

Audit Closing Letter

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

Year Ended 30 June 2019

EXECUTIVE SUMMARY

Introduction

We have conducted our audit of New South Wales Baseball Inc. in accordance with Australian Auditing Standards in order to provide reasonable assurance that the financial statements are free of material misstatement. This is the professional standard that applies to all financial statement audits.

To assist The Board of Governance in understanding our role as external auditor, we have previously detailed our audit responsibilities, and scope of the work to be performed to meet those responsibilities, in our updated engagement letter of 28th September 2018.

As part of our audit, we advise our clients of any areas in which we believe further improvements could be made. It is hoped that these constructive comments will prove beneficial to the entity. These comments have been set out in the following sections.

Independence

We have assessed the services we provided to the entity. The services provided during the year were the audit of the financial statements for the year ended 30 June 2019 and the lodgement of your monthly activity statements.

We confirm that we have complied with the independence requirements of the Corporations Act 2001 and the Australian professional accounting bodies.

Financial Reporting Framework

The entity has prepared general purpose financial statements by applying the following accounting standards and principles:

- Australian Accounting Standards (including Australian Accounting Interpretations).
- Associations Incorporations Act 2009.

Pre Audit - Identified Potential Risks

During our planning of the audit of the financial statements we identified certain audit risks. The following is a summary of those identified audit risks:

1. Timing of grants - Risk is that grants may not be identified in correct financial period.
2. Classification of revenue - revenue may not be clearly defined in profit and loss.
3. Salary Expense not complete - Largest category of expense and as such an error or omission could prove material.

4. Assets being expensed to profit and loss - Ensure correct accounting treatment is applied to large purchases.

Unless otherwise commented on in this closing letter, these audit risks have been addressed during the conduct of our audit.

Materiality

As part of our audit, we determined our materiality threshold to be \$10,000. This threshold was determined based on a number of quantitative factors included in the financial statements, including gross assets, net assets, revenue and the result for the year, and qualitative factors including our assessment of the anticipated users of the financial statements and the reason for that use.

Further, we determined a threshold for clearly trivial errors and omissions to be \$100. By their very definition, any items identified during the audit under this threshold have been considered trivial to the financial statements and, accordingly, have not been communicated to either The Board of Governance or management. In addition, these items have not been included in the unadjusted amounts section of this letter. If The Board of Governance seek to understand the nature of these items (if there are any), please do not hesitate to contact us.

Adjusted Amounts

Attached is a copy of the 2019 audit adjustments.

Unadjusted Amounts

The Australian Auditing Standards require us to bring to the attention of The Board of Governance any omissions in the reported accounts determined during the audit, even if they had been assessed as immaterial to the entity or were later adjusted by the entity.

At the conclusion of our audit we did not identify any unadjusted amounts that were greater than our clearly trivial threshold.

Events after the Reporting Date

As part of our audit, we did not note any events after the reporting date that would appear to impact on the financial statements other than those disclosed in the financial statements.

Action Points

Matters that came to our attention during our audit, which we consider need to be brought to the attention of The Board of Governance, are detailed in Appendix 1 as follows. Please also note two issues remain outstanding from the prior year:

- 2019.1 – Tightening of cash payments

An update of prior year action points is also provided in Appendix 2:

- 2018.1 – Movement of Financial Data After Year End - **ONGOING**
- 2018.2 – Outstanding Superannuation / stale cheques on bank reconciliations - **ONGOING**
- 2018.3 – Miscode of Assets and Prepayments - Closed

CURRENT YEAR ACTION POINT

APPENDIX 1

2019.1 – Tightening of Cash Payments

Observation

Instances of minimal supporting documentation for Cash payments as follows;

Under special events the following transactions with recorded:

6 Feb 19 – Cash withdrawal – Korean Incidentals Cleaning and Other \$2,800

6 Feb 19 – Cash withdrawal – Korean Incidentals – Jung Liaison

15 Feb 19 – Cash withdrawal – Payment for Allstars \$4,227.27 (GST Claimed)

22 Feb 19 – Cash Deposit – Incidentals Cleaning \$400; Jun Bonus \$1,000; Kevin Bonus \$500

A copy of the “Cash Staff Cash Payments” sheet was supplied as support however a number of transaction did not align or were unsupported from the above.

