Theatre Night	200	-
International Night	1,750	281
Car Raffle Distributions to Participants - Note 2	1,102	-
Indonesia Small Grant Project Night	-	400
Bowelscan Kit Purchases - Note 2	-	2,175
Gordon Markets	-	44
Cakes & Puddings Purchases - (included as Net Income 2018) - Note 2	-	1,447
Clarke Rd School - Cluck Rd Farm Project - Donation Transfer	1,520	-
Share of Laptop/Projector Cost for Projects - General Account	622	-
Other Fundraising Expenses	-	-
	8,379	5,249
SURPLUS FROM FUNDRAISING	80,206	68,772

The accompanying notes form part of the Financial report

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ROTARY CLUB OF KU-RING-GAI INCORPORATED

**CHARITIES ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
EXPENDITURE ON SERVICES		
<u>Board and Rotary Foundation</u>		
Board Discretionary Expenditure	-	-
Rotary Foundation Day	376	477
Rotary Foundation Polio Plus - Donation	-	3,578
	<hr/> 376	<hr/> 4,055
<u>New Generations (Youth) Expenditure</u>		
MUNA - Model United Nations Assembly	280	280
RYLA - Rotary Youth Leadership Awards	875	850
RYLA - Dinner	-	90
Clarke Rd School - Prizes	100	70
Clarke Rd School - Cluck Rd Farm Project Expenses	5,290	-
Clarke Rd School - Donation BBQ Repair	-	204
Clarke Rd School - Expenses School Activity	100	-
Local Schools - Prizes	300	210
EaglesRaps Christmas Lunch Project	272	305
National Youth Science Forum	3,097	-
PCYC Donation	2,000	-
Jumbo Flight Sponsorship	560	-
Project Rocket	-	1,672
Donation - EaglesRaps	-	1,600
Connocophillips Science Experience Project	-	150
Other New Generations Expenditure	-	-
	<hr/> 12,874	<hr/> 5,431
<u>Community Expenditure</u>		
Australian Rotary Health - Mental Health	1,000	1,000
Australian Rotary Health - Hat Day	200	150
Trachoma Project	1,000	-
Fairfield High Parents Café	-	1,000
Meals on Wheels	-	1,000
Rotary Foundation Cakes For Blaze Aid	-	915
Other Community Expenditure	-	-
	<hr/> 2,200	<hr/> 4,065
<u>Vocational Expenditure</u>		
Pride of Workmanship	-	367
Other Vocational Expenditure	-	-
	<hr/> 0	<hr/> 367
<u>International Expenditure</u>		
Rotarians Against Malaria	-	1,000
Shelterbox	-	2,000
ROMAC - Rotary Oceania Medical Aid for Children	1,000	1,000
Indonesia Small Grant Project	2,000	3,000
Nepal Project	6,000	-
School for Life	2,000	-
Days for Girls - Nepal	-	1,000
Vanuatu Appeal	-	650
Team Med Nepal	-	1,000
Other International Expenditure	-	-
	<hr/> 11,000	<hr/> 9,650

The accompanying notes form part of the Financial report

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ROTARY CLUB OF KU-RING-GAI INCORPORATED

**CHARITIES ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<u>Bobbin Head Cycle Classic - Share of Donations</u>		
25% of each Distribution (2017 - 25%) - refer Note 2		
LifeLine - Harbour to Hawkesbury	24,375	25,000
Eagles RAPS	4,875	5,000
KYDS Youth Development Service Inc.	4,875	5,000
Hornsby Ku-ring-gai Women's Shelter	3,656	5,000
Cromehurst Foundation	4,875	5,000
RAWCS - Bo Children's Hospital - Sierra Leone	1,625	2,500
RAWCS - Wheelchairs for Kids - Bangladesh	-	2,500
Sony Foundation	3,250	-
Hornsby Connect	1,219	-
	<hr/>	<hr/>
	48,750	50,000
	<hr/>	<hr/>
TOTAL EXPENDITURE	75,200	73,568
	<hr/>	<hr/>
SURPLUS/(- DEFICIENCY) FOR THE YEAR	5,006	-4,796

