

Financial Report

Magnetic Island Community Development Association Inc.
ABN 88 303 909 978
For the year ended 31 December 2020

Prepared by O'Regan & Partners

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Committee's Report

Magnetic Island Community Development Association Inc. For the year ended 31 December 2020

Committee's Report

Your committee members submit the financial report of Magnetic Island Community Development Association Inc. for the financial year ended 31 December 2020.

Principal Activities

The principal function of the Association during the financial year was the organisation and management of the Magnetic Island Community Development Association and related activities.

Significant Changes

No significant changes in the nature of these activities occurred during the year.

Operating Result

The surplus for the financial year amounted to \$1,163 (2019 surplus \$29,311).

Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:

Les Sampson (President)

Date / /

Chris Sampson (Treasurer)

Date / /

Statement of Financial Performance

Magnetic Island Community Development Association Inc. For the year ended 31 December 2020

	2020	2019
Income		
Container Exchange	6,030	1,945
Grants & Donations Other	55,133	38,090
Interest	705	696
Markets	5,667	14,200
Memberships	2,265	3,315
Total Income	69,800	58,246
Expenses		
Accountancy Fees	1,210	880
Administration Costs	5,575	2,837
Bank Charges	123	132
Fauna Care - Koala Grant & Sponsorships	5,739	13,631
Festival Expenses - 40 Hour Jamin	372	14,262
Festival Expenses - Bay Days	-	5,816
Grant Expenditure	52,749	5,966
Insurance	2,869	4,143
Total Expenses	68,637	47,667
Profit For The Year	1,163	10,579

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Statement of Financial Position

Magnetic Island Community Development Association Inc. As at 31 December 2020

	NOTES	31 DEC 2020	31 DEC 2019
Assets			
Current Assets			
Cash and cash equivalents	2	65,460	65,151
Prepayment Account		1,000	-
Total Current Assets		66,460	65,151
Total Assets		66,460	65,151
Liabilities			
Current Liabilities			
Accrued Expenses		-	682
Sundry Creditors		1,210	-
Unexpended Grants		22,474	34,188
Total Current Liabilities		23,684	34,869
Total Liabilities		23,684	34,869
Net Assets		42,777	30,282
Members Funds			
Current year earnings		1,163	10,579
Retained Earnings		41,614	19,704
Total Members Funds		42,777	30,282

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the Financial Statements

Magnetic Island Community Development Association Inc. For the year ended 31 December 2020

1. Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act of Queensland. 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 historical 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.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 December 2020. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Grants

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

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

These notes should be read in conjunction with the attached compilation report.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the balance sheet until the required service has been completed, otherwise the income is recognised on receipt.

Magnetic Island Community Development Association Inc. receives non-reciprocal contributions of assets from the government and other parties for a nominal or zero value. These assets are recognised at their fair value on the date of acquisition in the balance sheet, with an equivalent amount of income recognised in the income statement.

Donations and bequests are recognised as revenue when received.

	2020	2019
2. Cash & Cash Equivalents		
Bank Accounts		
QCCU Cheque Account (8883)	19,482	4,451
QCCU Online Saver (Festival) (0280)	155	526
QCCU Online Saver (Main) (7729)	8,459	10,755
QCCU Online Saver (Markets) (8497)	13,626	11,158
QCCU Online Saver (Zero Waste) (2716)	2,357	23,543
Paypal Account	528	568
Total Bank Accounts	44,607	51,000
Other Cash Items		
Sundry Debtors	-	46
Term Deposit (2744)	14,213	14,106
Total Other Cash Items	14,213	14,152
Total Cash & Cash Equivalents	58,820	65,151

3. MICDA cash funds allocated to specified activities as at 31 December 2020

	Opening Balance 31/12/2019	Income	Expenses / Tfrd	Closing Balance 31/12/2020
HSB Markets	11,157.68	11,132.34	8,664.09	13,625.93
Youth Visual Arts	2,207.63	370.84	372.00	2206.47
Koalas	-	6,540.49	5,738.88	801.61
Friends of Parks - Weeders	10,644.76	10,416.00	6,420.35	14,640.41
Bay Day Festival	474.93	-	-	474.93
Zero Waste	23,542.88	4,102.04	25,288.09	2,356.83

These notes should be read in conjunction with the attached compilation report.

Statement by Members of the Committee

Magnetic Island Community Development Association Inc. For the year ended 31 December 2020

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 Income and Expenditure Statement, Statement of Financial Position and Notes to the Financial Statements:

1. Present fairly the financial position of Magnetic Island Community Development Association Inc. as at 31 December 2020 and its performance for the year ended on that date; and
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

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

President: _____

Sign date:

Treasurer: _____

Sign date:

Independent Auditor's Report

Magnetic Island Community Development Association Inc. For the year ended 31 December 2020

We have audited the accompanying financial report, being a special purpose financial report of Magnetic Island Community Development Association Inc. (the association), which comprises the Statement by Members of the Committee, Income and Expenditure Statement, Balance Sheet Notes comprising a summary of significant accounting policies and other explanatory notes for the financial year ended 31 December 2020.

Committee's Responsibility for the Financial Report

The committee of Magnetic Island Community Development Association Inc. is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act of Queensland 1981 and is appropriate to meet the needs of the members. The committee's responsibilities also includes such internal control as the committee determine necessary to enable the preparation and fair presentation of a financial report that is free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standard Board.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for Magnetic Island Community Development Association Inc. to maintain an effective system of internal control over income until their initial entry in the accounting records. Accordingly, our audit in relation to receipt of income was limited to amounts recorded.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Magnetic Island Community Development Association Inc. gives a true and fair view of the entity's financial position as at 31 December 2020 and of its performance for the year ended on that date and comply with Australian Accounting Standards to the extent described in Note 1 to the financial report.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee members' financial reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

O'Regan & Partners

241 Sturt Street, Townsville 4810

Peter O'Regan

Date: