



Leaders In Early Childhood Education

2016

JULY-DECEMBER

ANNUAL REPORT



Vision:

Every child has the opportunity to explore and realise their potential through access and engagement in quality early education.



Mission:

To deliver leading early childhood educational programs that supports every child and their family and encourages a life long love of learning.



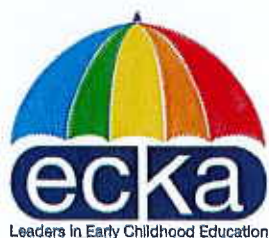
Values:

Children, Community,
Excellence,
Leadership,
Collaboration,
Diversity

Contents

ECKA 2016 (July-Dec) Annual Report

2017 SGM Minutes	Page 1
2016 AGM Minutes	Page 2
Board Report	Page 3
Treasurer's Report	Page 5
Financial Statements	Pages 6-20
Board of Management	Page 21
ECKA Managed Services	Page 21



2017 Special General Meeting Minutes

Eureka Community Kindergarten Association Special General Meeting 2017

Tuesday 28th March 2017 7.30pm

Minutes

Meeting Opened: 7.35pm

Present: Karina Perry, Paul Ryan, Jo Geurts, Jess Burdon, Janine Tardrew, Kath Jones, Geoff Manton, Sandy Facey, Lisa West, Amanda Rimmington, Katherine Cape, Chris Hannah, Derek Wolstenholme, Haydi Matthes, Teresa Skrypko.

Apologies: Grant Newell, Petra Barclay, Michaela Saha, Jackie O'Meara, Amanda Burdon, Liz Bandy, Stephen Ellis.

Moved: Katherine Cape

Seconded: Kath Jones

Carried.

Special Business – Proposed adoption of new Constitution

Brief discussion and explanation of reason for the new constitution. No questions received from those attending.

Motion: The Eureka Community Kindergarten Association adopt the new constitution as presented.

Moved: Geoff Manton

Seconded: Katherine Cape

Carried

Meeting Closed: 7.45pm

2016 Annual General Meeting Minutes

Eureka Community Kindergarten Association 13th ANNUAL GENERAL MEETING 2016

Tuesday 18th October 7.30pm
Minutes

Meeting Opened: 7.30pm

Acknowledgement to Country: Jo Geurts – CEO

Present: Jo Geurts, Chris Jones, Christine Sullivan, Paul Ryan, Liz Bandy, Barbara Toogood, Sandy Facey, Katherine Cape, Derek Wolstenholme, Amanda Rimmington, Sharelle Knight, Sally Bingham, Chris Mulheron, Terry Fraser, Karen Snibson, Heather Boyd, Lisa West, Michaela Saha, Grant Newell, Geoff Manton, Tegan Alvarado, Paul Ballinger.

Apologies: Brett McKinnis, Michelle Pryor, Jennie Cohalan, Winnie Driscoll, Alicia Hansen, Neville Ivey, Geoff Howard, Sharon Knight, Christopher Hannah, Gail Petrie
Moved: Lisa West Seconded: Katherine Cape Carried.

Special Business – Changes to ECKA Constitution

Motion to change the Financial year to end 31st December

Moved: Geoff Manton Seconded: Katherine Cape Carried

Motion to change the composition of the Board to a minimum of 5 and a maximum of 11.

Moved: Geoff Manton Seconded: Katherine Cape Carried

Minutes of Previous Meeting:

These were distributed in the Annual Report.

Moved: Sandy Facey Seconded: Chris Jones Carried.

Presentation of Reports

- Board Report – read as presented in the report

Moved: Chris Jones Seconded: Derek Wolstenholme Carried

- Treasurer – read as presented in the report.

Moved: Chris Jones Seconded: Geoff Manton Carried

Confirmation of Board Members

Paul Ryan renominated for second 3year term. No other nominations received so duly elected. Board members confirmed as: Paul Ryan, Chris Jones, Derek Wolstenholme, Sandy Facey, Lisa West, Katherine Cape, Christopher Hannah, Geoff Manton

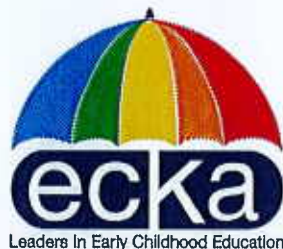
Moved: Katherine Cape Seconded: Geoff Manton Carried

Appointment of Auditor

Prowse Perin and Twomey appointed as Auditor

Moved: Chris Jones Seconded: Lisa West Carried

Meeting Closed: 8.05pm



Board Report

I am pleased to present the 14th annual report for the Eureka Community Kindergarten Association Inc. (ECKA). This is a six month report to reflect the change to our financial year, which is now in line with the Department of Education and Training (DET) funding model, based on the calendar year.

A significant focus has been given to the implementation of the newly released Early Years Mangement (EYM) Policy that was released in July 2016. The policy and guidelines are designed to strengthen the EYM's performance, reporting and alignment of strategic planning. It sets out the outcomes, activities and measures by which the Department of Education and Training will track the impact of EYM in achieving improved educational outcomes for children. The policy is based on a four way partnership which includes the EYM, Local Government, Parents and DET. The roles and responsibilities of ECKA and Parent committees will be confirmed through a new Partnership Memorandum of Understanding (MOU). The MOU has been developed during this period for distribution to committees in 2017. The four outcomes areas are: Quality and innovation, Highly skilled and collaborative workforce, Strong partnerships and Sustainable and responsive services.

ECKA's enrolment and planning processes during this reporting period has supported our communities to ensure access for all eligible children. Our partnerships with local government and ability to tailor our services and staffing levels to meet the needs of each community, has resulted in all children being allocated a place for 2017 and a number of places being held for vulnerable children who are known to enrol late. We have also gathered feedback from parents through our annual survey to help us understand parent's experiences within our services, so that we can be responsive to their needs and develop strategies for continuous improvement.

The Board commenced planning in November to develop a new strategic plan for the organisation. Our existing strategic plan was developed in 2008 and has been reviewed and refreshed twice and the Board believes that it is now time to develop a new plan which responds to the changing environment and addresses the challenges and opportunities ahead. The Board has set in place a process which will begin early 2017, to renew the organisations strategies to address key issues of sustainability, maintaining and growing a strong market share and delivery of high quality services that meet the needs of the community.

ECKA continued to engage our staff and communities in the campaign to pressure the federal government to fund 15 hours of kindergarten post December 2017. Jo's continued membership of the Early Learning Association of Australia Board and Early Childhood Development Advisory Group, provides representation at a State level and ensures that we have opportunities to advocate, advise and share experiences, which will benefit us through government direction, planning and policy. An example of this was the announcement that the State Government has listened to our appeal to change the small rural funding model to ensure long term viability of these important community services. The Funding has now been set at a level which reduces

both the fundraising burden on small communities and the financial burden placed on EYM organisations to keep these services open.

ECKA continues to work closely with all local government areas to plan and deliver services in facilities that are fit for purpose and meet the demand of the community. The Mt Helen Preschool closed at the end of 2016 due to declining enrolments and ageing facilities. Planning for new Bonshaw kindergarten began which will see a new two room kinder open to replace Sebastopol West Kindergarten in 2018. Planning for the renovation and extension to both Iris Ramsay and Mt Pleasant kindergartens have commenced with both of these kindergartens to have an additional room built to meet the demand for places and community infrastructure. Planning for an additional room at Trentham kindergarten is also well underway with the primary need to assist families who need long day care.

On behalf of the Board, I would like to thank all ECKA Staff for their work and dedication over the last 6 months, the teachers and educators, the members of the administration and management teams, and in particular the work of Jo Geurts, ECKA CEO for her continued leadership. I also wish to acknowledge Chris Jones who finished up as Treasurer at the end of December for his commitment to the work of ECKA over many years.

Finally thank you again to the families and parents who enrolled their children in an ECKA service or program. We appreciate the trust you place in us to ensure that your child has the opportunity to explore and realise their potential through access and engagement in quality early education.

Paul Ryan Chair

Jo Geurts, CEO



Treasurer's Report

The Audited financial report is a six month report for the period 1st of July 2016 to 31st of December 2016. The change to ECKA's financial year has required us to produce a six month audited financial report, with our next reporting period to be for a twelve month period from January to December 2017.

As part of the Board's financial planning a decision was made to move the sustainability reserve and trust fund reserve into retained earnings, as there was no specific purpose for keeping these funds separate, resulting in the retained earnings being higher. The Board has commenced discussions about an investment strategy to ensure the highest return on our investments can be achieved in 2017 and beyond.

Total liabilities of ECKA at the 31st of December is \$2,090,621.46 which is 44% of total assets, placing the organisation in a good position to meet all of its current obligations. Net Profit for the period was 1.76% or \$57,968.19, down 46% on the previous year.

ECKA will need to continue to closely manage the finances over the coming 12 months and develop new strategies for sustainability and growth, to ensure long term viability.

Geoff Manton, Treasurer

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

**FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2016**

- Auditors Independence Declaration

Profit & Loss Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to and forming part of the Financial Statements

Statement by Members of the Committee

Independent Auditor's Report to the Members


EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

AUDITORS INDEPENDENCE DECLARATION OF THE MEMBERS OF EUREKA COMMUNITY KINDERGARTEN
ASSOCIATION INC.

I declared that, to the best of my knowledge and belief, during the period ended 31 December 2016, there have been:

- i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PPT Audit Pty Ltd
PPT Audit Pty Ltd



Jason D. Hargreaves
Director

Dated this 5th day of May, 2017

20 Lydiard Street South
BALLARAT VIC 3350

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126
Bakery Hill, 3354

Profit & Loss

For the period ended 31 December 2016

	6 Months to December 2016	12 Months to June 2016
Income		
Other Income		
DET Funding Recurrent Grant	\$1,681,501.95	\$3,047,816.92
DET Funding Per Capita Ratio	\$166,270.00	\$0.00
DET Funding Child Fac Cap Prog	\$20,000.00	\$30,341.00
DET Funding Early Start 3YO	\$62,948.67	\$92,106.00
DET Funding Equipment	\$1,340.91	\$0.00
DET Funding Nat Occas CCP	\$23,138.58	\$70,324.60
DET Funding New Kinders	\$2,850.00	\$0.00
DET Funding Fees Subsidy	\$348,066.78	\$538,235.05
DET Teachers Supplement	\$0.00	\$147,050.33
DET Small Rural & Drought Grant	\$30,250.00	\$6,000.00
DET Funding Other	(\$18,796.57)	\$38,520.27
DET Funding Pre Purchased	\$5,390.27	\$100,408.00
DSS Sustainability Grant	\$19,775.00	\$39,720.25
Attendance Fees	\$494,782.22	\$1,124,223.75
Access to Early Learning	\$0.00	\$39,023.50
Ballarat City Council Funding	\$0.00	\$2,894.55
Bank Interest	\$28,687.71	\$80,894.32
CCB Fees	\$104,811.25	\$192,271.43
Contributions Playground	\$0.00	\$15,000.00
Donations	\$0.00	\$7,598.94
Fundraising	\$88,339.29	\$134,827.70
Grants Other	\$418.00	\$909.09
Insurance Claim - Kinders	\$35.41	\$0.00
IPAS Government Funding	\$60,000.00	\$120,000.00
IPAS Kinder Funding	\$18,900.00	\$34,240.00
IPAS Service Charges	\$5,000.00	\$9,212.71
PD Workshops	\$1,980.00	\$14,590.90
Refund A.T.O.	\$103.00	\$0.00
Repaid Unused Take On Leave	\$0.00	\$1,734.95
Reimbursements from Kinders	\$13,508.86	\$4,697.50
Reimbursement for Expenses	\$457.31	\$638.27
Reimbursement Parental Leave	\$16,142.40	\$24,355.83
Service Charges - Kinders	\$76,560.00	\$132,720.00
Service Charges - External	\$9,409.03	\$16,483.35
Traineeship - Contribution	\$8,500.00	\$13,500.00
WorkSafe Reimbursement	\$8,969.20	\$1,392.00
Sundry Income	\$100.00	\$25.00
Total Income	<u>\$3,279,439.27</u>	<u>\$6,081,756.21</u>
Cost of Sales		
Gross Profit	<u>\$3,279,439.27</u>	<u>\$6,081,756.21</u>
Advertising	\$213.85	\$620.86
Anniversary Celebrations	\$0.00	\$1,042.71
Audit Fees	\$5,900.00	\$5,250.00
Awards	\$154.55	\$102.24
Bank Fees	\$80.66	\$275.52
Bank Fees BPoint	\$417.13	\$1,424.78
Bank Fees CommBiz	\$177.00	\$435.18
Bank Fees Merchant Card	\$1,927.00	\$4,525.92
Capital Works Expenses	\$12,465.58	\$94,318.81
Cleaning expenses	\$18,148.34	\$42,418.25
Computer Software	\$0.00	\$190.89
Consultancy	\$0.00	\$920.00
Consumables	\$50,143.00	\$92,147.64
Depreciation - Admin Office Eq	\$2,923.07	\$7,226.51
Depreciation - Admin Buildings	\$3,274.11	\$10,405.84

