



**Interchange Inner East Inc**  
**ABN: 62 762 490 245**

Financial Statements  
For the Year Ended  
30 June 2017

# Interchange Inner East Inc

ABN: 62 762 490 245

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For the Year Ended 30 June 2017

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# Interchange Inner East Inc

ABN: 62 762 490 245

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

|  |      | 2017          | 2016           |
|--|------|---------------|----------------|
|  | Note | \$            | \$             |
| Revenue  | 3    | 2,868,381     | 2,555,760      |
| Employee benefits expense                      | 4    | (2,460,043)   | (2,076,954)    |
| Motor vehicle expense                          |      | (29,409)      | (21,479)       |
| Activity cost expense                          |      | (114,862)     | (108,954)      |
| Administration and office expense              |      | (76,524)      | (43,206)       |
| Repairs and maintenance expense                |      | (2,253)       | (10,731)       |
| Depreciation expense                           | 4    | (31,809)      | (29,747)       |
| Other expense                                  |      | (106,142)     | (71,395)       |
| <b>Surplus for the year</b>                    |      | <b>47,339</b> | <b>193,294</b> |
| <b>Other comprehensive income</b>              |      |               |                |
| Other comprehensive income for the year        |      | -             | -              |
| <b>Total comprehensive income for the year</b> |      | <b>47,339</b> | <b>193,294</b> |

The accompanying notes form part of these financial statements.

# Interchange Inner East Inc

ABN: 62 762 490 245

## Statement of Financial Position

As at 30 June 2017

|                             | Note | 2017<br>\$       | 2016<br>\$       |
|-----------------------------|------|------------------|------------------|
| <b>ASSETS</b>               |      |                  |                  |
| CURRENT ASSETS              |      |                  |                  |
| Cash and cash equivalents   | 5    | 564,483          | 542,618          |
| Trade and other receivables | 6    | 260,316          | 89,020           |
| Financial assets            | 7    | 405,906          | 395,392          |
| Other assets                | 9    | 19,197           | 18,899           |
| TOTAL CURRENT ASSETS        |      | <u>1,249,902</u> | <u>1,045,929</u> |
| NON-CURRENT ASSETS          |      |                  |                  |
| Plant and equipment         | 8    | 24,023           | 55,833           |
| TOTAL NON-CURRENT ASSETS    |      | <u>24,023</u>    | <u>55,833</u>    |
| TOTAL ASSETS                |      | <u>1,273,925</u> | <u>1,101,762</u> |
| <b>LIABILITIES</b>          |      |                  |                  |
| CURRENT LIABILITIES         |      |                  |                  |
| Trade and other payables    | 10   | 229,271          | 183,138          |
| Short-term provisions       | 11   | 144,832          | 99,841           |
| Other liabilities           | 12   | 33,700           | -                |
| TOTAL CURRENT LIABILITIES   |      | <u>407,803</u>   | <u>282,979</u>   |
| TOTAL LIABILITIES           |      | <u>407,803</u>   | <u>282,979</u>   |
| NET ASSETS                  |      | <u>866,122</u>   | <u>818,783</u>   |
| <b>EQUITY</b>               |      |                  |                  |
| Reserves                    |      | 123,140          | 138,253          |
| Accumulated surplus         |      | 742,982          | 680,530          |
| TOTAL EQUITY                |      | <u>866,122</u>   | <u>818,783</u>   |

The accompanying notes form part of these financial statements.

# Interchange Inner East Inc

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## Statement of Changes in Equity

For the Year Ended 30 June 2017

### 2017

|                                | Accumulated surplus | Asset Replacement Reserve | Total          |
|--------------------------------|---------------------|---------------------------|----------------|
| Note                           | \$                  | \$                        | \$             |
| Balance at 1 July 2016         | 680,530             | 138,253                   | 818,783        |
| Surplus for the year           | 47,339              | -                         | 47,339         |
| Transfer to/from reserves      | 15,113              | (15,113)                  | -              |
| <b>Balance at 30 June 2017</b> | <b>742,982</b>      | <b>123,140</b>            | <b>866,122</b> |

