
UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA INC.

ABN 16 207 175 319



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2020

AUDIT REPORT

9th September 2020

UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA INC.
PO Box 5194
Brandon Park Victoria VIC 3150

I have audited the accompanying statements of financial position for UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA INC (USMAA). (a non-profit organization) as of 30th June 2020, related statements of activities, cash flows and functional expenses for the same period. These financial statements are the responsibility of the USMAA's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in Australia. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In planning and performing my audit, I considered USMAA's internal control over financial reporting in order to determine my auditing procedures only for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

After many telephone and email communications with the company's accountant, we now agree in principle to the revised financial statements. In this version of the report, the errors and missing information in the previous report have been corrected. For specific explanations, please refer to accounting explanations and supplementary documents. In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USMAA as of 30th June 2020 and the changes in its net assets and its cash flows for the same period to conform with accounting principles generally accepted in Australia.

This report is intended solely for the information and use of USMAA management and others within USMAA and its granting authority. It is not intended to be and should not be used by anyone other than these specified parties.



Paul LIU

FIPA/MPA/CMA

Salient Features of the Financial Reports for 2019/2020

Income Statement

- Review of depreciation charges to the statements found the depreciation not expensed for FY2018/2019 and some periods before. This has been fixed by adding \$891.88 to the corresponding accumulated depreciation accounts and reducing the L/Y Profit Surplus/Deficit
- Depreciation of \$641.20 was charged for FY 2019/2020 using a diminishing value method
- A one-off income of \$21,394.56 was recognised in FY2019/2020 as part of a liability writeback of the USMAA Centre passbook account. This resolution was passed by the Trustees along with the previous Management Committee
- Historically, USMAA has enjoyed a cash grant income of \$8,000 apart from the Hall Grant income from the Monash Council. Unfortunately, an audit by the Council of the grant income received by USMAA revealed that the grant had been used solely for the benefit of the Sri Lankan Muslim Community. The purpose of the grant was to strengthen community ties across other communities as well. Due to this reason, a cash grant was not awarded for the FY 2019/2020. Identifying this potential risk, the previous committee undertook a Community Awareness program, however it was not adequate to sway a positive outcome. Keeping in line with the previous committee's initiative, the present committee also planned for a multi-faith-multi-cultural program, however it had to be postponed due to the COVID-19 lockdown
- Due to the COVID-19 lockdown, only six events were held during the year with only four of these events generating ticket income. This accounts for the reduction in event income compared to the previous year. Further, responding to the feedback from the survey, the ticket prices were significantly subsidised for the members. To mitigate the reduction in event income and to keep the expenses in check, volunteers were enlisted to cook in-house for the events without using external caterers
- The Management Committee undertook the following charitable donations, which inflated the expenses position for the year as these came out of the member subscriptions:
 - a) \$1,505 to support the International students adversely impacted by COVID-19.
 - b) \$500 towards the Bushfire Appeal.
 - c) \$200 to Muslim Aid for the provision of food hampers for needy Sri Lankans during COVID-19.

Note: MNWP donation of \$831, reflected in this year's financials, relates to a charity initiative undertaken by the previous committee titled "Muslims North Western Province" (during the BBS attacks).

- Administration costs increased this year due to the following:
 - a) 'Subscription and dues' expense increased from \$365 in 2018/19 to \$3,128.90 during this financial year. The break-down for this expense (big-ticket items) are as follows:
 1. Website upgrade: \$2,390.90. As communicated to the membership, we undertook a significant overhaul of the website. As part of this, we had to upgrade the package to allow for better functionality and features. This meant an increase in the annual subscription fee. In addition, we entered into a three-year contract with the provider. Therefore, the amount of \$2,390.90 relates to the subscription for a three-year term. Meaning we will not incur any website expenses for the next two financial years.
 2. Annual subscription for the QuickBooks accounting software is \$480, which has increased from \$100 in FY 2018/19.
 - b) Professional Services Cost of \$350 relates to the Auditor's fees for 2018/19.
- We also undertook the task of cleaning up the Chart of Accounts to ensure clean and concise record keeping. This involved deleting several Income and Expenses accounts which were either obsolete or duplicated. This is the reason the word 'deleted' appears against some line items in the Financials
 - Zakath & Fitra donation income account (previously Fitrah collection) was created to better align the chart of accounts as noted above
- Hall hire refund of \$525.80 was recorded due to a bond refund received for booking a Monash Hall
- Rugby World Cup Tic Income shows a balance of \$7,720.57 in FY 2018/2019. This is due to a legacy account renamed to use as Rugby World Cup Tic Income (previously general event income account)
- Charges relating square fees were incorrectly classified as bank charges in FY 2018/2019. Square income was recorded on a net basis. All additional fees charged by square in FY 2019/2020 were classified as square fees

Balance Sheet

- USMAA Centre Funds of \$21,394.56 was removed from the long-term liability and reflected as income in the period. This is a one-off adjustment to write back the liability and show the Associations true balance sheet
- Trade debtor of \$270 was identified as Square sub invoicing and cash received in the period. This was adjusted to reflect the actual bank balance
- MCCA income fund revenue of \$155.25 was booked in FY2019/2020. Income was recognised as revenue and the corresponding increase is shown as an increase in the balance sheet
- The following write-downs were actioned in FY2019/2020
- Depreciation prior to and including FY2018/2019

Opening - L/Y Profit Surplus/Deficit	\$9,301.00
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Depreciation expense - <=2018/2019	(\$891.88)
Closing - L/Y Profit Surplus/Deficit	\$8,409.12

- Burial site plots were confirmed with the JSC and actual prices were confirmed with the administration of the cemeteries. This resulted in a write-down of the book value of of burial sites as follows,

Opening – Burial Sites	\$94,158.80
Net Additions / (Deductions)	\$11,250.00
Fair Value Adj – Write Down	(\$7,113.80)
Closing - Burial Sites	\$98,295.00

- This resulted in the following revaluation write-downs,

Opening – Burial Site Revaluation Resv	\$29,126.29
Burial Site Revaluation – FY2019/2020	(\$7,113.80)
Closing - Burial Site Revaluation Resv	\$22,012.49

- List of burial sites as at 30 June 2020 is shown below,

<u>Cemetery</u>	<u>No. of Plots</u>
Bunurong	19
Dandenong Community Cemetery	10
Fawkner Memorial Cemetery	1
Springvale Botanical Cemetery	1

UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA
INCOME STATEMENT
July 2019 - June 2020

	Total	Total
	Jul 2019 - Jun 2020	Jul 2018 - Jun 2019 (PY)
Income		
40000 Income		
40005 Member Subscriptions	6,960.00	4,780.00
40007 Grants income	666.40	8,691.40
40008 General Donation Income	20.00	
40009 Sale of Assets	100.00	
40020 Janaza Plot Reimbursement Income		2,248.00
40100 Function & Events Income		
40090 Zakath & Fitra Donation Income	1,852.00	
40101 Ladies night income		9,150.00
40106 Islamic Day (Qiraath) Tic Income	934.01	
40118 Members Night Donation Income		205.00
40121 Rugby WC Tic Income	1,408.49	7,720.57
40122 Seniors Events Income		400.00
40123 Eid Ul Adha Breakfast Income		(48.90)
40124 Eid Ul Fitr Dinner Income		48.90
40125 Eid Ul Adha Dinner Income	3,565.40	0.00
40127 Charity Collection - Covid19	2,945.00	825.00
40128 Picnic/Family Day Income	636.48	
40129 CommUnity Night Income	1,127.01	
40130 Homeless Project Income	100.00	
Total 40100 Function & Events Income	12,568.39	18,300.57
Total 40000 Income	20,314.79	34,019.97
40200 USMAA Centre Donation Income	21,394.56	
40250 Hall Hire Refund	525.80	
40300 Investment Income Account	155.25	
Eid ul Adha Breakfast		1,350.00
Eid ul Adha Dinner		4,455.00
Eid ul Fitr Breakfast		2,735.00
Eid ul Fitr Dinner		4,165.00
Fitrah collection		500.00
Member Night Nov 2018		1,090.00
Sponsorship		1,500.00
Square Income	0.00	493.60
Triva Night Feb 2019		1,620.00
Total Income	42,390.40	51,928.57
Gross Profit	42,390.40	51,928.57
Expenses		
60000 Expenses		
60100 Functions & Events Exp		
60101 27th Night Exp		240.00
60102 AGM/SGM Exp	1,167.44	
60103 Community Awareness Day Exp		1,275.00
60105 Hall Hire & Related Exp	36.83	
60108 Islamic Day (Qiraath) Exp	1,557.72	