Eureka Community Kindergarten Ass. Inc

Profit & Loss

For the period ended 31 December 2016

	6 Months to December 2016	12 Months to June 2016
Depreciation - Admin Fix/Fitt	\$972.24	\$1,933.90
Depreciation - Kinders Equip	\$5,379.69	\$7,230.96
Depreciation - Kinder Fix/Fitt	\$3,035.67	\$4,912.16
Depreciation - Kinders Build	\$1,559.53	\$1,706.61
Donations	\$409.09	\$488.30
Equipment Purchases (minor)	\$27,312.70	\$73,905.46
Equipment Purchases (major)	(\$1,189.90)	\$24,389.57
Equipment Repairs/Maintenance	\$4,126.95	\$8,277.95
Excursions/entertainment	\$27,304.88	\$42,916.46
Fundraising Expenses	\$42,718.46	\$78,157.20
Furniture Purchases	\$0.00	\$229.09
Gifts	\$876.16	- \$814.74
Grant Other Expenditure	\$1,649.78	\$4,462.50
IMS	\$0.00	\$6,000.00
Incidentals/Petty Cash	\$4,510.18	\$7,727.55
Insurance	\$5,468.54	\$10,747.88
Internet	\$90.00	\$145.00
IPAS Administration Expenses	\$25.36	\$1,277.67
IPAS Kinder Distribution	\$42,780.00	\$89,944.00
IPAS Kinder Expense	\$22,770.64	\$8,975.76
Land Tax	\$286.74	\$408.00
Licence & Incorp Fees	\$585.20	\$10,246.80
Maintenance Property	\$52,726.36	\$108,877.07
Management Fees	\$76,560.00	\$132,720.00
Marketing	\$1,495.50	\$3,212.92
Meeting Expenses	\$1,404.97	\$2,702.11
Motor Vehicle Running Costs		
MV Depreciation	\$1,445.10	\$0.00
MV Fuel	\$337.55	\$0.00
MV Insurance	\$378.87	\$0.00
MV Registration	\$745.80	\$0.00
MV Repairs & Maintenance	\$130.00	\$0.00
Moving Premises	\$3,120.00	\$2,362.50
PD Workshop Expenses	\$1,390.25	\$13,268.18
Photocopier Plan & Expenses	\$29,431.27	\$57,213.14
Police Checks	\$0.00	\$118.30
Postage	\$4,070.43	\$5,366.40
Printing & Stationery	\$7,147.89	\$14,926.06
Rent Premises	\$7,318.07	\$6,717.13
Resource Library	\$135.75	\$411.77
Rubbish Removal & Shredding	\$2,998.71	\$3,413.79
Security	\$3,030.87	\$5,598.46
Service Charges - ECKA	\$5,000.00	\$9,212.71
SRA Kinder Expenses	\$0.00	\$472.73
Staff Amenities	\$190.60	\$409.49
Staff - Salaries and Wages	\$2,334,600.27	\$4,263,680.29
Staff - Advance Salaries	(\$3,741.28)	\$0.00
Staff - Superannuation	\$201,306.04	\$376,093.47
Staff - Workcover	\$62,909.53	\$46,415.00
Staff - Leave Provisions	\$198,887.75	\$149,327.26
Staff - Health Checks	\$325.00	\$0.00
Staff Board Training - Admin	\$582.27	\$3,907.44
Staff/Comm Training - Kinders	\$17,245.37	\$53,249.39
Subscriptions	\$21,417.92	\$15,988.47
Telephone - Mobile	\$1,030.08	\$2,049.04
Telephone - Kinder Mobile	\$2,530.79	\$5,774.38
Telephone - Landline	\$13,816.27	\$24,777.90
Telephone - SMS Program	\$700.00	\$1,129.00
Travel & Accommodation	\$417.27	\$1,231.62
Uniform	\$0.00	\$160.91
Utilities		
Gas	\$12,639.91	\$15,094.51
Electricity	\$27,680.38	\$46,923.58
Rates - Council	\$6,353.26	\$6,339.66

