

ROTARY CLUB OF NORTH BALWYN INC.

ABN 15 960 124 742

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2020

Annual General Meeting

November 2020



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INDEPENDENT AUDITOR'S REPORT

To the members of Rotary Club North Balwyn Inc.

Qualified Opinion

I have audited the special purpose financial report of Rotary Club of North Balwyn Inc. (the Club), which comprises the balance sheets of the administration account and the service account as at 30 June 2020, the income and expenditure statement for the administration account and the service account for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Board's declaration.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial report presents fairly, in all material respects, the financial position of the Club as at 30 June 2020, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report and the financial reporting requirements of the *Associations Incorporation Reform Act 2012*.

Basis for Qualified Opinion

Cash donations are a significant source of fundraising revenue for Rotary Club of North Balwyn Inc. The Club has determined that it is impracticable to establish control over the collection of fundraising revenue prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash donations of Rotary Club of North Balwyn Inc. recorded are complete.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the Club 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. I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Board Members' financial reporting responsibilities under the *Associations Incorporation Reform*

Act 2012. As a result, the financial statements may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

The Board is responsible for the preparation and fair presentation of the financial statements and have determined that the basis of preparation described in the Notes to the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012* and is appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Club'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of my audit report.



Chris Malkin

Baumgartner Audit Pty Ltd

Date: 31 July 2020

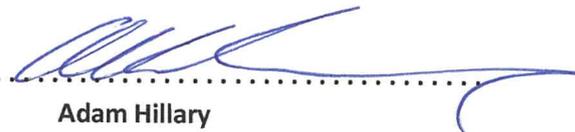
Melbourne

**ROTARY CLUB OF NORTH BALWYN INC.
ABN 15 960 124 742**

STATEMENT BY THE PRESIDENT and TREASURER 2019/2020

We have reviewed the accompanying financial report being the Income and Expenditure Statements for the Administration and Service accounts, Balance Sheets and notes to and forming part of the financial statements and confirm that, in our opinion, they fairly represent the financial position of the Rotary Club of North Balwyn Inc. as at 30th June 2020 and its performance for the year ended on that date.

President 2019/2020 
for Peter Sutherland (by Vice President John Magor)

Treasurer 2019/2020 
Adam Hillary

Dated this 21st day of July 2020

ROTARY CLUB OF NORTH BALWYN INC.
ABN 15 960 124 742

STATEMENT BY MEMBERS OF THE BOARD

The Board have determined that the Club is not a reporting entity and this special purpose financial report should be prepared in accordance with the accounting policies outlined in notes to the financial statements.

In the opinion of the Board the accompanying financial report being the Income and Expenditure Statements and Balance Sheets for the Administration and Service Accounts, and notes to and forming part of the financial statements:

1. Fairly presents the financial position of the Rotary Club of North Balwyn Inc. as at 30th June 2020 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that the Rotary Club of North Balwyn Inc. will be able to pay its debts as and when they fall due.
3. This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

President 2020/21 
Greg Cribbes

Treasurer 2020/21 
Geoff Haddy

Dated this 21st day of July 2020

ROTARY CLUB OF NORTH BALWYN INC.

