

ANNUAL REPORT

2013



ECKA 2013 Annual Report

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2012 Annual General Meeting Minutes

Eureka Community Kindergarten Association Inc. ANNUAL GENERAL MEETING 2012

Tuesday 20th November, 2012

Minutes

Meeting Opened: 7.35pm

Present: Pauline Wallace, Brett McKinnis, Chris Mulheron, Katherine Cape (DEECD), Derek Wolstenholme, Jo Geurts, Michelle Pryor, Stephen Casey, Janine Tardrew, Liz Bandy, Heather Boyd, Paul Ballinger, Jacqueline McKenzie, Sandy Facey (PINARC), Brooke Hallett, Amanda Rossato, Dana Ronan, Christina Hosemans.

Apologies: Gail Petrie, Annelies Strietman, Barb Toogood, Kathleen Brannigan, Kylea Hughes, Ruth Kinnersly, Joanna Brennan, Chris Jones

Moved: Michelle Seconded: Steve Carried.

Minutes of Previous Meeting:

These were distributed in the Annual Report.

Moved: Michelle Seconded: Steve Carried.

Presentation of Reports

- Chairman – read as presented in the report
- ECKA Manager – read as presented in the report
- Treasurer – read as presented in the report.

Moved: Michelle Seconded: Paul Carried

Confirmation of Board Members

Brett McKinnis, Derek Wolstenholme, Gail Petrie, Christina Hosemans, Stephen Casey, Paul Ballinger, and Chris Jones maintain positions on the Board. Michelle Pryor and Chris Mulheron have resigned from the Board. Jennie Cohalan – Ballarat University- has nominated for a position on the Board and nomination accepted. Another nomination for the remaining vacancy yet to be confirmed.

Appointment of Auditor

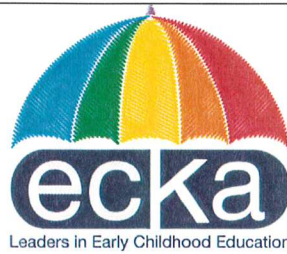
Michelle Pryor moved that Prowse Perrin and Twomey be appointed as auditors for 2013.

Seconded: Paul Carried

Pauline Wallace (Life Member) congratulated the Board for the progress that has been made since the beginning of ECKA in 2002.

Katherine Cape (DEECD) congratulated ECKA on the outstanding work they do as a Cluster Manager and in managing changes in the sector.

Meeting Closed: 8.15pm



Chairman Report

Once again the past 12 months have seen a high priority placed on providing high quality early education and care services to the more than 1500 children attending ECKA managed services. It has been wonderful to see that our success in this area is being reflected in some great results from the services that have been through the National Quality Framework Assessment and Rating process. We have had 3 kindergarten services rated as Exceeding National Quality Standards, with one kinder being visited by government and industry representatives as an example of what is required to achieve an Exceeding rating. I would like to thank all the ECKA Educators who continue to provide such high quality education and care services and am pleased to see that we have been able to provide support for a high level of ongoing support for continuing professional development for our Educators.

The introduction of 15 hours of kindergarten for 4yo children saw the increase in hours of employment for many staff and the requirement for employment of a number of new staff members, which, as expected, has put increased pressure on providing relief staff. We are fortunate to have a good team of relief staff available, and thanks must also go to all the permanent staff who have stepped in to cover absences on their days off.

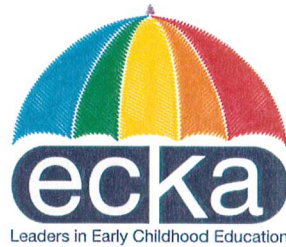
The on-going building works at two of our services have provided huge challenges for the staff at those kindergartens and they are to be congratulated for continuing to operate in such conditions. Our CEO has also spent countless hours in managing this process with Ballarat Council, and with the extensions to four more of our services this work will continue.

