

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
ABN 47 539 096 184

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2021

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
ABN 47 539 096 184

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2021

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CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
ABN 47 539 096 184

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2021

	Note	2021 \$	2020 \$
INCOME			
Activities Income		-	30
Government Subsidies		179,278	31,974
Donations		15,898	12,566
Grants		207,471	399,619
Investment Income			
- Interest		2,395	8,726
Other Income		178	6,570
		<u>405,220</u>	<u>459,485</u>
EXPENDITURE			
Employee benefits expense		286,142	292,859
Depreciation expense		4,205	9,689
Restoration and revegetation expense		65,132	130,317
Occupancy expenses		23,544	30,576
Education events expenses		1,707	12,162
Other expenses		27,768	46,335
		<u>408,498</u>	<u>521,938</u>
Deficit before income tax expense		(3,278)	(62,453)
Income tax expense		-	-
Other comprehensive income for the year net of income tax		<u>-</u>	<u>-</u>
Total comprehensive income after income tax for the year		<u><u>(3,278)</u></u>	<u><u>(62,453)</u></u>

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	2	361,665	385,758
Trade and other receivables	3	39,469	8,095
Financial assets	4	146,757	103,147
TOTAL CURRENT ASSETS		<u>547,891</u>	<u>497,000</u>
NON-CURRENT ASSETS			
Plant and equipment	5	4,701	8,906
Right of use assets	6	45,875	43,975
TOTAL NON-CURRENT ASSETS		<u>50,576</u>	<u>52,881</u>
TOTAL ASSETS		<u>598,467</u>	<u>549,881</u>
CURRENT LIABILITIES			
Trade and other payables	7	48,924	72,420
Unspent grant funds	8	253,908	192,435
Provisions	9	34,902	31,333
Lease liability	10	8,347	14,363
TOTAL CURRENT LIABILITIES		<u>346,081</u>	<u>310,551</u>
NON-CURRENT LIABILITIES			
Provisions	9	14,254	5,411
Lease liability	10	37,994	30,503
TOTAL NON-CURRENT LIABILITIES		<u>52,248</u>	<u>35,914</u>
TOTAL LIABILITIES		<u>398,329</u>	<u>346,465</u>
NET ASSETS		<u>200,138</u>	<u>203,416</u>
MEMBERS' FUNDS			
Retained surplus		200,138	203,416
TOTAL MEMBERS' FUNDS		<u>200,138</u>	<u>203,416</u>

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2021

	Retained Surplus \$	Total \$
Balance at 1 July 2019	265,869	265,869
Deficit attributable to the entity	(62,453)	(62,453)
Other comprehensive income	-	-
Balance at 30 June 2020	203,416	203,416
Deficit attributable to the entity	(3,278)	(3,278)
Other comprehensive income	-	-
Balance at 30 June 2021	<u>200,138</u>	<u>200,138</u>

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants		432,924	526,099
Other receipts		16,076	19,166
Payments to suppliers and employees		(431,878)	(532,310)
Interest received		<u>2,395</u>	<u>8,726</u>
Net cash provided by operating activities	9	<u>19,517</u>	<u>21,681</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Investment)/redemption in term deposits		(43,610)	39,499
Payments for purchase of property and equipment		<u>-</u>	<u>(1,500)</u>
Net cash (used in)/provided by investing activities		<u>(43,610)</u>	<u>37,999</u>
Net cash (decrease)/increase cash held		(24,093)	59,680
Cash at the beginning of the year		<u>385,758</u>	<u>326,078</u>
Cash at the end of the year	2	<u><u>361,665</u></u>	<u><u>385,758</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

Note 1: Statement of significant accounting policies

Financial Reporting Framework

The Committee has determined that the Association is not a reporting entity because it is unlikely there are users of these financial statements who are not in a position to require the preparation of reports tailored to their information needs.