ROTARY CLUB OF KU-RING-GAI INCORPORATED

**GENERAL ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<u>INCOME</u>		
Interest Received	13	9
Members' Meals	29,616	30,374
Guests' Meals	2,024	2,642
Club Fines	1,872	2,145
Membership Dues	10,575	11,700
Changeover Dinner Receipts	3,628	4,320
Restaurant Evening Receipts	1,825	-
Council Grant for Laptop/Projector	2000	-
Contribution from Project Account for Laptop/Projector for Project and Community Services Purposes	622	-
Club Shirt Sales	690	-
Sundry Income	6	-
TOTAL INCOME	52,871	51,190
<u>EXPENDITURE</u>		
Subscriptions & Dues		
Dues – Rotary International	3,050	3,477
Dues – District incl Insurance/ Conference Levy	3,350	3,600
Subscriptions - RDU	1,430	1,680
Dinner Meetings		
Meal Costs	30,710	31,813
Rotary Polio Plus Speaker Donations	1,000	1,000
Weekly Door Prizes	680	772
Membership & Promotion including:		
Rotary Banners and New Member Badges	218	-
Rotary Kits	126	-
Membership Promotion, Publicity & Awareness	227	-
Club Shirt Purchases	1,408	-
Welfare	15	-
Special Functions		
Changeover Dinner Expenses	4,232	4,691
Christmas Function Expenses	361	313
Restaurant Evening Expenses	1,741	-
Other Expenses		
Web Expenses	-	348
Laptop and Projector - Council Grant Expenditure	2,771	-
PO Box Rental	127	124
Dept of Fair Trading	95	44
Rotary Leadership Course Fee	150	-
Sundry Expenses and Flowers	113	116
TOTAL EXPENDITURE	51,804	47,978
SURPLUS/(- DEFICIENCY) FOR THE YEAR	1,067	3,212

ROTARY CLUB OF KU-RING-GAI INCORPORATED

**STATEMENT OF ACCUMULATED FUNDS
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018 \$	2017 \$
CHARITIES (PROJECT) ACCOUNT		
Surplus/(- Deficiency) for the year	5,006	-4,796
<u>Add: Opening Balance</u>	34,105	38,901
Accumulated Funds at 30th June 2018	<u>39,111</u>	<u>34,105</u>
GENERAL (CLUB) ACCOUNT		
Surplus/(- Deficiency) for the year	1,067	3,212
<u>Add: Opening Balance</u>	7,168	3,956
Accumulated Funds at 30th June 2018	<u>8,235</u>	<u>7,168</u>
TOTAL ACCUMULATED FUNDS	<u><u>47,346</u></u>	<u><u>41,273</u></u>

ROTARY CLUB OF KU-RING-GAI INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

	2018	2017
	\$	\$
CURRENT ASSETS		
Cash at Bank		
- Club Account – Westpac	13,696	14,727
- Project Account = Westpac	20,230	13,916
Term Deposit		
- Project Account – St George	14,993	14,672
Loan		
- Bobbin Head Cycle Classic - Project	5,000	5,000
- Bobbin Head Cycle Classic Current Account - Project	-61	-42
Other Debtors		
- Owing by Clarke Road School - Contribution to costs	1,520	-
- Owing by Club Account – Project	420	958
- Deposit 2017-18 Fundraising Pymble Players - Project	-	100
TOTAL CURRENT ASSETS	<hr/> 55,798	<hr/> 49,331
CURRENT LIABILITIES		
Other Creditors		
- Subscriptions in Advance - Club	5,040	6,600
- Owing to Project Account - Club	420	958
- Theatre Night income in Advance - Project	420	-
- Clarke Rd School Project Expenses - Project	470	-
- Car Raffle Distributions - Project	1,102	-
- Australian Rotary Health - Mental Illness - Project	1,000	-
- Project Rocket Expenses - Project	-	500
TOTAL CURRENT LIABILITIES	<hr/> 8,452	<hr/> 8,058
TOTAL NET ASSETS	<hr/> 47,346	<hr/> 41,273
ACCUMULATED FUNDS		
Charities (Project) Account	39,111	34,105
General (Club) Account	8,235	7,168
TOTAL ACCUMULATED FUNDS	<hr/> 47,346	<hr/> 41,273