Eureka Community Kindergarten Ass. Inc

Profit & Loss For the period ended 31 December 2016

	6 Months to December 2016	12 Months to June 2016
Rates - Water	\$11,535.51	\$24,569.03
Website Expenses	\$460.00	\$750.00
Total	<u>\$3,396,250.53</u>	<u>\$6,050,666.42</u>
Operating Profit	<u>(\$116,811.26)</u>	<u>\$31,089.79</u>
Other Income		
Sustainability Unused Leave	\$2,038.99	\$39,734.16
Property Sale Interest	\$26,478.28	\$0.00
Profit on Sale of Property	\$31,138.00	\$0.00
Reversal Op Costs 31 Dec 2016	\$479,279.55	\$0.00
Trans to/from Undis YE Funds	\$39,113.94	\$238,508.94
Transfer from Income in Advanc	\$5,230.88	\$34,723.85
Transfer from Provisions	\$0.00	\$6,430.63
Transfer to Ecka for Op Costs	\$0.00	\$6,009.00
Donation Trust Fund	\$13,046.29	\$0.00
Total Other Income	<u>\$596,325.99</u>	<u>\$325,406.58</u>
Other Expenses		
Contribution to Phoenix Colleg	\$400,000.00	\$0.00
Property Sale Commission	\$16,000.00	\$0.00
Property Sale Legal Fees	\$3,262.82	\$0.00
Distribute Kinder Fundraising	\$0.00	\$2,612.20
Trust Account Annual Movement	\$1,069.40	(\$54.94)
Trans Balance Operating Costs	(\$18,785.68)	\$141,339.96
Transfer to Income in Advance	\$20,000.00	\$0.00
Total Other Expenses	<u>\$421,546.54</u>	<u>\$143,897.22</u>
Net Profit / (Loss)	<u>\$57,968.19</u>	<u>\$212,599.15</u>

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126
Bakery Hill, 3354

Balance Sheet

As at 31 December 2016

	31 December 2016	30 June 2016
Assets		
Current Assets		
Cash On Hand		
V.T.M.B. Cheque Account (S41)	\$348,412.55	\$75,537.81
V.T.M.B. Petty Cash Acc. (S44)	\$50.53	\$50.51
V.T.M.B. Prov. (S46)	\$1,053,854.07	\$1,150,355.90
V.T.M.B. Flexi Term Dep (I140)	\$545,768.13	\$537,790.10
V.T.M.B. Term Deposit (I43)	\$400,000.00	\$0.00
V.T.M.B. Trust Fund (S43)	\$12,399.21	\$12,336.94
Commonwealth Bank Combiz	\$4,299.10	\$10,243.50
ANZ Term Deposit	\$287,221.11	\$284,034.48
Bendigo Bank Term Dep	\$290,241.02	\$290,241.02
CBA Term Deposit No 1	\$191,620.97	\$188,607.39
CBA Term Deposit No 2	\$394,615.63	\$394,615.63
National Bank Term Deposit	\$286,944.89	\$286,944.89
CBA Capital Growth Account	\$522,759.70	\$516,937.22
Petty Cash	\$32.20	\$32.20
Petty Cash Till Float	\$150.00	\$150.00
Total Cash On Hand	\$4,338,369.11	\$3,747,877.59
Accounts Receivable	\$6,811.33	\$1,297.13
Other Debtors	\$3,487.66	\$580.00
Salaries Paid in Advance	\$2,047.02	\$0.00
Total Current Assets	\$4,350,715.12	\$3,749,754.72
Other Assets		
V.T.M.B Membership	\$10.00	\$10.00
Total Other Assets	\$10.00	\$10.00
Fixed Assets		
Admin Equipment		
Admin Equipment at cost	\$36,207.93	\$36,207.93
Admin Equip Accum Dep	(\$18,470.98)	(\$15,547.91)
Total Admin Equipment	\$17,736.95	\$20,660.02
Admin Fixtures & Fittings		
Admin Fix & Fittings at cost	\$13,622.10	\$13,622.10
AdminFixt & Fitting Accum Dep	(\$6,267.63)	(\$5,295.39)
Admin Motor Vehicles		
Admin Vehicles at Cost	\$15,513.60	\$0.00
Admin Vehicles Accum Dep	(\$1,445.10)	\$0.00
Admin Property		
Admin Land & Building at cost	\$188,038.47	\$997,733.75
Admin Building Accum Dep	(\$11,879.47)	(\$54,789.34)
Unincorporated Kinder Assets		
Kinder Assets at cost	\$66,499.84	\$59,675.47
Kinder Assets Accumulated Dep	(\$14,923.29)	(\$9,543.60)
Unincorporated Kinders Fix/Fit		
Kinder Fix & Fittings at cost	\$47,663.96	\$44,331.82
Kinder Fix & Fitting Accum Dep	(\$9,740.48)	(\$6,704.81)
Unincorporated Kinder Property		
Kinder Build/Grounds at cost	\$91,161.47	\$73,029.96
Kinder Build/Grounds Accum Dep	(\$3,237.00)	(\$1,926.83)
Total Fixed Assets	\$392,743.42	\$1,130,793.15
Total Assets	\$4,743,468.54	\$4,880,557.87
Liabilities		
Current Liabilities		
Accounts Payable	\$12,703.97	\$24,597.91
Income in Advance	\$14,769.12	\$0.00
Other Creditors	\$655.00	\$472.00
Accruals	\$706.37	\$0.00
GST Liabilities		
GST Collected	\$132,795.92	\$106,864.29
GST Paid	(\$24,505.37)	(\$24,381.51)