Accordingly, these financial statements have been prepared to satisfy the Committee's reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012. These special purpose financial statements do not comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. Where applicable they indicate how the recognition and measurement requirements in Australian Accounting Standards have not been complied with. The amounts presented in the financial statements have been rounded to the nearest dollar.

COVID-19

Prior to year end 2020, the World Health Organisation declared the novel coronavirus 2019 (COVID-19) outbreak a public health emergency.

During this time, the Association received other government incentives such as the JobKeeper Payment which offset some of the revenue reduction, however, there is uncertainty regarding how long the federal government will have these changes in place, and the Committee is ready to adapt as necessary should there be any further changes or restrictions.

The Committee believe that they have instituted sufficient measures by way of reducing expenditure where possible, and utilising accumulated reserves where necessary, that the Association will be able to navigate these unprecedented economic conditions.

a. Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

b. Cash and Cash Equivalents

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

Note 1: Statement of Significant Accounting Policies (cont.)

c. Trade and other receivables

Trade receivable and other debtors include amounts due from donors and any outstanding grant receipts. 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.

d. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the entity commencing from the time the asset is held ready for use.

e. Trade and other payables

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

f. Employee entitlements

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the discounted value of estimated future cash outflows to be made for those benefits.

g. 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.

h. Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised in the income and expenditure statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

Note 1: Statement of significant accounting policies (cont.)

i. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Grant income

Unspent grant income received in relation to specific projects and events is not brought to account as revenue in the current year but deferred as a liability in the financial statements until spent for the purpose received without assessing whether enforceable performance obligations exist.

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date or the conditions will only be satisfied more than 12 months after the reporting date, the liability is discounted and presented as non-current.

This is not in accordance with AASB 15 *Revenue* or AASB 1058 *Income of Not-for-profit Entities*.

Interest revenue

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

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

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

g. 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.

h. Leases

The Company as Lessee

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

Note 1: Statement of significant accounting policies (cont.)

h. Leases (cont.)

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

	2021	2020
	\$	\$
Note 2: Cash and cash equivalents		
Petty cash	200	200
Debit cards	2,850	3,292
Cash at bank	158,203	140,973
Cash on deposit	200,412	241,293
	<u>361,665</u>	<u>385,758</u>
Note 3: Trade and other receivables		
Accounts receivable	38,469	-
Other receivables	-	7,095
Rental deposit	1,000	1,000
	<u>39,469</u>	<u>8,095</u>
Note 4: Financial assets		
Cash on deposit - term deposits >3 mths	<u>146,757</u>	<u>103,147</u>

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

	2021	2020
	\$	\$
Note 5: Plant and equipment		
Furniture and Fittings - at cost	2,097	2,097
Less accumulated depreciation	<u>(935)</u>	<u>(831)</u>
	<u>1,162</u>	<u>1,266</u>
 General equipment - at cost	 29,633	 29,633
Less accumulated depreciation	<u>(28,395)</u>	<u>(27,506)</u>
	<u>1,238</u>	<u>2,127</u>
 Motor Vehicles - at cost	 53,198	 53,198
Less accumulated depreciation	<u>(52,719)</u>	<u>(50,275)</u>
	<u>479</u>	<u>2,923</u>
 Office equipment - at cost	 17,995	 17,995
Less accumulated depreciation	<u>(16,173)</u>	<u>(15,405)</u>
	<u>1,822</u>	<u>2,590</u>
	<u>4,701</u>	<u>8,906</u>
 Note 6: Right of Use Asset		
Right of Use Asset - Room 13 and 14 The Hub, 233 Barker St Castlemaine 3450	53,274	58,634
Less amortisation	<u>(7,399)</u>	<u>(14,659)</u>
	<u>45,875</u>	<u>43,975</u>
 Note 7: Trade and other payables		
Current		
Trade creditors	28,485	51,049
Accrued Expenses	12,108	7,969
GST Liability	444	(2,255)
PAYG withholding payable	2,690	3,542
Superannuation payable	<u>5,197</u>	<u>12,115</u>
	<u>48,924</u>	<u>72,420</u>
 Note 8: Unspent grant funds		
Current		
Grants in advance	<u>253,908</u>	<u>192,435</u>