	Total	Total
	Jul 2019 - Jun 2020	Jul 2018 - Jun 2019 (PY)
60114 SGM Exp		200.00
60120 Rugby WC Exp	983.86	
60121 Eid UI Adha Breakfast Exp		1,512.00
60122 Eid UI Adha Dinner Exp	3,221.34	3,959.00
60123 Eid UI Fitr Breakfast Exp		3,102.00
60125 Eid UI Fitr Dinner Exp		4,344.00
60126 Seniors Events	670.00	885.32
60127 Ladies Nite Donation Exp		9,150.00
60128 Covid19 Donation Exp	4,450.00	
60129 Picnic/Family Day Exp	637.76	
60130 CommUnity Night Exp	2,125.90	
60131 Bush Fire Appeal	500.00	
60132 UCAD Lunch	190.00	
60133 Zakath & Fitra Donation Out	1,852.00	
60135 Homeless Project Donation Out	100.00	
60141 MNWP Donation (FY18/19)	831.00	
Total 60100 Functions & Events Exp	18,323.85	24,667.32
63000 Administration Costs		
63001 Advertisement	200.00	
63005 Insurance	927.54	927.53
63010 Subscription and Dues	3,128.90	365.00
63015 Admin, P'tage, Stationery, Print		130.00
63017 SMS Service	100.00	
63025 Meeting Expenses		79.00
63050 Other Admin Expenses	50.00	
63051 Professional Services Cost	350.00	
Total 63000 Administration Costs	4,756.44	1,501.53
Total 60000 Expenses	23,080.29	26,168.85
Bank charges		12.13
Events Expenses		4,447.94
Fitrah payment		500.00
Headspace Donation		513.50
Ifthar Expenses		262.75
Janaza Sports Day Exp		522.16
Projector purchase		530.00
Square Fees	6.40	125.88
Total Expenses	23,086.69	33,083.21
Other Expenses		
63007 Depreciation	641.20	
Total Other Expenses	641.20	0.00
Net Earnings	18,662.51	18,845.36

UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA

Balance Sheet

As of June 30, 2020

	Total As of Jun 30, 2020	Total As of Jun 30, 2019 (PY)
Assets		
Current Assets		
11100 Cash and Bank	0.00	0.00
11110 MAIN Account - Current	7,931.18	16,369.20
11210 Janaza Account	11,484.79	20,486.79
11250 MCCA Income Fund A/C	20,138.25	19,983.00
11310 USMAA Centre Account	25,071.94	25,071.94
Total 11100 Cash and Bank	64,626.16	81,910.93
Total Current Assets	64,626.16	81,910.93
Long-term assets		
15110 Burial Sites	98,295.00	94,158.80
15210 Furniture & Fittings	3,503.00	3,503.00
15220 Less Accumulated Depreciation-Furniture & Fittings	(2,911.55)	(2,834.30)
15310 Janaza Aluminium Stretcher	2,186.00	2,186.00
15320 Less Accumulated Depreciation - Janaza Stretcher	(766.57)	(510.92)
15410 Kitchen Utensils	1,108.02	693.41
15420 Accumulated depreciation Kitchen Utensils	(257.49)	(69.34)
15510 Electronic Equipment	2,850.00	2,850.00
15511 Event Entertainment Assets	527.81	
15520 Less Accumulated Depreciation-Electronic Equipment	(1,085.68)	(169.62)
15620 Less Accumulated Depreciation-Event Assets	(95.97)	
Total long-term assets	103,352.57	99,807.03
Total Assets	167,978.73	181,717.96
Liabilities and shareholder's equity		
Current liabilities:		
22050 Prepaid Membership	151.50	775.00
JSC account owing	0.00	2,248.00
Square Tips	0.00	130.00
Total current liabilities	151.50	3,153.00
Non-current liabilities:		
25000 USMAA Centre Fund - Passbook	0.00	21,394.56
Total non-current liabilities	0.00	21,394.56
Shareholders' equity:		
Net Income	18,662.51	18,845.36
30000 Equity		
37000 L/Y Profit Surplus/Deficit	8,409.12	9,301.00
38500 Burial Site Revaluation Resv	22,012.49	29,126.29
38600 Education Fund Reserve	1,447.90	1,447.90
Total 30000 Equity	31,869.51	39,875.19
38000 Retained Surplus	117,295.21	98,449.85
Total shareholders' equity	167,827.23	157,170.40
Total liabilities and equity	167,978.73	181,717.96

UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA

Statement of Cash Flows

July 2019 - June 2020

	Total
Cash flows from operating activities	
Profit for the year	19,012.51
Adjustments for non-cash income and expenses:	
15420 Accumulated depreciation Kitchen Utensils	188.15
15320 Less Accumulated Depreciation - Janaza Stretcher	255.65
15520 Less Accumulated Depreciation-Electronic Equipment	916.06
15620 Less Accumulated Depreciation-Event Assets	95.97
15220 Less Accumulated Depreciation-Furniture & Fittings	77.25
JSC account owing	(2,248.00)
22050 Prepaid Membership	(623.50)
Square Tips	(130.00)
63051 Expenses:Administration Costs:Professional Services Cost	(350.00)
Total Adjustments for non-cash income and expenses:	(1,818.42)
Net cash from operating activities	17,194.09
Cash flows from investing activities	
15110 Burial Sites	(4,136.20)
15511 Event Entertainment Assets	(527.81)
15410 Kitchen Utensils	(414.61)
Net cash used in investing activities	(5,078.62)
Cash flows from financing activities	
25000 USMAA Centre Fund - Passbook	(21,394.56)
38500 Equity:Burial Site Revaluation Resv	(7,113.80)
37000 Equity:L/Y Profit Surplus/Deficit	(891.88)
Net cash used in financing activities	(29,400.24)
Net increase (decrease) in cash and cash equivalents	(17,284.77)
Cash and cash equivalents at beginning of year	81,910.93
Cash and cash equivalents at end of year	64,626.16

UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report has been prepared for distribution to members in accordance with the constitution and to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 (Victoria, Australia) and the relevant Australian Accounting Standards.

The financial report is presented on a Accrual basis for revenue recognition and accruals accounting for determination of expenditure. Values are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The basis for revenue recognition on a cash basis was changed to an accrual basis from 1st of July 2015 as agreed by the Management Committee.

The following material accounting policies are adopted in the preparation of the financial statements. These are consistent with the previous accounting period unless otherwise stated.

(a) **Income tax**

As per the Association's constitution and terms of its incorporation under the Associations Incorporation Act, The Association is of the opinion that it is not subject to income tax.

(b) **Fixed Assets**

Each class of fixed asset is reported at cost or fair value less, where applicable, accumulated depreciation.

Plant and Equipment

Plant and equipment are reported at cost basis less accumulated depreciation.

Burial Sites

Burial Sites (Non Current Assets) are reported at estimated current valuations at balance date.

Depreciation

All fixed assets, excluding land (burial sites), are depreciated over their useful lives, using diminishing value method. Depreciation rate is 10%.

UNITED SRI LANKAN MUSLIM ASSOCIATION OF AUSTRALIA INC.

STATEMENT BY MEMBERS OF THE COMMITTEE

FOR THE YEAR ENDED 30 JUNE 2020

We, Falih Shums, President, and Faariq Furkan, Treasurer, being members of the Committee of the United Sri Lankan Muslim Association, certify that -

The statements attached to this certificate give a true and fair view of the financial performance and position of the United Sri Lankan Muslim Association during and at the end of the financial year of the Association ended 30 June 2020.



Falih Shums

President

Dated 31 August 2020



Faariq Furkan

Treasurer

Dated 31 August 2020