The current process is not compliant with the ATO’s requirements.

It would be best practice for cash payments not to be made from cash receipts

Risk

Increased risk of Fraud

Noncompliance with ATO requirements and potential fines

Recommendation

Every payment in each instance should be supported by an invoice or a statement by supplier (ATO document number NAT 3346-05.2012, link,

https://www.ato.gov.au/uploadedFiles/Content/MEI/downloads/BUS38509n3346_5_2012.pdf)

These statements should be uploaded against each payment in Xero.

Management Response

PRIOR YEAR ACTION POINTS

APPENDIX 2

2018.1 – Movement of Financial Data After Year End

Observation

Financial data changed for the 2017 Financial Year following completion of the audit.

Risk

Financials reported to the board could become materially misstated.

Recommendation

The lock period function in Xero be utilised following the preparation of annual financial statements and monthly board reports.

Management Response

Discussed with Jodi during the audit. Showed her how to utilise the function in Xero. Jodi was happy to implement the update.

Current Year Update

Issue still occurring.

2018.2 – Outstanding Superannuation / stale cheques on bank reconciliations

Observation

Superannuation unpaid from May 2015 listed as unpresented cheques in Xero. Discussed during previous audits.

Risk

Directors could be held personally liable for unpaid superannuation. Potential for fines & interest costs. Improvement required to review monthly reconciliations for accuracy.

Recommendation

Unpaid superannuation be paid as soon as possible. Additional reviews are conducted to confirm reconciled amounts in Xero are current.

Management Response

Discussed with Mark and Jodi during the audit. Super payment to be addressed as well as regular review of reconciliations in Xero.

Current Year Update

Outstanding super still not paid.

2018.3 – Miscode of Assets and Prepayments

Observation

As is supported by the audit adjusting journals, a material value of assets were allocated to expense categories & prepayments were not identified.

Risk

Financials reported to the board could become materially misstated, financial performance not being monitored.

Recommendation

Expenditure over \$5,000 (or amount deemed adequate by Board) be reviewed by Jodi/Mark for confirmation of profit & loss / balance sheet allocation.

Management Response

Discussed with Jodi during the audit and took on board recommendation.

Current Year Update

Issue considered closed

**New South Wales Baseball Inc.
ABN 56 568 633 609**

Financial Report

for the Period ended 30 June 2019

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NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

Financial Report for the Year Ended 30 June 2019 COMMITTEE'S REPORT

Your committee members submit the financial report of New South Wales Baseball Inc. for the financial year ended 30 June 2019.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Anthony Brasher - chairperson	Re-elected October 22 nd 2018
Therese Philibossian	Re-elected October 22 nd 2018
Ross Morrison	Re-elected October 17 th 2017
Peter Worboys	Re-elected October 17 th 2017
Karl Hardman	Re-appointed December 17 th 2018
Roger Powell	Re-appointed November 28 th 2017
Scott Tunkin	Elected October 17 th 2017
James Morley	Appointed February 28 th 2018

Principal Activities

The principal activities of the league during the financial period were to conduct, encourage, promote, advance and administer the sport of baseball for its members.

Significant Changes

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

Operating Result

The deficit for the 2019 financial year amounted to \$17,978.

After Balance Date Events

No matters or circumstances have risen since the end of the financial period which significantly affected or may significantly affect the operations of the league, the results of those operations, or the state of affairs of the league in the future financial years other than the uncertainty of the financial effects on the league resulting from the current global economic recession and its effect on current and future membership capitation fee income, which cannot be reliably determined at the date of preparation of this report.

Future Developments

The league expects to maintain the present status and level of operations and hence there are no likely developments in the league responsibilities and operations.

Indemnifying Officers or Auditors

Baseball Australia provides officers professional indemnity insurance cover as part of their formalised capitation fee and insurance programs with the league. No indemnities have been given or insurances paid during or since the end of the financial period, for the auditor of the league.