ROTARY CLUB OF KU-RING-GAI INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
<u>Cash Flows from Operating Activities</u>		
Receipts from members	51,298	57,781
Receipts from fundraising	88,670	73,663
Payments for club operations	-51,804	-47,978
Fundraising expenses	-8,279	-5,349
Services provided and donations made	-74,648	-73,068
Interest received	348	367
Net cash provided by/(-used in) operating activities	5,585	5,416
<u>Cash Flows from Investing Activities</u>		
Term deposits at bank interest added	-321	-345
Term deposits at bank withdrawn	-	-
<u>Cash Flows from Financing Activities</u>		
Current Account – Bobbin Head Cycle Classic	19	-125
Net increase/(- decrease) in cash held	5,283	4,946
Cash at the beginning of the financial year	28,643	23,697
Cash at the end of the financial year	33,926	28,643
<u>Reconciliation of Cash Flow from (- used in) Operating Activities</u>		
Surplus (- Deficiency) – Charities Account	5,006	-4,796
Surplus (- Deficiency) – General Account	1,067	3,212
	6,073	-1,584
Changes in assets and liabilities		
Decrease (- increase) in debtors	-882	-100
Increase (- decrease) in creditors	394	7,100
Cash Flow (- Outflow) from Operations	5,585	5,416

ROTARY CLUB OF KU-RING-GAI INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2018

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

The financial statements constitute a special purpose financial report that has been prepared to satisfy the reporting requirements of the Associations Incorporation Act (New South Wales) and the Constitution. The Board has determined that the club is not a reporting entity. The financial report has also been prepared in accordance with the requirements of Associations Incorporation Act (New South Wales). The financial report has been prepared on the historical cost basis, and does not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Club in the preparation of the financial statements.

- (a) Income Tax - The Club is exempt from income tax under the Income Tax Assessment Act 1936 as amended.
- (b) Fixed Assets - Office and computer equipment comprise the Fixed Assets of the Club, and are of minimal value and subject to technological obsolescence at an increasing rate. Therefore, the Club adopts a policy of writing off at the time of purchase all fixed asset acquisitions.
- (c) Funds raised in one year for specific beneficiaries may not be allocated and paid out until a later year.
- (d) Comparative Amounts - Comparative amounts have been adjusted where necessary to conform to the format of these financial statements.
- (e) Bobbin Head Cycle Classic – The club is one of four partners running this event, and the financial statements include 25% of the net income of the project and 25% of each beneficiary donation, including for overall project reporting purposes, the effects of donations associated with the event, made directly to deductible gift recipient foundations associated with partner Rotary clubs.

NOTE 2: OTHER INFORMATION

The Club conducts its fundraising activities by the provision of services, the sale of goods, and sale of raffle tickets, all of which confer a benefit or potential benefit on the other parties. It has made no appeal to specific donors or to the public for donations of monies to be applied for charitable purposes, but may from time to time undertake collections generally for international disaster relief.

The activities comprise the conduct of a cycle event and a monthly market jointly with other clubs, the sales of food, cakes and puddings, the holding of social events, the sales of raffle tickets and provision of sale and support services at local community fairs and festivals, and other arrangements of a fee or commission nature.

For joint projects, the financial statements do not include the club's share of specific project assets or liabilities to outside creditors, and only reflect the club's interest in any net assets of, or deficiency in, and specific loan advances to, or current account balances with, the joint project. The financial statements by default do not include any provision for joint project liabilities to outside creditors for which the club would contingently be jointly and severally liable.

ROTARY CLUB OF KU-RING-GAI INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2018

In the case of Bobbin Head Cycle Classic (BHCC), the amount of such liabilities disclosed in the joint project financial statements received by the Club amounts to \$10,737 (2017 \$11,809), excluding loans of \$5,000 owing to each of the four clubs jointly participating in the project less their share (\$61 each, 2017 \$42 each) of excess donations over income made or provided for during the year.

The club has received an independent auditor's report in respect of the financial statements of BHCC for the year ended 30 June 2018, but no such report is prepared in respect of the accounts of or distributions from participation in Gordon Markets.