### 2016

|  | Accumulated surplus | Asset Replacement Reserve | Total          |
|--|---------------------|---------------------------|----------------|
| Note                                   | \$                  | \$                        | \$             |
| Original balance at 1 July 2015        | 552,818             | -                         | 552,818        |
| Restatement                            | 2 72,671            | -                         | 72,671         |
|  |                     | -                         |                |
| <b>Restated balance at 1 July 2015</b> | <b>625,489</b>      | <b>-</b>                  | <b>625,489</b> |
| Original Surplus for the year          | 192,789             | -                         | 192,789        |
| Restatement                            | 2 505               | -                         | 505            |
|  |                     | -                         |                |
| <b>Restated surplus for the year</b>   | <b>193,294</b>      | <b>-</b>                  | <b>193,294</b> |
| Transfer to/from reserves              | (138,253)           | 138,253                   | -              |
| <b>Balance at 30 June 2016</b>         | <b>680,530</b>      | <b>138,253</b>            | <b>818,783</b> |

The accompanying notes form part of these financial statements.

# Interchange Inner East Inc

ABN: 62 762 490 245

## Statement of Cash Flows

For the Year Ended 30 June 2017

|   | 2017                    | 2016                  |
|---|-------------------------|-----------------------|
| Note  | \$                      | \$                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |                         |                       |
| Receipts from customers, appropriations and grants        | 2,961,812               | 2,730,777             |
| Payment to suppliers, employees and others                | (2,949,272)             | (2,481,149)           |
| Interest received   | 19,838                  | 17,139                |
| Interest paid   | -                       | (977)                 |
| Net cash provided by/(used in) operating activities       | 14 <u>32,378</u>        | <u>265,790</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              |                         |                       |
| Redemption (Placement) of term deposit                    | <u>(10,513)</u>         | <u>(302,506)</u>      |
| Net cash used by investing activities                     | <u>(10,513)</u>         | <u>(302,506)</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |                         |                       |
|   | -                       | -                     |
| Net increase/(decrease) in cash and cash equivalents held | 21,865                  | (36,716)              |
| Cash and cash equivalents at beginning of year            | <u>542,618</u>          | <u>579,334</u>        |
| Cash and cash equivalents at end of financial year        | 5 <u><u>564,483</u></u> | <u><u>542,618</u></u> |

The accompanying notes form part of these financial statements.

# Interchange Inner East Inc

ABN: 62 762 490 245

## Notes to the Financial Statements

### For the Year Ended 30 June 2017

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act (VIC) and the Australian Charities and Not-for-profits Commission Act 2012. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

#### 1 Summary of Significant Accounting Policies

##### (a) Income Tax

No current or deferred income tax assets or liabilities have been raised by the entity as it is exempt from income tax under Division 50 of the Income Tax Assessment Act.

The entity is a registered charity with the Australian Charities and Not-for-profits Commission.

##### (b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

##### (c) Revenue and other income

Grant revenue is recognised in the statement of income and expenditure and other comprehensive income when the entity obtains control of the grant and is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Donations and other income are recognised when the right to receive the revenue has been established

All revenue is stated net of the amount of goods and services tax (GST).

##### (d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payable are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

# Interchange Inner East Inc

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (e) Property, plant and equipment

##### Plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line or diminishing value basis over the assets useful life to the association, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

| Fixed asset class | Useful life  |
|-------------------|--------------|
| Office Equipment  | 3 - 27 years |
| Motor Vehicles    | 6 years      |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

Capital items less than \$2,000 are expensed in the statement of profit or loss and other comprehensive income.

#### (f) Impairment of non-financial assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exist, the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

#### (g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.



# Interchange Inner East Inc

ABN: 62 762 490 245

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (i) Employee provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled. Long service leave provisions are only taken up when employees reaches 7 years of service.

#### (j) Accounts Receivable and Other Debtor

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### (k) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (l) Financial Assets - Term Deposit

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are recorded at amortised cost.

#### (m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

# Interchange Inner East Inc

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## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 2 Prior period corrections

#### (a) Asset Replacement Reserve

In prior years, funds were provided from various government departments for the purpose of minor equipment purchases. Unutilised funds each year were brought into the Asset Replacement Reserve, and funds utilised in subsequent years were deducted off this account. The Asset Replacement Reserve was previously classified as a provision account, however the directors have determined that there is no present legal obligation to replace assets, and as such the nature of the account meets the definition of a reserve, not a provision. An adjustment was posted in the current year to retrospectively decrease the 2016 provision by \$138,253, 2016 other expenses by \$20,171, and increase 2016 reserves by \$118,082.