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

COMMITTEE'S REPORT

Information on Management Committee Members

Name	Qualifications
Anthony Brasher	B Comm, MBA, CA
Therese Philibossian	RN, RM, B Soc Sc, Grad Dip Bus Stud, M Ed (Adult Ed), Cert IV (Workplace Training & Assessing), Cert IV (Frontline Managers), JP
Ross Morrison	
Peter Worboys	
Karl Hardman	ABA
Roger Powell	FAICD, FAIM
Scott Tunkin	B Comm, MBA
James Morley	MLLP Employment law, B.Ec (Soc Sci)

Meeting of Management Committee

Anthony Brasher	7 / 7
Therese Philibossian	6 / 7
Ross Morrison	7 / 7
Peter Worboys	7 / 7
Karl Hardman	5 / 7
Roger Powell	4 / 7
Scott Tunkin	5 / 7
James Morley	7 / 7

Proceedings on Behalf of the League

No person has applied for leave of court to bring proceedings on behalf of the league or intervene in any proceedings to which the league is a party for the purpose of taking responsibility on behalf of the league for all or any part of proceedings. The league was not part to any such proceedings during the period.

Signed in accordance with a resolution of the Members of the Committee.



.....
Anthony Brasher



.....
Karl Hardman

Dated this 21st day of October 2019

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
INCOME			
Member Receipts		587,117	636,549
Grants Received		100,000	116,000
Events & Competitions		340,114	282,546
Ground Hire		82,495	88,040
Interest received		6,888	4,968
Sales & Other Income		122,724	197,055
		<u>1,239,338</u>	<u>1,325,159</u>
EXPENDITURE			
Administration and other expenses		150,456	118,209
Audit fees		5,560	5,400
Bank charges & Interest Costs		1,896	2,550
Depreciation expense		17,662	11,741
Development & Country Costs		133,901	153,027
Employee remuneration and associated costs		624,422	606,623
Back Payment of wages		20,914	27,085
Events & Competitions		138,854	165,652
Facility and Ground Hire		102,706	122,935
Purchases		60,945	103,383
		<u>1,257,316</u>	<u>1,316,605</u>
Current year surplus/(deficit) before income tax		<u>(17,978)</u>	<u>8,553</u>
Income tax expense		-	-
Net current year surplus/(deficit)		<u>(17,978)</u>	<u>8,553</u>
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR		<u>425,870</u>	<u>417,317</u>
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR		<u><u>407,892</u></u>	<u><u>425,870</u></u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

ASSETS AND LIABILITIES STATEMENT AS AT 30 JUNE 2019

	Note	2019	2018
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	436,047	251,506
Financial Assets	3	-	300,000
Trade and Other Receivables	4	153,497	96,619
Inventories	5	-	2,090
Other assets	6	15,224	5,090
TOTAL CURRENT ASSETS		<u>604,768</u>	<u>655,304</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	90,495	91,792
TOTAL NON-CURRENT ASSETS		<u>90,495</u>	<u>91,792</u>
TOTAL ASSETS		<u>695,263</u>	<u>747,096</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	8	177,357	188,734
Employee provisions	9	55,655	51,319
Other	10	54,359	81,173
TOTAL CURRENT LIABILITIES		<u>287,371</u>	<u>321,226</u>
NET ASSETS		<u>407,892</u>	<u>425,870</u>
MEMBERS' FUNDS			
Opening Surplus		425,870	417,317
Current Year Surplus		(17,978)	8,553
TOTAL MEMBERS' FUNDS		<u>407,892</u>	<u>425,870</u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018
		\$	\$
CASHFLOW FROM OPERATING ACTIVITY			
Receipts from registrations and affiliations		587,117	636,549
Operating grants received		100,000	116,000
Coaching clinics and accreditation		340,114	282,547
Other operating revenue		328,541	528,112
Interest received		6,888	4,968
Payments to suppliers and employees		(1,461,756)	(1,461,023)
Net cash used in operating activities		<u>(99,096)</u>	<u>107,152</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of Term Deposit		300,000	-
Payment for property, plant and equipment		(16,364)	(76,510)
Net cash provided by investing activities		<u>283,636</u>	<u>(76,510)</u>
NET INCREASE (DECREASE) IN CASH HELD			
		184,542	30,642
Cash at Beginning of Year		251,505	220,863
Cast at End of Year		<u><u>436,047</u></u>	<u><u>251,505</u></u>

The accompanying notes form part of these financial statements.

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW. The committee has determined that the association is not a reporting entity.