Much work is undertaken each year to ensure the ongoing sustainability of ECKA and its services, and a number of strategies have been focussed on this year. After extensive work in trying to find a suitable location for the ECKA office, we have purchased a building at 11 Grandview Grove, Wendouree. It is fantastic to have a permanent 'home' for ECKA. The ECKA strategic plan is being reviewed as we come to the end of our previous 3 year plan. We are confident that the direction that ECKA has been taking is still current, although refining is always necessary to ensure that we not only keep up with changes in the sector, but actually lead the way for the Ballarat and surrounding areas.

You will have already noticed that one of the changes to come out of our previous strategic process is the change to the ECKA logo. It was felt that a more corporate logo was needed to support ongoing growth of the organisation, but the importance of maintaining the original umbrella to represent ECKA's desire to meet the needs of all services under its 'care' was respected.

Much work is also being undertaken by the ECKA finance sub-committee and the ECKA Accountant to ensure budget decisions support the future sustainability of ECKA and the services we manage.

I would like to extend a sincere thank-you to all Board members to the time and support they provide to the oversight of ECKA and ensuring the ongoing direction of ECKA meets the needs of all the families who make up our members. Thank-you to Stephen Casey who is retiring from the Board, and I would like to especially thank Chris Mulheron and Michelle Pryor two Board members who retired in the last 12 months, for their work on the Board over a number of years including holding Executive positions for a number of years. I am happy to confer Life Membership of ECKA for them both.



Manager Report

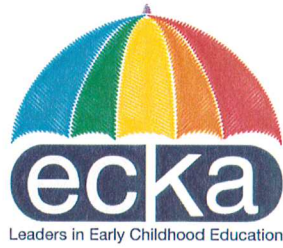
It is with great pleasure that I present the Managers report at the tenth Annual General Meeting of ECKA. I would like to start by thanking all staff, management and Educators, for their fantastic efforts in implementing the National Quality Framework (NQF). The NQF has given each centre the opportunity to demonstrate their quality programs and practice, as well as demonstrating effective leadership and management. Assessment and rating visits commenced at the beginning of our financial year in July 2012 and through to June 2013 seven ECKA services have been assessed and rated. The process is completely new and has invoked some anxiety and doubt in all of us, but, it has been great to see how well all staff have supported each other to achieve some great results.

The other significant reform that ECKA staff have successfully implemented in 2013 has been Universal access to 15 hours of funded kindergarten. I wish to extend my sincere thanks to all staff for their efforts and commitment to providing all children with 15 hours of high quality education each week in the year proceeding school entry. There are some great success stories of team teaching and cohesive program planning and implementation. I am also very proud of the staff who have demonstrated their commitment to the inclusion of vulnerable children in their programs. The challenges have sometimes been enormous, and the energy and efforts put in by staff to engage families and children at risk is to be highly commended.

The Department of Education and Early Childhood Development has undertaken two reviews during this financial year of which I have been able to represent ECKA and participate in both. The Kindergarten funding model has been reviewed and Kindergarten Cluster Management (KCM) model has also been reviewed. The sector is currently awaiting results and recommendations with a particular focus on the funding and sustainability.

My involvement in the Board of Early Learning Association Australia (formerly KPV), has been a great opportunity to represent ECKA and Kindergarten Cluster Management at both a state and federal level. I have had the opportunity to participate in reference and advisory groups and meet with Ministers and other government representatives to discuss issues affecting our sector.

I would like to extend my sincere thanks to all staff, the volunteer parent groups and committee members whose contribution and support is greatly appreciated, and to the voluntary ECKA Board members who have once again worked hard to develop and monitor the strategic plan, and ensure that ECKA is a high quality and sustainable Kindergarten Cluster Manager.



ECKA 2013 Treasurer's Report

The ECKA group now includes Mt Helen Pre School and during the year an additional two of our kindergartens/pre schools became unincorporated meaning that ECKA is now responsible for all their transactions. Ensuring that these processes run smoothly as always means additional work for ECKA Administration staff and I wish to thank them again for all their work in this and all aspects of the work required ensuring smooth running of the ECKA Accounts.

This year the Administration arm of ECKA has made a surplus of \$16,682. This figure is reconciled on page 11 of the accounts along with the surplus made by our unincorporated kindergartens of \$55,904. We now have eight unincorporated kinders. We continue to maintain separate reports for every kindergarten we administer to enable us to identify their individual funds held by ECKA.