Eureka Community Kindergarten Ass. Inc

Balance Sheet

As at 31 December 2016

	31 December 2016	30 June 2016
Total GST Liabilities	\$108,290.55	\$82,482.78
Payroll Liabilities		
PAYG, Super & Wages Payable	\$117,145.79	\$133,242.28
Total Payroll Liabilities	\$117,145.79	\$133,242.28
Undistributed Year End Funds	\$176,390.80	\$215,504.74
Trust Fund Account	\$0.00	\$11,976.89
Total Current Liabilities	\$430,661.60	\$468,276.60
Provisions		
Provision L.S.L. (Current)	\$456,363.96	\$422,555.72
Provision Holidays (Current)	\$345,167.48	\$172,404.90
Provision Loading (Current)	\$5,137.32	\$16,934.41
Provision Sick Leave (Current)	\$625,864.11	\$644,009.08
Provision LSL (Unpaid Leave)	\$5,842.19	\$1,772.52
Provision Sick L (Unpaid Leave)	\$24,645.03	\$23,133.12
Provision LSL Hepburn Shire	\$653.50	\$653.50
Provision LSL (Previous)	\$46,441.78	\$44,185.90
Provision Sick Leave (previous)	\$149,844.49	\$137,461.95
Total Provisions	\$1,659,959.86	\$1,463,111.10
Total Liabilities	\$2,090,621.46	\$1,931,387.70
Net Assets	\$2,652,847.08	\$2,949,170.17
Equity		
Owner's Equity		
Kinder Capital Contributions	\$12,000.00	\$12,000.00
Property Aquisition 2010	\$0.00	\$809,000.00
Total Owner's Equity	\$12,000.00	\$821,000.00
Reserves		
Reserve Sustainability	\$0.00	\$107,885.76
Reserve Unincorporated Kinders	\$342,799.04	\$1,750,736.19
Total Reserves	\$342,799.04	\$1,858,621.95
Retained Earnings	\$2,240,079.85	\$56,949.07
Current Year Earnings	\$57,968.19	\$212,599.15
Total Equity	\$2,652,847.08	\$2,949,170.17