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021

	2021	2020
	\$	\$
Note 9: Provisions		
Current		
Provision for annual leave	25,596	22,644
Provision for long service leave	9,306	8,689
	<u>34,902</u>	<u>31,333</u>
Non-current		
Provision for long service leave	<u>14,254</u>	<u>5,411</u>
Note 10: Lease Liability		
Current		
Lease liabilities	<u>8,347</u>	<u>14,363</u>
Non-current		
Lease liabilities	<u>37,994</u>	<u>30,503</u>
Note 11: Reconciliation of cash flow from operations with surplus from ordinary activities after income tax		
Deficit after income tax expense	(3,278)	(62,453)
<i>Non-cash flows in surplus</i>		
- Depreciation and amortisation	4,205	19,574
<i>Changes in assets and liabilities:</i>		
- (Increase)/decrease in trade and other receivables	(31,374)	66,156
- (Decrease) in trade and other payables	(23,496)	(18,141)
- Increase in amounts in advance	61,473	21,255
- Increase in provisions	12,412	4,284
- Increase/(decrease) in lease liability	(425)	-
Net cash provided by operating activities	<u>19,517</u>	<u>30,675</u>

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.
ABN 47 539 096 184

STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED
30 JUNE 2021

The Committee has determined that the Association is not a reporting entity and that this special purpose report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

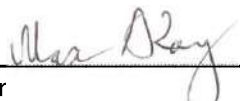
In the opinion of the committee of Connecting Country (Mt Alexander Region) Inc.:

- a) the financial statements and notes of Connecting Country (Mt Alexander Region) Inc. are in accordance with the Associations Incorporation *Reform Act (Vic) 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:
- i. giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - ii. complying with the *Australian Charities and Not-for-profits Commission Regulation 2013* ; and
- b) there are reasonable grounds to believe that Connecting Country (Mt Alexander Region) Inc. will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Chairperson



Treasurer

Dated: 12 October 2021

Dated: 12 October 2021

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.

ABN 47 539 096 184

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as auditor for the audit of Connecting Country (Mt Alexander Region) Inc. for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- i. no contraventions of the auditor independence requirements 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.



Sean Denham

Dated: *22nd October 2021*

Sean Denham & Associates
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
CONNECTING COUNTRY (MT ALEXANDER REGION) INC.**

Opinion

I have audited the accompanying financial report, of Connecting Country (Mt Alexander Region) Inc., which comprises the statement of financial position as at 30 June 2021, statement of changes in equity, statement of cash flows and the statement of profit or loss and other comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and the certification by members of the Committee.

In my opinion, the accompanying financial report of Connecting Country (Mt Alexander Region) Inc. has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complies with Australian Accounting Standards to the extent described in Note 1 to the financial statements, and the requirements of the *Associations Incorporation Reform Act 2012 (Vic)* and Div 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Association in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Association's reporting responsibilities under the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibility of the Committee for the Financial Report

The Committee 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 of 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 the needs of the members. The Committee's responsibility also includes such internal control as the Committee determine is 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 Committee are 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 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

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 responsible entities' 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 I conclude that a material uncertainty exists, I am 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 my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions that 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.

I 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 I identify during my audit.



Sean Denham

Dated: 22nd October 2021
Suite 1, 707 Mt Alexander Road
Moonee Ponds VIC 3039

CONNECTING COUNTRY (MT ALEXANDER REGION) INC.

CERTIFICATE BY MEMBER OF THE COMMITTEE

I _____, of _____, certify that:
(name) (address)

a. I attended the annual general meeting of the Association held on _____.
(date)

b. The financial statements for the year ended 30 June 2021 were submitted to the members of the Association at its annual general meeting.

Committee member

Dated: _____