#### (b) Accrued wages

In previous years, wages expense was recorded on a cash basis. An adjustment was posted in the current year to retrospectively increase 2016 accrued wages by \$65,077, decrease 2016 opening retained earnings by \$45,411, and increase employee benefits expenses by \$19,666.

### 3 Revenue

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
| - Government grant income                    | 1,222,652        | 1,159,196        |
| - Activities, programs and recreation income | 308,644          | 185,220          |
| - Brokerage income                           | 801,296          | 874,908          |
| - Fundraising and donation income            | 6,656            | 9,605            |
| - Interest income                            | 18,489           | 17,139           |
| - ISP income                                 | 270,937          | 175,171          |
| - NDIS income                                | 117,208          | -                |
| - Other income                               | 122,499          | 134,521          |
|  | <u>2,868,381</u> | <u>2,555,760</u> |

### 4 Significant expenses

|                             |               |              |
|-----------------------------|---------------|--------------|
| Remuneration to the auditor |               |              |
| Financial statements audit  | 7,950         | 3,800        |
| HDAA audit assessments      | 8,325         | 4,546        |
|                             | <u>16,275</u> | <u>8,346</u> |
| Depreciation expense        | 31,809        | 29,747       |
| Employee benefits expense   | 2,460,043     | 2,076,954    |

# Interchange Inner East Inc

ABN: 62 762 490 245

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 5 Cash and Cash Equivalents

|              | 2017           | 2016           |
|--------------|----------------|----------------|
|              | \$             | \$             |
| Cash on hand | 305            | 300            |
| Cash at bank | 564,178        | 542,318        |
|              | <u>564,483</u> | <u>542,618</u> |

### 6 Trade and Other Receivables

| CURRENT                 |                |               |
|-------------------------|----------------|---------------|
| NDIS receivables        | 67,328         | -             |
| ICP Program receivables | 29,219         | 59,372        |
| Advance for recreation  | 4,147          | 14,361        |
| Accrued interest        | 7,716          | 7,340         |
| Other receivables       | 151,906        | 7,947         |
|                         | <u>260,316</u> | <u>89,020</u> |

### 7 Financial assets

| CURRENT                               |                |                |
|---------------------------------------|----------------|----------------|
| Held-to-maturity financial assets (a) | 405,906        | 395,392        |
|                                       | <u>405,906</u> | <u>395,392</u> |

(a) Held-to-maturity financial assets consist of term deposits with original maturities ranging from 6 to 12 months

### 8 Plant and equipment

|  |                      |                      |
|--|----------------------|----------------------|
| Furniture, fixtures and fittings       |                      |                      |
| At cost                                | 88,036               | 88,036               |
| Accumulated depreciation               | (74,992)             | (63,082)             |
| Total furniture, fixtures and fittings | <u>13,044</u>        | <u>24,954</u>        |
| Motor vehicles                         |                      |                      |
| At cost                                | 251,499              | 251,499              |
| Accumulated depreciation               | (240,520)            | (226,302)            |
| Total motor vehicles                   | <u>10,979</u>        | <u>25,197</u>        |
| Improvements                           |                      |                      |
| At cost                                | 6,932                | 6,932                |
| Accumulated depreciation               | (6,932)              | (1,250)              |
| Total improvements                     | <u>-</u>             | <u>5,682</u>         |
| <b>Total plant and equipment</b>       | <u><b>24,023</b></u> | <u><b>55,833</b></u> |

# Interchange Inner East Inc

ABN: 62 762 490 245

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 9 Other Assets

|             | 2017          | 2016          |
|-------------|---------------|---------------|
|             | \$            | \$            |
| CURRENT     |               |               |
| Prepayments | 19,197        | 18,899        |
|             | <u>19,197</u> | <u>18,899</u> |

### 10 Trade and Other Payables

|                |                |                |
|----------------|----------------|----------------|
| CURRENT        |                |                |
| Trade payables | 105,870        | 77,112         |
| ATO payables   | 105,834        | 89,542         |
| Other payables | 17,567         | 16,484         |
|                | <u>229,271</u> | <u>183,138</u> |