ABN 15 960 124 742

ADMINISTRATION ACCOUNT

INCOME AND EXPENDITURE STATEMENT FOR 12 MONTHS ENDED 30th JUNE 2020

To 30 th June 2019		NET ASSETS AT START OF YEAR		\$14,918
		INCOME		
		Subscriptions		
\$24,223	\$24,223	Members	\$22,895	\$22,895
		Club donations and Int. F/raising		
\$1,565		Fines	\$747	
\$1,032	\$2,597	In-house raffles, gifts, fundraising	\$78	\$825
		Meals and EFTPOS		
\$76,581		Meal payments received	\$44,739	
\$(71,001)		Meal costs paid	\$(42,202)	
\$(3,301)		Meal costs guests/ hospitality	\$(1,566)	
\$1,034		Surcharge received	\$909	
\$(1,132)	\$2,181	Merchant service fees	\$(723)	\$1,157
	\$48	Sale of Club items		\$73
	\$143	Interest		\$23
	\$29,192	TOTAL INCOME		\$24,973
		EXPENDITURE		
		Administration costs		
\$1,280		Accounting services software	\$1,069	
\$58		Annual return fee	\$59	
\$2,000		Audit fee	\$2,000	
\$75		Bank charges	\$0	
\$305		Club items	\$1,093	
\$220		Club Directory	\$180	
\$255		Donations gifts and flowers	\$308	
\$0		Family of Rotary	\$590	
\$201		Furniture & equipment	\$188	
\$209		Postage & PO box	\$122	
\$1,000		President's Allowance	\$1,000	
\$340		P&S – general (incl. Ann. Rept.)	\$102	
\$227		P&S - Treasury	\$228	
\$265		P&S - Secretarial	\$402	
\$(248)		Rotary Trng – incl Dist Assembly	\$0	
\$390		Speakers' gifts	\$150	
\$1,090		Website maintenance	\$821	
\$136	\$7,803	Other admin. & sundry expenses	\$0	\$8,312
	\$199	Property repairs and maintenance		\$0
	\$143	Membership project		\$56
		Rotary subscriptions & dues		
\$2,563		Rotary Down Under	\$2,597	
\$6,494		RI – per capita fees	\$6,604	
\$6,948		District levy	\$5,518	
\$2,073		District insurance	\$1,997	
\$131	\$18,209	Other Rotary subs and dues	\$132	\$16,848
	\$538	Club & fellowship functions		\$224
	\$1,000	RCNB History - allocation		\$1,000
	\$27,892	TOTAL EXPENDITURE		\$26,440
	\$1,300	SURPLUS (DEFICIT) for the year		\$(1,467)
		NET ASSETS AT END OF YEAR		\$13,451

ROTARY CLUB OF NORTH BALWYN INC.

ABN 15 960 124 742

ADMINISTRATION ACCOUNT

BALANCE SHEET AT 30th JUNE 2020

At 30 th June 2019			
\$16,050	\$16,050	ASSETS	
		Cash at Bank	
		Bendigo Bank cheque account	\$14,930
			\$14,930
		Other current assets	
\$731		Deposits and pre-payments	\$970
\$150	\$881	Bunnings vouchers on hand	\$0
			\$970
	\$16,931	TOTAL ASSETS	
			\$15,900
		LIABILITIES	
		Current liabilities	
\$365		Pre-payments rec'd	\$0
\$(352)	\$13	GST due to (from) ATO	\$(551)
			\$(551)
		Provisions	
\$2,000	\$2,000	RCNB History Project	\$3,000
			\$3,000
	\$2,013	TOTAL LIABILITIES	
			\$2,449
	\$14,918	NET ASSETS	
			\$13,451

		These NET ASSETS are recorded as:	
		Committed funds	
\$1,100	\$1,100	Special Assistance Fund	\$1,100
			\$1,100
	\$13,818	Uncommitted funds	
			\$12,351
	\$14,918	NET ASSETS	
			\$13,451

ROTARY CLUB OF NORTH BALWYN INC.

ABN 15 960 124 742

SERVICE ACCOUNT

INCOME AND EXPENDITURE STATEMENT FOR 12 MONTHS ENDED 30th JUNE 2020

(First page)