Statement of Compliance

The financial report has been prepared in accordance with Associations Incorporation Act NSW, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs. They 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.

a. Income Tax

The committee have self-assessed the Association to be exempt from income tax due to its non-profit status and having its main purpose as being the encouragement of the sport of Baseball.

b. Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are as follows:

Class of Fixed Assets	Depreciation Rate
Leasehold improvement	13 %
Office Furniture & Equipment	5 % – 66.6 %

c. Impairment of Assets

At the end of each reporting period, the committee 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 exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

d. 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.

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **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.

f. **Cash and Cash Equivalents**

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

g. **Accounts Receivable and Other Debtors**

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.

h. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

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

i. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

j. **Financial Assets**

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

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. **Inventories**

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

m. **Comparative Figures**

It was identified during the year that staff were underpaid during the period January 2015 to April 2019 as increases required under the Award were inadvertently not applied to a number of staff's remuneration.

The prior year comparatives have been updated to reflect the back payment of wages to staff for the period January 2015 to June 2018 being the amount of \$27,085 for wages and superannuation.

As a result the following changes have been applied to the comparative figures:

- Additional Wages of \$27,085 have been allocated to the 2017/18 Profit and Loss (shown under the classification 'Back payment of wages').
- Additional Wages of \$27,085 were accrued as a liability on the Balance Sheet, shown as Accrued Back payment of wages (Note 10)
- Profit for the organisation for 2017/18 was reduced by \$27,085 from \$35,638 to \$8,553.
- Total Members Funds for 2017/18 were reduced by \$27,085 from \$452,955 to \$425,870.

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2: CASH	2019	2018
	\$	\$
Cash at Bank	436,007	251,436
Cash on Hand	40	70
	<u>436,047</u>	<u>251,506</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: FINANCIAL ASSETS	2019	2018
	\$	\$
Term Deposits	-	300,000
	<u>-</u>	<u>300,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS	2019	2018
	\$	\$
Contributions (members) receivable	157,810	106,619
Less Provision for Bad Debts	(5,000)	(10,000)
	<u>152,810</u>	<u>96,619</u>
Other Debtors	687	-
	<u>153,497</u>	<u>96,619</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5: INVENTORIES	2019	2018
	\$	\$
Stock on Hand – Canteen	-	2,090
	<u>-</u>	<u>2,090</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: OTHER ASSETS	2019	2018
	\$	\$
Prepayments	15,224	5,090
	<u>15,224</u>	<u>5,090</u>

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7: PROPERTY, PLANT AND EQUIPMENT	2019	2018
	\$	\$
Leasehold improvements	67,535	67,535
Less accumulated depreciation	(17,378)	(9,883)
	<u>50,157</u>	<u>57,652</u>
Office Furniture & Equipment	102,596	86,231
Less accumulated depreciation	(62,258)	(52,091)
	<u>40,338</u>	<u>34,140</u>
	<u>90,495</u>	<u>91,792</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 8: TRADE AND OTHER CREDITORS	2019	2018
	\$	\$
Trade Creditors	52,849	85,744
Other Creditors	99,281	61,867
Funds held for sub clubs	25,227	41,123
	<u>177,357</u>	<u>188,734</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9: EMPLOYEE PROVISIONS	2019	2018
	\$	\$
Provision for Annual Leave	55,655	51,319
	<u>55,655</u>	<u>51,319</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 10: OTHER LIABILITIES	2019	2018
	\$	\$
Accrued Expenses	54,359	54,088
Accrued Back payment of wages	-	27,085
	<u>54,359</u>	<u>81,173</u>

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: LEASING COMMITMENTS

The property at Blacktown Olympic Centre is secured under a Deed of Licence with a twenty one-year term (commenced May 2002), with rent payable monthly in 6 monthly in arrears. Rent payments are determined by a Management Agreement incorporating a contribution fee of \$25,000 per annum plus an incentive fee based on the revenue of NSW Baseball Inc.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Committee are not aware of any contingent liabilities or contingent assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 13: EVENTS AFTER THE REPORTING DATE

The Committee are not aware of any events occurring after the reporting date that would materially affect the financial position of the Association.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 14: RELATED PARTY TRANSACTIONS

The Committee are not aware of any related party transactions during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: ASSOCIATION DETAILS

The principal place of business and registered office of the league is;

New South Wales Baseball League Incorporated

81 Eastern Road

Rooty Hill NSW 2766

NEW SOUTH WALES BASEBALL LEAGUE INCORPORATED

STATEMENT BY MEMBERS OF COMMITTEE

The Committee has determined that the league 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 as set out on pages 3 to 11:

1. Presents a true and fair view of the financial position of The Association as at 30 June 2019 and its performance for the year ended on that date.
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 fall due.