At the end of June we held \$440,941 (refer to the Balance Sheet Current Liabilities) on behalf of the incorporated kindergartens and \$700,375 (refer page 8) on behalf of the unincorporated kindergartens. The funds held for the unincorporated kindergartens include all monies previously held by the kindergartens and any surplus/deficit from the ECKA accounts.

At the end of June ECKA had paid a deposit and some council fees towards the purchase of the building at 11 Grandview Grove, Wendouree totaling \$17,802. The total cost of the land and building was \$162,000 and there have been additional costs incurred to make it suitable for use as our office. This has been a fantastic decision for ECKA as we were aware that we would need to move from Delacombe and were facing huge leasing costs for the first time. As a result of not paying rent over the years we have managed to hold back some monies each year enabling us to now purchase our own building.

I would like to thank Jo for all her work including the applying and getting grants and all of the staff of ECKA for their assistance and wish the incoming board well for the year ahead.

Christina Hosemans
Treasurer

Board of Management

Brett McKinnis (Chair) **Chris Jones** (Vice Chair) **Christina Hosemans** (treasurer)

Derek Wolstenholme (Secretary) **Gail Petrie** **Stephen Casey**

Jennie Cohalan **Sandy Facey** **Paul Ballinger**

Joanne Geurts Manager **Liz Bandy** Teacher Representative

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	2003
Sebastopol South Kindergarten	2003
Wendouree Preschool	2003 (transferred to Ballarat Council 2007)
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 Occasional Care	2011
Beaufort Early Learning Centre	2011
Pyrenees Shire Family Day Care	2012
Creswick Occasional Care	2012
Mt Helen Preschool	2012

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

Profit & Loss Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to and forming part of the Accounts

Committee's Declaration

Independent Auditor's Report to the Members

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126

Bakery Hill, 3354

Profit & Loss

July 2012 through June 2013

	Note	This Year	Last Year
Income			
DEECD Funding		\$2,755,622.18	\$2,572,302.99
DEECD Funding PYA		(\$84,580.67)	(\$1,459.40)
DEECD Funding Change M/ment		\$0.00	\$42,000.00
DEECD Funding Child Care Prog		\$10,072.50	\$0.00
DEECD Funding Capital Works		\$0.00	\$4,500.00
DEECD Funding Early Start 3YO		\$36,500.00	\$10,865.00
DEECD Funding New Kinders		\$1,209.00	\$5,926.50
DEECD Funding Fees Subsidy		\$448,356.50	\$0.00
DEECD Teachers Supplement		\$136,054.00	\$115,355.00
DEECD Small Rural Grant		\$7,500.00	\$0.00
DEECD Funding Other		\$2,677.20	\$21,472.00
Govt Incentive Payment PD		\$10,500.00	\$29,500.00
IESIP funding- Kinder		\$16,862.89	\$20,441.08
DEEWR Sustainability Grant		\$30,217.50	\$9,913.75
Attendance Fees		\$1,006,024.78	\$803,943.59
Bank Interest		\$94,861.24	\$104,770.86
CCB Fees		\$126,332.31	\$82,525.79
Donations		\$606.88	\$500.00
Fundraising		\$57,772.10	\$52,539.27
Grants Other		\$7,500.00	\$3,700.00
Hire of Premises		\$0.00	\$360.00
Insurance Claim - Kinders		\$0.00	\$2,227.27
Management Fees		\$0.00	\$10,438.98
MSPA Workcover Refund		\$0.00	\$12,091.85
Refund A.T.O.		\$239.00	\$1,872.04
Refunds - Miscellaneous		\$534.10	\$0.00
Refund Staff Entitlements		\$0.00	\$67,330.55
Reimbursements from Kinders		\$6,159.90	\$41,814.56
Reimbursement from Parents		\$0.00	\$56.00
Reimbursement for Expenses		\$12,227.33	\$2,999.70
Reimbursement DEECD Funding		\$24,008.00	\$1,247.27
Reimbursement of Wages		\$0.00	\$6,223.95
Reimbursement Staff Training		\$101.75	\$993.48
Reimbursement Parental Leave		\$40,116.36	\$0.00
Service Charges - Kinders		\$61,160.00	\$31,820.00
Service Charges - External		\$113,601.55	\$65,918.73
SRA Administration Funds		\$9,775.00	\$7,657.15
SRA Support Funding		\$89,323.95	\$72,650.27
Tax Refund (2012 only)		\$0.00	\$138.07
WorkSafe Reimbursement		\$361.38	\$0.00
University Student Allowance		\$7,450.50	\$11,543.75
Sundry Income		\$650.00	\$0.00
Total Income		\$5,029,797.23	\$4,216,180.05