		NET ASSETS AT START OF YEAR	\$150,310
To 30th June 2019	INCOME		
	Fundraising Projects		
\$12,023	Xmas raffle	\$0	
\$31,939	Catering events	\$24,410	
\$9,968	Camberwell Market	\$9,748	
\$17,833	Golf Day	\$20,148	
\$42,441	Grand Prix	\$13,575	\$67,881
\$114,204			
	Other Fundraising/ Donations IN		
\$2,750	Christmas Fare	\$2,300	
\$57	Five cent collection	\$45	
\$392	Entertainment guide	\$350	
\$2,003	Lift the Lid donations rec'd	\$1,484	
\$2,825	End polio	\$0	
\$249	Rotary fruit cakes	\$137	
\$490	Singalong fundraisers	\$270	
\$25	Sale of items donated	\$385	
\$1,725	Donations for drought relief	\$0	
\$1,148	Silverpot collections	\$772	
\$150	Bequest Bev Thomas	\$0	
\$3,940	Interact Club of Balwyn High	\$1,800	
\$1,000	Donations from members	\$5,479	
\$0	VSF Donations	\$6,195	
\$2,750	Other donations rec'd	\$1,804	
\$505	Misc. Fundraising	\$213	\$21,234
\$20,009			
	Grants/ Major Project Donations		
\$91,100	DRP grants/ donations IN.	\$30,000	
\$0	Vietnam development	\$7,500	\$37,500
\$91,100			
\$0			
\$1,429	Interest		\$507
\$226,742	TOTAL INCOME		\$127,122
	EXPENDITURE		
	General and operating expenses		
\$48	Bank charges	\$102	
\$77	BBQ Trailer expenses	\$(227)	
\$0	Sundry expenses	\$141	\$16
\$125			
	Community Service		
\$2,000	Boroondara Cares Chances Schp.	\$0	
\$1,375	Days for Girls	\$0	
\$828	Gardens project	\$(111)	
\$62	DRP costs	\$589	
\$6,306	DRP community events	\$50	
\$40,000	DRP vouchers issued	\$50,000	
\$0	DRP vouchers cancelled	\$(7,000)	
\$4,500	Homeless initiative (Servants)	\$500	

See second page

ROTARY CLUB OF NORTH BALWYN INC.

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SERVICE ACCOUNT

INCOME AND EXPENDITURE STATEMENT FOR 12 MONTHS ENDED 30th JUNE 2020

(Second page)

To 30 th June 2019		EXPENDITURE (Continued)		
\$200		Camcare	\$0	
\$1,500		Camp Getaway	\$0	
\$1,500		Trachoma	\$0	
\$1,200		Carols in the Park	\$1,200	
\$1,292		ARH Lift the Lid	\$1,484	
\$11,750		Australian Rotary Health	\$22,250	
\$2,500		ARH ex silverpot Indig. Schp.	\$772	
\$1,000		Food packaging	\$0	
\$25,000		Men's Shed disbursements	\$0	
\$1,000		RAWCS drought relief	\$0	
\$0		Rotaract project (<i>see Youth Service</i>)	\$0	
\$200	\$102,213	Other Community Service	\$0	\$69,734
		Foundation Service		
\$16,097		Rotary Foundation (incl. \$100/speaker)	\$5,000	
\$1,195		R&J Abbey Award	\$1,195	
\$1,781	\$19,073	RI Dist 9800 End Polio	\$0	\$6,195
		International Service		
\$3,500		DIK membership/ lease	\$3,500	
\$2,000		DIK funding	\$1,000	
\$1,000		Disaster support/ shelter box	\$0	
\$5,000		Rotarians Against Malaria (RAM)	\$5,000	
\$12,502		Vietnam Minh Hac & Phu Tho project	\$8,000	
\$0		Lotus Education - Laos	\$4,771	
\$5,000		Umoja – Youth Centre Tanzania	\$500	
\$0	\$29,002	Vanuatu patient care packs	\$2,304	\$25,075
		Youth Service		
\$719		Interact and Earlyact	\$0	
\$1,342		Rotaract project	\$1,458	
\$276		Reading in Schools Program	\$120	
\$750		MUNA	\$0	
\$1,150		Lord Somers Camp	\$1,152	
\$190		Conoco Phillips Science	\$380	
\$1,620		RYLA	\$836	
\$330		RYPEN	\$0	
\$1,500		Youth support program	\$5,610	
\$26,053		Youth cultural visit Mongolia OUT	\$592	
\$0		Youth cultural visit Mongolia IN	\$8,536	
\$(3,045)		Youth cultural visit - fundraising	\$(565)	
\$1,624	\$32,509	Youth - leadership	\$0	\$18,119

See third page

ROTARY CLUB OF NORTH BALWYN INC.