### 11 Provisions

|                                  |                |               |
|----------------------------------|----------------|---------------|
| CURRENT                          |                |               |
| Provision for annual leave       | 53,062         | 39,039        |
| Provision for long-service leave | 91,770         | 60,802        |
|                                  | <u>144,832</u> | <u>99,841</u> |

### 12 Other Liabilities

|                   |               |          |
|-------------------|---------------|----------|
| CURRENT           |               |          |
| Unspent ISP funds | 33,700        | -        |
|                   | <u>33,700</u> | <u>-</u> |

### 13 Capital and Leasing Commitments

#### Operating Leases

Minimum lease payments under non-cancellable operating leases:

|                                   |              |               |
|-----------------------------------|--------------|---------------|
| - not later than one year         | 3,840        | 3,840         |
| - between one year and five years | 5,440        | 13,120        |
|                                   | <u>9,280</u> | <u>16,960</u> |

Operating leases relates to a photocopier leased for 5 years, commencing November 2015.

# Interchange Inner East Inc

ABN: 62 762 490 245

## Notes to the Financial Statements

For the Year Ended 30 June 2017

### 14 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

|  | 2017          | 2016           |
|--|---------------|----------------|
|  | \$            | \$             |
| Surplus for the year                                 | 48,687        | 193,294        |
| Non-cash flows in profit:                            |               |                |
| - depreciation                                       | 31,809        | 29,747         |
| Changes in assets and liabilities                    |               |                |
| - (increase)/decrease in trade and other receivables | (172,644)     | (6,490)        |
| - (increase)/decrease in other assets                | (298)         | (10,889)       |
| - increase/(decrease) in unearned income             | 33,700        | (21,420)       |
| - increase/(decrease) in trade and other payables    | 46,132        | 34,042         |
| - increase/(decrease) in provisions                  | 44,992        | 35,353         |
| Cashflow from operations                             | <u>32,378</u> | <u>253,637</u> |

### 15 Association Details

The registered and principal place of business of the association is:

Interchange Inner East Inc  
2 Kendall Street  
Canterbury  
VIC 3126

# Interchange Inner East Inc

ABN: 62 762 490 245


## Statement by Members of the Board

The board 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 described in Note 1 to the financial statements.

The board members declare that:

1. The financial statements and notes for the year ended 30 June 2017 give a true and fair view of the financial position and performance and satisfy the requirements of the Australian Charity and Not-for-profits Commission Act and the Associations Incorporation Reform Act 2012.
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 declaration is made in accordance with a resolution of the members of the board and is signed for and on behalf of the board by:

Board Member  ..... Marco Köhne - Treasurer

Board Member  ..... Michael Summers - President

Dated this 13<sup>th</sup> day of September 2017

## Interchange Inner East Inc

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### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Section 60.40 of 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.

*Saward Dawson*

**Saward Dawson**

*Jeffrey Tulk*

Jeffrey Tulk  
Partner

Blackburn, VIC

Dated: 13 September 2017

## Interchange Inner East Inc

ABN: 62 762 490 245

### Independent Audit Report to the members of Interchange Inner East Inc

#### Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report of Interchange Inner East Inc, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the board.

In our opinion, the accompanying financial report of the association has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (VIC), including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2017 and of its financial performance and cash flows for the year then ended on that date; and
- (ii) *complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements, Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013 and the Association Incorporation Reform Act 2012 (VIC).*

#### *Basis of 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 Division 60 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 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 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the board members' financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (VIC). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



## Interchange Inner East Inc

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### Independent Audit Report to the members of Interchange Inner East Inc

#### *Responsibilities of Board Members for the Financial Report*

The board members of the association are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 (VIC) and the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The board members' responsibility also includes establishing and monitoring such internal control as the board members determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board members are 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 the board members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

#### *Auditor's Responsibility 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 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 the financial report.

As part of an audit in accordance with 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 association.

## Interchange Inner East Inc

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### Independent Audit Report to the members of Interchange Inner East Inc

- Conclude on the appropriateness of the association'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 report or, 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 those charged with governance 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.

*Saward Dawson*

**Saward Dawson**

*Jeffrey Tulk*

Jeffrey Tulk  
Partner

Blackburn, VIC

Dated: 13 September 2017