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126
Bakery Hill, 3354

Profit & Loss

July 2012 through June 2013

	Note	This Year	Last Year
Expenses			
Advertising		\$4,040.84	\$5,744.05
Audit Fees		\$5,270.00	\$4,825.00
Bank Fees		\$328.57	\$173.66
Bank Fees Merchant Card		\$6,868.34	\$6,112.31
Capital Works Expenses		\$140,749.53	\$39,525.89
Cleaning expenses		\$39,130.60	\$38,814.19
Computer Maintenance Agreement		\$495.44	\$90.82
Computer Software		\$99.90	\$0.00
Consultancy		\$0.00	\$1,596.00
Consumables		\$106,522.82	\$115,795.89
Depreciation - Office Equip		\$3,358.54	\$2,819.83
Depreciation - Buildings		\$6,935.88	\$6,954.88
Donations/Gifts		\$542.22	\$0.00
EYLDF Licences - Class Mon		\$0.00	\$4,607.87
Equip & IT Grant Expenditure		\$0.00	\$33,644.59
Equipment Purchases (minor)		\$96,122.27	\$81,127.29
Equipment Purchases (major)		\$27,167.41	\$10,801.91
Equipment Repairs/Maintenance		\$6,555.52	\$5,410.64
Excursions/entertainment		\$56,588.56	\$61,398.60
Fundraising Expenses		\$39,768.34	\$30,401.54
Furniture Purchases		\$0.00	\$26,389.64
Incidentals/Petty Cash		\$5,047.19	\$0.00
Grant Other Expenditure		\$908.53	\$1,200.00
Insurance		\$10,358.94	\$12,870.81
Internet		\$654.48	\$628.07
IESIP Expenditure		\$2,805.42	\$6,644.55
IT Purchases		\$0.00	\$2,675.40
Legal Fees		\$0.00	\$372.73
Licence & Incorp Fees		\$13,458.00	\$825.78
Maintenance Property		\$82,773.17	\$84,876.51
Management Fees		\$65,490.16	\$7,485.23
Marketing		\$2,575.12	\$5,182.69
Meeting Expenses		\$1,967.19	\$1,886.88
MSPA Expenses		\$0.00	\$2,146.09
Petty Cash Advance		\$0.00	\$1,851.02
Photocopier Plan & Expenses		\$15,080.31	\$0.00
Police Checks		\$3,243.95	\$1,000.62
Postage		\$4,660.83	\$4,901.92
Printing & Stationery		\$36,839.23	\$43,589.43
Rent Premises		\$5,387.61	\$1,309.00
Sub Total		\$791,794.91	\$655,681.33