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SERVICE ACCOUNT

INCOME AND EXPENDITURE STATEMENT FOR 12 MONTHS ENDED 30th JUNE 2020

(Third page)

To 30 th June 2019	EXPENDITURE (Continued)	
\$0		
\$0	\$0	
	Vocational Service	
	Community awards	\$520
	Essay competition	\$2,300
		\$2,820
	Other Services and Donations OUT	
\$1,900	Beyond Blue	\$100
\$0	Cancer Council (relay 4 life)	\$320
\$2,750	Impact for Women	\$0
\$0	Kyabram High School	\$2,320
\$374	Mitochondrial Disease Foundn.	\$0
\$2,830	Reclink	\$0
\$0	RSL ANZAC Appeal	\$500
\$0	Scout Association	\$5,000
\$0	Other donations	\$1,200
		\$9,440
\$190,776	TOTAL EXPENDITURE	\$131,400
\$35,966	SURPLUS (DEFICIT) for the year	\$(4,278)
	NET ASSETS AT END OF YEAR	
		\$146,032

ROTARY CLUB OF NORTH BALWYN INC.

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SERVICE ACCOUNT

BALANCE SHEET AT 30th JUNE 2020

At 30th June 2019	ASSETS		
	Cash at Bank		
\$9,796		Bendigo Bank cheque a/c	\$20,725
<u>\$166,267</u>	\$176,063	Bendigo Bank investment a/c	<u>\$156,757</u>
			\$177,481
	Other Assets		
\$300		Bunnings vouchers on hand	\$0
\$3,500		Deposits & pre-payments	\$3,500
\$500		Cash Advance - BBQs	\$500
<u>\$6,047</u>	\$10,347	Sundry debtors	<u>\$0</u>
			\$4,000
	\$186,410	TOTAL ASSETS	\$181,481
	LIABILITIES		
	Drought Relief Project vouchers		
\$0		DRP Vouchers (exp3/21) on issue	\$50,000
\$0		DRP Vouchers (exp3/21) redeemed	\$(14,550)
\$40,000		DRP Vouchers (exp3/20) on issue	\$0
<u>\$(3,900)</u>	\$36,100	DRP Vouchers (exp3/20) redeemed	<u>\$0</u>
			\$35,450
	\$36,100	TOTAL LIABILITIES	\$35,450
	\$150,310	NET ASSETS	\$146,032

	These NET ASSETS are recorded as:		
	Committed funds		
\$9,000		Disaster Relief Fund	\$9,000
\$54,800		Drought Relief Program Fund	\$51,160
\$0		Fire Relief Fund	\$1,600
\$0		Vietnam Development Fund	\$10,000
\$25,000		President's (future proj.) Fund	\$25,000
\$0		Sri Lanka (container) Fund	\$6,000
\$3,500		DIK Fund	\$3,500
\$8,500		Youth - Mongolia IN Project	\$0
\$11,000		ARH - Mental Health PhD 2019/20	\$0
\$4,150		Rotaract Club (BB Grant) Fund	\$2,700
<u>\$2,000</u>	\$117,950	Solomon (future proj.) Fund	<u>\$2,000</u>
			\$110,960
	<u>\$32,360</u>	Uncommitted funds	<u>\$35,072</u>
	\$150,310	NET ASSETS	\$146,032

ROTARY CLUB OF NORTH BALWYN INC.