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016

	Note	Retained Earnings	Kinder Capital Cont.	Sustain. Reserve	Unincorp. Kinders Reserve	Total
		\$	\$	\$	\$	\$
Balance at 30 June 2015		1,122,843	11,500	68,152	1,333,350	2,535,845
Surplus for the Year		212,600	-	-	-	212,600
New Capital Received		-	500	-	58,885	59,385
Transfer to Retained Earnings		(256,895)	-	39,734	217,161	-
Transfer from Incorporated to Unincorporated		-	-	-	141,340	141,340
Balance at 30 June 2016		<u>1,078,548</u>	<u>12,000</u>	<u>107,886</u>	<u>1,750,736</u>	<u>2,949,170</u>
Deficit from Ordinary Activities	2	(421,311)	-	-	-	(421,311)
<i>Reversal of Accumulated Surpluses at the time of Unincorporation</i>	2	479,279	-	-	(479,279)	-
<i>Transfer of Accumulated Unincorporated Kindergarten Surpluses to Retained Earnings</i>		665,368	-	-	(665,368)	-
<i>Allocation of Accumulated Unincorporated Kindergarten Deficits (Net of Depreciation) Against the Original Deposits Made by Kindergartens and Offset against Retained Earnings</i>		231,721	-	-	(231,721)	-
<i>Prior year Capital Purchases Deducted from the Original Kindergarten Funds Held in Unincorporated Kindergarten Reserve</i>		148,901	-	-	(148,901)	-
Transfer of Unincorporated Kindergarten Reserve Balance on Closure of Kindergarten		7,656	-	-	(7,656)	-
Transfer to Retained Earnings		107,886	-	(107,886)	-	-
New Capital Received		-	-	-	124,988	124,988
Balance at 31 December 2016		<u>2,298,048</u>	<u>12,000</u>	<u>-</u>	<u>342,799</u>	<u>2,652,847</u>

Note: Items shown in italic are the result of changes in accounting policy in relation to the recognition and management of unincorporated kindergarten reserves.

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2016

	Note	6 months to December 2016 \$ Inflows (Outflows)	12 months to June 2016 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government & Community		3,265,438	6,281,584
Payments to Suppliers & Employees		(3,605,699)	(5,996,389)
Interest Received		<u>55,166</u>	<u>80,894</u>
	3(b)	<u>(285,095)</u>	<u>366,089</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets		(49,401)	(91,262)
Proceeds from Disposal of Fixed Assets		800,000	-
New Kinder Capital Received		<u>124,988</u>	<u>59,385</u>
		<u>875,587</u>	<u>(31,877)</u>
Net Increase in Cash Held		590,492	334,212
Cash at Beginning of Year		<u>3,747,877</u>	<u>3,413,665</u>
CASH AT END OF YEAR	3(a)	<u>4,338,369</u>	<u>3,747,877</u>

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

NOTE 1 – Statement of Accounting Policies

(a) Basis of Accounting

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of section 60.40 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Associations Incorporation Reform Act 2012*. The Committee has determined that the association is a non-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

(b) Property, Plant and Equipment

Items of Plant & Equipment are included at cost. All assets are depreciated on a prime cost basis at the following rates:

- Plant & Equipment	2.5% - 25%
- Buildings	2.5% - 10%

(c) Income Tax

The Association is exempt from Income Tax pursuant to the Income Tax Assessment Act 1997 as amended.

(d) Employee Entitlements

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

The Association's employees are entitled to take long service leave after 10 years of continuous service. Long service leave entitlements accrue at a rate of 13 weeks after 15 years.

Provision for Sick Leave and Long Service Leave is recorded for previous employees who are still employed in the sector in Victoria. Such provision is held until the previous employee leaves the sector for a period greater than three months.

Staff are entitled to leave loading on 4 weeks of annual leave at the rate of 17.5%.

(e) Comparative Amounts

Comparative figures have been reclassified where the Committee believes it results in improved presentation.

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

(f) Change of Financial Year

The financial year end of the association has been changed from 30 June to 31 December effective from 31 December 2016. Accordingly, comparative amounts in the profit and loss statement, cash flow statement and notes to the financial statements cover the 12 months ended 30 June 2016 whilst the current period amounts cover the 6 months ended 31 December 2016.

