

06 September 2023

The Board
Avondale Business Association Inc

Via Email

Dear Board

FINANCIAL STATEMENT AUDIT FOR THE YEAR ENDED 30 JUNE 2023

We have completed our audit of the special purpose financial statements of Avondale Business Association Inc for the year ended 30 June 2023. In accordance with our standard practice and International Auditing Standards, we provide this memorandum to those charged with governance.

Financial Statements

The audited special purpose financial statements of Avondale Business Association Inc for the year ended 30 June 2023 show total operating surplus for the year of \$17,673 and net assets of \$293,299.

We performed our standard audit work with particular emphasis on revenue recognition including accrued income and income received in advance from Auckland Council Grants, confirmation of bank balances, completeness of liabilities and expenditure. We have adopted a fully substantive audit approach and therefore place no reliance on internal controls.

Significant Risk	Audit Response
Revenue recognition	Detailed review of cutoff including grants and deferred revenue.
Management override of controls	Review of general journals and material expense line items on a sample basis.
Related Party transactions	Reviewed related parties, minutes and expenditure.

The attached adjustments were identified during our audit work. Adjustments in relation to accrued expenditure, capitalize project and funds received in advance were not processed on the basis that they were immaterial.

We have issued an unmodified audit opinion in respect of the 30 June 2023 financial statements.

In addition, the audit report includes:

- **Material Uncertainty Related to Going Concern.** The special purpose financial statements have been prepared on the basis that Society is a going concern. This is dependent upon the continued grant funding from Auckland Council.

hl**b.co.nz**

HLB Mann Judd

Level 8, 57 Symonds Street, Auckland 1010, NZ / PO Box 43, Auckland 1140, NZ

T: +64 (0)9 303 2243 **F:** +64 (0)9 377 3053 **E:** hlb@h**l**b.co.nz

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

- Emphasis of Matter that the special purpose financial statements are intended for the Board of the Society to assist them to assess the financial position and results of the operation. As a result the special purpose financial statements may not be suitable for another purpose.

As required by International Auditing Standards, we advise that Note 4 of the financial statements disclose related party transactions.

Our audit fee for the 2023 year is estimated to be \$6,100 plus GST. Other than in our capacity as auditor, we have no relationship with, or interest in Avondale Business Association Inc.

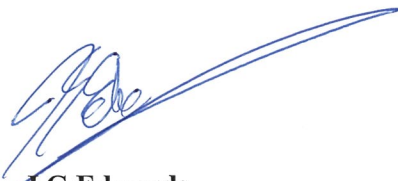
Other Observations

We make the following observations from our work:

- Avondale Business Association Inc is an Incorporated Society that is only liable for taxation on all interest and other non-member income excess \$1,000. We note that Avondale Business Association Inc received \$1,835 interest income for the year ending 30 June 2023. We suggest that Avondale Business Association Inc should consider this when preparing income tax return.
- We note that Avondale Business Association Inc accepted and paid a few invoices that are not under the name of Avondale Business Association while claiming for the assets. We suggest that Avondale Business Association should consider only approving invoices addressed to Avondale Business Association for accounting and tax purposes.
- New Incorporated Society regulations are currently being finalized, and in the future there may be financial reporting requirements including a statement of service performance.

Finally, we would like to take this opportunity to thank Pirie Brown and Piyush Gosalia for their assistance during the course of our audit.

Yours sincerely
HLB MANN JUDD

A handwritten signature in blue ink, appearing to read 'J G Edwards', with a long, sweeping underline.

J G Edwards
Partner

Avondale Business Association Inc
 Year End: 30 June 2023
 Adjusting journal entries - unrecorded (factual)
 Date: 1/07/2022 To 30/06/2023

4-110

VL	JGE	DD
VL 16/08/2023	JGE 18/08/2023	DD 15/08/2023

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	30/06/2023	Promotions	198						
1	30/06/2023	GST	820		<u>N.25</u>	2,585.00			
1	30/06/2023	Accrued Expenses	829			387.75			
		Accrued Promotions/Promotional Events					2,972.75		
2	30/06/2023	Projects - CCTV Installation	421						
2	30/06/2023	GST	820		<u>G.16</u>	2,744.70			
2	30/06/2023	Accrued Expenses	829			411.71			
		Record last claim on Project CCTV					3,156.41		
3	30/06/2023	Projects - CCTV Installation	421						
3	30/06/2023	Project - CCTV	713		<u>G.16</u>		2,744.70		
		Capitalise Project CCTV							
4	30/06/2023	Grants - Other	201						
4	30/06/2023	Umbrella Project - Auckland Transport	500		<u>N.24</u>	3,250.00			
4	30/06/2023	Umbrella Project - Auckland Transport	500				275.00		
4	30/06/2023	Umbrella Project - Waka Kotahi	501			275.00			
		Reclassify Umbrella Funding Projects. Open Street event held in Apr 2023							
5	30/06/2023	Grants - Other	201						
5	30/06/2023	Umbrella Project - Waka Kotahi	501		<u>N.24</u>	7,600.00			
5	30/06/2023	Umbrella Prjoect - Waka Kotahi Receivable	523				7,875.00		
5	30/06/2023	Umbrella Prjoect - Waka Kotahi Receivable	523			7,875.00			
		Reclassify Umbrella Funding Projects. Night Ride event held in July 2023							
						27,873.86	27,873.86		
		Net Income (Loss)	15,363.02						