ABN 15 960 124 742

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR 12 MONTHS ENDED 30th JUNE 2020**

Notes

Statement of Significant Accounting Policies

This financial report is a special purpose report prepared in order to satisfy the financial reporting requirements of the Association Incorporation Reform Act 2012, Victoria. The members of the board have determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Association Incorporation Act 1981, Victoria and the following Australian Accounting Standards:

AASB 110 Events after the balance sheet date

No other applicable Accounting Standards, Urgent Issues, Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accrual 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.

(a) Income Tax. The association is exempt from income tax

(b) Other Assets. Equipment purchased is fully expensed in the year of purchase, unless otherwise provided.

Provisions

History Project Provision. This provision records the annual allocations made to ensure funds are set aside for production of a RCNB History publication in 2030 (the Club's 50th year).

Contingencies and Commitments

Committed funds in the balance sheet disclose amounts raised by the Club and agreed to be spent on specific projects. A summary of committed funds is as follows:

Administration

Special Assistance Fund. This fund is available to meet members' special needs as determined by the Board, and has remained unchanged for many years.

Service

Disaster Relief Fund. This fund was committed originally at the time of severe drought in Victoria to provide 'emergency funds' at time of need due to natural disasters. During 2019-20, the Board amended the earlier caveat on this fund which constrained its use. The fund is now available for disaster relief as the Board decides.

Drought Relief Program Fund. This fund, established in 2018-19, holds monies allocated or donated and not yet utilised in the Drought Relief Program.

ROTARY CLUB OF NORTH BALWYN INC.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR 12 MONTHS ENDED 30th JUNE 2020

Notes (continued)

Fire Relief Fund. This fund established in 2019-20 holds monies specifically designated to assist in project(s) related to recent fires in Victoria and elsewhere.

Vietnam Development Fund. This fund established in 2019-20 holds monies allocated or donated by other Clubs for a dental project in Vietnam.

President's (future proj) Fund. This fund is designed to be built up over time and provide a significant corpus of funds to be available when a suitable opportunity arises, or to meet a major current unbudgeted project. Each President may choose, if funds are available, to add to this fund.

Sri Lanka (container) Fund. This fund established 2019-20 and expected to be supplemented by a District grant, is set aside to fund a container with medical supplies destined for Sri Lanka.

DIK Fund. This fund ensures that the Club carries forward funds to offer support to the operation of the "Donations in Kind" business in partnering many RCNB activities.

Mongolia IN Fund. This fund was established to ensure funds were available for this activity completed in 2019-20. This Fund was NIL at 30 June 2020.

ARH Mental Health PhD. The 2019-20 commitment of \$11K was met. This completed the balance due under an agreement with ARH for a 3-year Project to support a PhD on Mental Health. Total commitment of the Project in 2017-18 was \$43K, of which \$21K was paid in 2017-18, \$11K in 2018-19 and \$11K in 2019-20. This Fund was NIL at 30 June 2020.

Rotaract Club (BB Grant) Fund. This fund was applied for and received in late 2017-18 for use in a Project to establish a Rotaract Club. This work is progressing and over half the original grant has been utilised.

Solomon (future proj.) Fund. (Formerly called Bequest 2018-19 Project). This fund arose from monies donated upon the death of an RCNB Member's wife who had a particular interest in humanitarian work on the Solomon Islands. The Club has chosen to add to that Fund.

Contingent Liability – Drought Relief Program. The Club is obliged to honour DRP vouchers as they are redeemed. At 30/6/20 all vouchers issued in 2018-19 in relation to St Arnaud and expiring 31/3/20 had either been redeemed or cancelled as unpresented. The contingency relating to those vouchers became zero. In relation to Numurkah vouchers expiring 31/3/21 to the value of \$50K were issued to Regional Financial Counsellors in 2019-20. At Balance Date the Club's contingent liability was \$35,450 being the sum of vouchers issued for Numurkah but not yet redeemed.