Those financial statements and reports indicate that BHCC include the effect of tax deductible donations made by event participants and others to Turramurra Rotary Foundation and Wahroonga Rotary Foundation for the purposes of reflecting the overall result of the event and consequent beneficiary donations. These financial statements consequently reflect that aggregation as further detailed in the following paragraph.

The financial statements include a 25% (2017 25%) share of net income of BHCC, and similar percentages of distributions of net income to each beneficiary, however the directors believe that the club contributes a significantly higher percentage of effort to the project and could consider itself responsible for the raising of a significantly higher proportion of the overall net income and by default responsible for a similar higher proportion of distributions of that income to the project beneficiaries.

The 2017 BHCC financial statements included an amount of \$10,000 shown as paid, but noted in the independent auditor's qualified report attached thereto as not paid to the agreed beneficiary, Wheelchairs for Kids – Bangladesh, as at year end or at the date of the audit report 13 November 2017 or at the date of the BHCC committee report on the BHCC financial statements, 5 November 2017. The Club's proportion was \$2,500. The Directors have been advised that the amount was paid during the 2018 financial year. The 2108 BHCC financial statements and reports did not include any amounts similarly shown as paid but reported by the independent auditor as not paid.

There are no other specific matters of a material nature, which require disclosure or comment. The Club does not engage the services of any traders.

The Club meets all administrative costs from contributions by members, and all monies raised through fundraising activities are expended, or will be expended at a future date after accumulation, directly on services in accordance with the objectives of the Club.

In regard to the Bowelscan project, the directors will not include the value of kits sold by pharmacies serviced by the club for 2018 and subsequent years as all income is now paid directly by the pharmacies to Bowelscan. The Club earns no income or commission from participating but will continue to participate if agreed to by the Directors and Club members from year to year.

In regard to Cakes & Puddings and Bunnings BBQs, the Directors will only show net income after expenses, as banked, for 2018 and subsequent years. Car Raffle Distributions to Participants represents the passing on of commissions to organisations selling tickets under the Club's master arrangements with the Raffle organiser.

ROTARY CLUB OF KU-RING-GAI INCORPORATED
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

NOTE 3: CHARITABLE FUNDRAISING ACT 1991

The Club holds an Authority to Fundraise for Charitable Purposes, Number 14191, in force until 15 July 2020.

The following information is included in terms of the requirements of the Charitable Fundraising Act 1991 in respect to all fundraising appeals conducted during the financial year.

The Office of Charities indicates that this information reveals the cost effectiveness of operations and serves as important performance indicators.

NOTE 4: ADDITIONAL INFORMATION PROVIDED BY DIRECTORS

The Club provides a diverse range of services in accordance with its objectives, and the directors consider it prudent to maintain a level of funds commensurate with the Club's working capital needs and desired expenditure level in future financial periods.

The Club does not set aside any specific amounts to Reserve, but may from time to time earmark funds for future expenditure, particularly where a specific significant long term project is identified.

The following ratios are considered by the Board to be potentially useful to members, with appropriate explanations, in assessing the financial position and performance of the Club.

ROTARY CLUB OF KU-RING-GAI INCORPORATED

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2018**

	2018	2017
	\$	\$
Charitable Fundraising Act 1991 Information		
Statement of Income and Expenditure in regard to Fundraising Appeals		
Aggregate Gross Income Received from Fundraising	88,250	73,663
Total Expenditure associated with all Fundraising Appeals	8,379	5,249
Net Operating Surplus / (Deficit) from Fundraising	79,871	68,414
Ratio of Cost to Gross Income from Fundraising	9%	7%
Ratio of Net Surplus to Gross Income from Fundraising	91%	93%
Cost of Services Provided during the year	75,200	73,568
Ratio of Cost of Services Provided to Cost of Fundraising	897%	1402%
Ratio of Cost of Services Provided to Gross Income from Fundraising	85%	100%
Additional Information Provided by Directors		
Net Operating Surplus / (Deficit) from Fundraising	79,871	68,414
Funds available at start of year	34,105	38,901
Funds available from which to provide Services	113,976	107,315
Cost of Services Provided during the year	75,200	73,568
Ratio of Cost of Services Provided to Net Operating Surplus	94%	108%
Ratio of Cost of Services Provided to Funds Available	66%	69%