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126
Bakery Hill, 3354

Profit & Loss

July 2012 through June 2013

	Note	This Year	Last Year
Rubbish Removal & Shredding		\$2,480.46	\$47.27
Service Charges - ECKA		\$30,480.00	\$31,820.00
SRA Support Funding Distrib.		\$43,202.11	\$73,072.13
SRA Administration Expenses		\$3,047.08	\$780.00
Staff Amenities		\$263.79	\$75.92
Staff - Salaries and Wages		\$3,363,880.66	\$2,822,339.50
Staff - Superannuation		\$276,865.53	\$232,800.03
Staff - Workcover		\$47,177.25	\$41,138.08
Staff - Leave Provisions		\$200,670.44	\$111,774.72
Staff - Health Checks		\$0.00	\$18.00
Staff - Medical Expenses		\$1,104.50	\$0.00
Staff - Salary Sacrifice		\$0.00	\$35.00
Staff Training - Admin		\$1,472.00	\$2,405.19
Staff Training - Kinder Staff		\$37,807.32	\$30,170.93
Subscriptions		\$14,712.82	\$8,452.48
Telephone - Mobile		\$1,687.64	\$1,842.00
Telephone - Kinder Mobile		\$3,424.14	\$3,037.13
Telephone - Landline		\$20,498.93	\$24,109.25
Telephone - SMS Program		\$579.00	\$779.00
Travel & Accommodation		\$586.68	\$452.45
Uni Student Allowance Payment		\$7,450.50	\$11,645.00
Uniform		\$0.00	\$695.00
Gas		\$16,088.65	\$13,159.93
Electricity		\$34,151.46	\$29,127.21
Rates - Council		\$373.06	\$0.00
Rates - Water		\$18,254.54	\$14,108.73
Rates - Garbage		\$0.00	\$1,713.00
Wages & On Costs MSPA		\$0.00	\$503.24
Website Expenses		\$400.00	\$449.09
Total Expenses		\$4,918,453.47	\$4,112,231.61
Other Income			
Balance from Previous Year		\$0.00	\$0.00
Festivals to be Funded		\$1,000.00	\$0.00
Change Management Grant		\$36,652.44	\$0.00
Transfer to Ecka for Operation Costs		\$21,139.13	\$0.00
Trust Fund Annual Movement		\$0.00	\$652.48
ATO Tax Refund		\$580.65	\$0.00
Total Other Income		\$59,372.22	\$652.48

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126

Bakery Hill, 3354

Profit & Loss

July 2012 through June 2013

	Note	This Year	Last Year
Other Expenses			
Distribution from ECKA		\$5,000.00	\$0.00
Distribute Kinder Fundraising		\$5,799.90	\$9,339.50
Festivals to be Funded		\$556.79	\$0.00
Trust Fund Fee Support		\$520.00	\$0.00
Trust Account Annual Movement		\$952.38	\$0.00
Transfer to/from Undistributed Year End Funds		\$65,826.82	(\$34,572.52)
Transfer Balance Operating Costs		\$9,139.13	\$0.00
ATO Tax Adjustment		\$834.99	\$0.00
Transfer to Income in Advance		\$0.00	\$30,501.59
Transfer To Provisions		\$9,500.00	\$4,000.00
Total Other Expenses		\$98,130.01	\$9,268.57
Net Profit	2	\$72,585.97	\$95,332.35

Eureka Community Kindergarten Ass. Inc

P.O. Box 2126
Bakery Hill, 3354

Balance Sheet

June 2013

	This Year	Last Year
Assets		
Current Assets		
V.T.C.U. Cheque Account (S41)	\$302,403.48	\$182,515.87
V.T.C.U Kinder Sub Accounts	\$1.68	\$1.16
V.T.C.U. Petty Cash Acc. (S44)	\$50.39	\$50.35
V.T.C.U Prov. (S46)	\$702,827.77	\$535,433.34
V.T.C.U Flexi Term Dep (I43)	\$478,362.72	\$455,698.97
V.T.C.U Trust Fund (S43)	\$10,626.88	\$11,796.11
Commonwealth Bank Combiz	\$16,661.59	\$0.00
ANZ Term Deposit	\$258,831.96	\$250,000.00
Bendigo Bank Term Dep	\$262,647.07	\$250,215.57
CBA Term Deposit No 1	\$171,401.92	\$166,804.58
CBA Term Deposit No 2	\$355,097.07	\$339,120.42
National Bank Term Deposit	\$262,017.76	\$250,000.00
Petty Cash	\$32.20	\$32.20
Accounts Receivable	\$7,840.23	\$12,958.88
Other Debtor Overpaid Wages	\$1,110.14	\$0.00
Other Debtors	\$500.00	\$0.00
Kinder Unfunded Staff Prov.	\$4,814.59	\$0.00
Total Current Assets	\$2,835,227.45	\$2,454,627.45
Other Assets		
V.T.C.U. Membership	\$10.00	\$10.00
Total Other Assets	\$10.00	\$10.00
Fixed Assets		
Office Equipment at cost	\$23,550.57	\$22,135.12
Office Equip Accum Dep	-\$12,069.62	-\$8,711.08
Land & Building at cost	\$809,695.28	\$809,695.28
Building Accum Dep	-\$23,818.14	-\$16,882.26
Property Purchase	\$17,802.25	\$0.00
Total Fixed Assets	\$815,160.34	\$806,237.06
Total Assets	\$3,650,397.79	\$3,260,874.51