	6 months to December 2016 \$	12 months to June 2016 \$
NOTE 2 – Surplus		
Operating Surplus (Deficit) attributable to ECKA Administration	(364,354)	(44,295)
Operating Surplus (Deficit) attributable to Unincorporated Kindergartens	(58,996)	217,161
Operating Surplus attributable to Sustainability unused leave	2,039	39,734
	<u>(421,311)</u>	<u>212,600</u>
Reversal of Accumulated Surpluses at the time of Unincorporation	<u>479,279</u>	<u>-</u>
	<u>57,968</u>	<u>212,600</u>

NOTE 3 – Cash Flow Information

(a) Reconciliation of Cash		
Cash at the end of the financial period as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows -		
Cash at bank and on hand	<u>4,338,369</u>	<u>3,747,877</u>
(b) Reconciliation of surplus to net cash flows from operations as follows -		
Surplus for the period	57,968	212,600
<i>Adjustment for non-cash items:</i>		
Depreciation	18,589	33,416
Profit on Disposal of Fixed Assets	(31,138)	-
Reversal of Accumulated Surpluses at the time of Unincorporation	(479,279)	-
<i>Movement in Balance Sheet accounts:</i>		
(Increase) Decrease in Debtors	(8,422)	93,693
(Increase) Decrease in Prepayments	(2,047)	-
Increase (Decrease) in Creditors	(1,293)	55,560
Increase (Decrease) in Income in Advance	(36,322)	(131,948)
Increase (Decrease) in Provisions	<u>196,849</u>	<u>102,768</u>
	<u>(285,095)</u>	<u>366,089</u>

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION 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:

- i) satisfies the requirement of the *Australian Charities and Not-for-profits Commission Act 2012*, and
- ii) presents fairly the Association's financial position as at 31 December 2016 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

In the Committee's opinion 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 subsection 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* and a resolution of the committee, and is signed for and on behalf of the committee by:


.....
Paul Ryan (Chairman)


.....
Geoffrey Manton (Treasurer)

Dated this 8th day of May, 2017.



EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.**

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Eureka Community Kindergarten Association Inc (the Association), which comprises the balance sheet as at 31 December 2016, the profit and loss statement and the cash flow statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of the Association for the period ended 31 December 2016 is prepared, in all material respects, in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*:

- i. giving a true and fair view of the Association's financial position as at 31 December 2016 and of its financial performance for the period ended, and
- ii. complying with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-profits Regulation 2013*.

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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Association, would be in the same terms if given to the members as at the time of this auditor's report.

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 is prepared to assist the Association in fulfilling its financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.****Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with *the Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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.

As part of an audit in accordance with the 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 management.



Office 20 Lydlard Street South, Ballarat
Post PO Box 605, Ballarat VIC 3353

Email ppt@ppt.com.au
Web www.ppt.com.au

Phone (03) 5331 3711
Fax (03) 5331 7980

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

- Conclude on the appropriateness of the management'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 reporter, 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 management 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.

PPT Audit Pty Ltd
PPT Audit Pty Ltd

A large, stylized handwritten signature in black ink, appearing to read 'J. Hargreaves', written over a dotted line.

Jason D. Hargreaves
Director

Dated this 9th day of May, 2017

20 Lydiard Street South
BALLARAT VIC 3350

Board of Management

Paul Ryan (Chair)

Geoff Manton (Treasurer)

Derek Wolstenholme (Secretary)

Sandy Facey

Lisa West

Katherine Cape

Christopher Hannah

Joanne Geurts CEO

ECKA Managed Services

Kindergarten	Joined ECKA
Ballarat North Kindergarten	2003
Brown Hill Kindergarten	2003
Mt Clear Community Kindergarten	2003
Mt Pleasant Kindergarten	2003
Sebastopol Kindergarten (Phoenix Kindergarten)	2003
Sebastopol South Kindergarten	2003
Rowan View Preschool	2004
Bakery Hill Kindergarten	2005
Creswick & District Preschool	2005
Delacombe Community Kindergarten	2005
Haddon Kindergarten	2005
Iris Ramsay Kindergarten	2005
Sebastopol West Kindergarten	2005
Ballarat Fidelity Club Kindergarten	2006
Elizabeth Watkin Kindergarten	2006
Midlands Kindergarten	2007
Linda Brown Preschool	2009
Wallace & District Kindergarten	2011
Clunes & District Preschool	2011
Daylesford Kindergarten	2011
Hepburn Kindergarten	2011
Trentham Kindergarten	2011
Haddon Community Childcare	2011
Beaufort Early Learning Centre	2011
Pyrenees Shire Family Day Care	2012
Creswick Occasional Care	2012
Mt Helen Preschool	2012
Trentham Occasional Care	2014
Ballarat Fidelity Club Early Learning Centre	2016
Waubra Preschool	2016