Signed in accordance with a resolution of the Members of the Committee.



.....
Anthony Brasher



.....
Karl Hardman

Dated this 21st day of October 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SOUTH WALES BASEBALL
LEAGUE INC

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New South Wales Baseball League Inc. (the association), which comprises the assets and liabilities statement as at 30 June 2019, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, gives a true and fair view of the financial position of the association as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the New South Wales Associations Incorporation Act 2009.

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 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 to assist the association to meet the requirements of the New South Wales Associations Incorporation Act 2009. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the New South Wales Associations Incorporation Act 2009 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW SOUTH WALES BASEBALL
LEAGUE INC

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 committee.
- Conclude on the appropriateness of the committee'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the committee 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.

Matthew Edwards
Registered Company Auditor 461719
PDD Advisory Group
Short St, PORT MACQUARIE NSW 2444

Dated this 21st day of October 2019

21st October 2019

The Auditor
PDD Advisory Group
Po Box 22
LAURIETON NSW 2443

Dear Matt,

RE: AUDIT REPRESENTATION LETTER

This representation letter is provided in connection with your audit of the financial report of **New South Wales Baseball Inc.** for the year ended **30th June 2019**, for the purpose of expressing an opinion as to whether the financial report is presented fairly, in all material respects, in accordance with the relevant Australian accounting standards and the *Incorporated Associations Act 2009* (NSW).

We confirm, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves, the following representations made to you during your audit:

Financial report

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement for the preparation of the financial report in accordance with Australian Accounting Standards as per note 1; in particular the financial report is fairly presented in accordance therewith.
- We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole.

Information provided

- We have provided you with:
 - a) access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters.
 - b) all requested information, explanations and assistance for the purposes of the audit.
 - c) unrestricted access to persons within the Association from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial report.
- We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial report; and accounted for and disclosed them in accordance with the applicable financial reporting framework.

General

- We have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.
- The Association has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral that have not been disclosed in the financial report.
- There have been no known instances of non-compliance or suspected non-compliance with laws and regulations or contractual agreements whose effects should be considered in preparing the financial report.

Fraud

- We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and confirm we have disclosed to you:
 - a) the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud
 - b) all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - i. management;
 - ii. employees who have significant roles in internal controls; or
 - iii. others where the fraud could have a material effect in the financial report; and
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated to us by employees, former employees, analysts, regulators or others.

Commitments

- There were no material commitments for goods or services at year end, other than those disclosed in the financial report.

Impairment of assets

- We have considered the requirements of AASB 136: Impairment of assets when assessing the carrying values of assets and in ensuring that no assets within the scope of AASB 136 are stated in excess of their recoverable amount.

Liabilities

- There are no financial guarantee contracts in place to third parties which could be called upon in the event of a default, other than those disclosed in the financial report.

Inventory

- We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value.
- Provision has been made for material losses arising from the fulfilment of, or an inability to fulfil, any sale commitments or as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices.

Property, plant and equipment

- Rates of depreciation, applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the Association.
- Allowances for depreciation have been adjusted for all significant items of property, plant and equipment that have been abandoned or are otherwise unusable.
- The Association has no 'make good' obligations in respect of its property, plant and equipment for which it would be required to make a restorative provision under AASB 137 Provisions, contingent liabilities and contingent assets which have not been included in the financial report.

Electronic presentation of financial report (when applicable)

- With respect to presentation of the financial report on our website, we acknowledge that:
 - a) we are responsible for the electronic presentation of the financial report;
 - b) we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version;
 - c) we will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation;
 - d) we have assessed the controls over the security and integrity of the data on the website and confirmed that adequate procedures are in place to ensure the integrity of the information presented; and
 - e) we will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely,



Anthony Brasher



Karl Hardman