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126

Bakery Hill, 3354

Balance Sheet

June 2013

	This Year	Last Year
Liabilities		
Current Liabilities		
Accounts Payable	\$21,871.57	\$22,820.37
Income in Advance	\$17,224.28	\$67,968.19
Deposits Received in Advance	\$220.00	\$0.00
Overpaid DEECD Grant 2012	\$0.00	\$2,677.20
Other Creditors	\$1,117.00	\$12,600.00
Accruals	\$0.00	\$1,650.00
GST Collected	\$110,949.14	\$78,993.15
GST Paid	-\$21,743.33	-\$18,648.05
PAYG, Super & Wages Payable	\$75,660.56	\$58,356.31
Undistributed Year End Funds	\$440,941.08	\$414,548.65
Trust Fund Account	\$11,976.13	\$11,023.75
Total Current Liabilities	\$658,216.43	\$651,989.57
Provisions		
Provision L.S.L. (Current)	\$290,212.63	\$235,630.17
Provision Holidays (Current)	\$131,087.54	\$99,345.12
Provision Loading (Current)	\$11,856.60	\$9,446.07
Provision Sick Leave (Current)	\$481,219.05	\$412,857.95
Provision LSL (Unpaid Leave)	\$15,836.04	\$3,257.43
Provision Sick L (Unpaid Leave)	\$44,474.03	\$0.00
Provision LSL Hepburn Shire	\$639.22	\$623.69
Provision LSL (Previous)	\$53,731.53	\$52,848.07
Provision Sick Leave (previous)	\$194,698.96	\$199,262.07
Provision for Parental Leave	\$6,000.00	\$0.00
Provision Resource Library	\$215.16	-\$26.29
Provision Staff Welfare	\$602.89	\$752.39
Provision Equipment/Furniture	\$0.00	\$6,000.00
Provision for O.H. & S	\$2,576.64	\$2,576.64
Provision for Prof Dev	\$3,837.07	\$3,837.07
Total Provisions	\$1,236,987.36	\$1,026,410.38
Total Liabilities	\$1,895,203.79	\$1,678,399.95
Net Assets	\$1,755,194.00	\$1,582,474.56

Eureka Community Kindergarten Ass. Inc

P.O.Box 2126

Bakery Hill, 3354

Balance Sheet

June 2013

	This Year	Last Year
Equity		
Owner's Equity		
Kinder Capital Contributions	\$11,500.00	\$11,000.00
Property Aquisition 2010	\$809,000.00	\$809,000.00
Retained Earnings	\$161,733.03	\$151,096.85
Current Year Earnings	\$72,585.97	\$6,253.15
Total Owner's Equity	\$1,054,819.00	\$977,350.00
Reserves		
Reserve Overpaid Funding	\$0.00	\$60,287.01
Reserve Unincorporated Kinders	\$700,375.00	\$544,837.55
Total Reserves	\$700,375.00	\$605,124.56
Total Equity	\$1,755,194.00	\$1,582,474.56

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Retained Earnings	Kinder Capital Contributions	Overpaid Funding Reserve	Special Projects Reserve/ Unincorp. Kinders Reserve	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2011	952,748	8,500	60,287	196,106	1,217,641
Surplus from Operations	95,332	-	-	-	95,332
New Capital Received	-	2,500	-	209,778	212,278
Transfer from Incorporated to Unincorporated	-	-	-	49,875	49,875
MSPA Merger	7,348	-	-	-	7,348
Transfer to/(from) Reserves	(89,078)	-	-	89,078	-
Balance at 30 June 2012	<u>966,350</u>	<u>11,000</u>	<u>60,287</u>	<u>544,837</u>	<u>1,582,474</u>
Surplus from Operations	72,586	-	-	-	72,586
New Capital Received	-	500	-	60,200	60,700
Transfer from Incorporated to Unincorporated	-	-	-	39,434	39,434
Transfer to/(from) Reserves	4,383	-	(60,287)	55,904	-
Balance at 30 June 2013	<u>1,043,319</u>	<u>11,500</u>	<u>-</u>	<u>700,375</u>	<u>1,755,194</u>

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$ Inflows (Outflows)	2012 \$ Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government & Community		4,966,927	4,190,538
Payments to Suppliers & Employees		(4,763,409)	(3,920,599)
Interest Received		94,861	104,771
		<u>298,379</u>	<u>375,362</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Purchase of Fixed Assets		(19,218)	(7,367)
Mineral Springs Pre-School Association		-	7,348
Deposits from Unincorporated Kinders		99,633	259,652
New Kinder Capital Contributions		500	2,500
		<u>80,915</u>	<u>262,133</u>
Net Increase in Cash Held		379,294	637,495
Cash at Beginning of Year		<u>2,441,668</u>	<u>1,804,173</u>
CASH AT END OF YEAR	3(a)	<u><u>2,820,962</u></u>	<u><u>2,441,668</u></u>

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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 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 year unless otherwise stated, have been adopted in the preparation of this financial report

(a) 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	5% - 25%
Buildings	2.5%

(b) Income Tax

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

(c) 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 13 weeks Long Service Leave after 10 years of continuous service.

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

Staff are entitled to leave loading at the rate of 17.5% in relation to their annual leave.

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 2 – Profit		
Profit attributable to ECKA Administration	16,682	6,253
Profit attributable to Unincorporated Kindergartens	<u>55,904</u>	<u>89,079</u>
	<u>72,586</u>	<u>95,332</u>

NOTE 3 – Cash Flow Information

(a)	Reconciliation of Cash		
	Cash at the end of the financial year 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>2,820,962</u>	<u>2,441,668</u>
(b)	Reconciliation of operating surplus to net cash flows from operations as follows -		
	Operating surplus for year	72,586	95,332
	Adjustment for non-cash items -		
	(Increase) Decrease in Debtors	(1,306)	18,325
	Depreciation	10,294	9,775
	Increase/(Decrease) in Creditors	29,627	57,326
	Increase/(Decrease) in Income in Advance	(23,399)	58,127
	Increase/(Decrease) in Provisions	<u>210,577</u>	<u>136,477</u>
		<u>298,379</u>	<u>375,362</u>

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the Association is not a reporting entity.

The committee has determined 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:

1. Presents fairly the Association's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. 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 a resolution of the committee and is signed for and on behalf of the committee by:



.....
Brett McKinnis (Chairman)



.....
Christina Hosemans (Treasurer)

Dated this 5th day of November, 2013.

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

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

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Eureka Community Kindergarten Association Inc., which comprises the balance sheet as at 30 June 2013, and the income statement, and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by the members of the Committee.

Committees' responsibility for the financial report

The Committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Associations Incorporation Reform Act 2012* and are appropriate to meet the needs of the members. The Committees' responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an audit opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 audit 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors 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 Australian professional ethical pronouncements.

EUREKA COMMUNITY KINDERGARTEN ASSOCIATION INC.

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

Auditor's Opinion

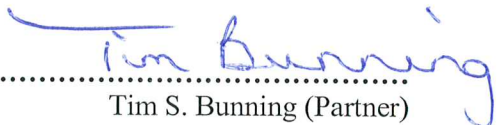
In our opinion, the financial report of Eureka Community Kindergarten Association Inc. presents in a true and fair manner the financial position of Eureka Community Kindergarten Association Inc. as of 30 June 2013 and of its performance for the year ended in accordance with the accounting policies described in Note 1 to the financial statements.

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 to assist the Eureka Community Kindergarten Association Inc. to meet the requirements of the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose.

Dated this 6th day of November, 2013

PROWSE PERRIN & TWOMEY
(Certified Practising Accountants)


.....
Tim S. Bunning (Partner)