

**VICTORIAN LOCAL GOVERNANCE
ASSOCIATION**

ABN 25 401 385 085

**Financial Statements
For the year ended 30 June 2021**

Operating Report
For the year ended 30 June 2021

Your board members submit the financial accounts of the Victorian Local Governance Association for the financial year ended 30 June 2021.

The names of board members during the year and/or at the date of this report are:

Cr Lambros Tapinos
Cr Susanne Newton
Cr Collin Ross
Ms Louise Hill
Mr Andrew Sloman
Cr Grace La Vella
Cr Marg Attley OAM
Ms Joanna Hayter AO
Cr Denise Massoud
Cr Josh Fergeus (commenced 1 July 2021)
Cr Steve Holland (commenced 1 July 2021)

The names of independent committee members during the year and/or at the date of this report are:

Leanne Mulcahy
Mark Davies

PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year were to provide advocacy and support to members of the association.

Significant Changes

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

OPERATING RESULT

The profit from ordinary activities amounted to :

Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
376,569	203,194

Operating Report (Cont'd)
For the year ended 30 June 2021

2020-21 Board of Directors

Board Members	Board Meetings Seven (7)		Governance & Risk Committee Meetings Four (4)	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr Lambros Tapinos (President)	7	7	4	4
Ms Louise Hill (Vice President)	7	7	4	4
Cr Suzanne Newton (Treasurer)	7	6	4	4
Cr Collin Ross	7	7	4	3
Cr Andrew Sloman (appointed November 2020)	4	4	n/a	1*
Cr Denise Massoud	7	7	n/a	3*
Cr Grace La Vella (appointed 1 January 2021)	3	3	n/a	n/a
Ms Joanna Hayter (resigned 25 August 2020)	1	1	1	1
Cr Marg Attley (stepped down 23 October 2020)	3	3	n/a	n/s
Independent Committee Members				
Ms Leanne Mulcahy	n/a	n/a	4	4
Mr Mark Davies	n/a	n/a	4	4

*Attendance as an observer

Sitting Fees

Sitting fees apply for board member attendance at board and sub-committee meetings

President	\$557
Board Members	\$426
Governance & Risk Committee	\$426

Signed in accordance with a resolution of the Members of the Board on:



Cr Denise Massoud
President



Mr Andrew Sloman

Treasurer

**Income and Expenditure Statement
for the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
Income			
Membership subscriptions		1,050,741	1,066,372
Management income		25,199	450
Program & project income	3A	210,525	236,165
Event income		108,705	29,409
Other income	3B	120,956	43,809
Interest received		3,400	13,283
Total income		1,519,526	1,389,488
Expenses			
Administration expenses	3C	162,587	104,290
Board expenses		63,447	68,726
Computer, telephone and IT		16,002	15,067
Depreciation		-	31,181
Employment expenses	3D	404,329	504,727
Event costs		56,763	13,487
Member program expenses		101,436	68,007
Printing & production costs		2,088	4,347
Program & project expenses	3E	269,192	303,975
Occupancy costs		67,113	72,487
Total expenses		1,142,957	1,186,294
Profit from ordinary activities before income tax		376,569	203,194
Income tax relating to profit from ordinary activities		-	-
Net profit attributable to the association		376,569	203,194
Comprehensive Income (\$nil tax)	1	-	-
Net profit including comprehensive income		376,569	203,194
Opening retained profits		1,335,585	1,132,391
Net profit attributable to the association		376,569	203,194
Closing retained profits		1,712,154	1,335,585

Balance Sheet
As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current Assets			
Cash assets	4	861,816	549,415
Receivables	5	265,852	55
Other Financial Assets	6	1,865,665	1,719,395
Total Current Assets		2,993,333	2,268,865
Non Current Assets			
Property, Plant & Equipment	7	-	-
Total Non Current Assets		-	-
Total Assets		2,993,333	2,268,865
Liabilities			
Current Liabilities			
Payables	8	147,124	146,675
Employee Entitlements		42,564	34,903
Other	9	1,091,491	751,702
Total Current Liabilities		1,281,179	933,280
Total Liabilities		1,281,179	933,280
Net Assets		1,712,154	1,335,585
Equity			
Retained Profits		1,712,154	1,335,585
Total Members' Funds		1,712,154	1,335,585

**Statement of Changes in Equity
for the Year Ended 30 June 2021**

	Retained Profits	Total
	\$	\$
2020		
Balance – 1 July 2019	1,132,391	1,132,391
Profit attributable to members	203,194	203,194
Balance – 30 June 2020	1,335,585	1,335,585
2021		
Balance – 1 July 2020	1,335,585	1,335,585
Profit attributable to members	376,569	376,569
Balance – 30 June 2021	1,712,154	1,712,154

VICTORIAN LOCAL GOVERNANCE ASSOCIATION
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Cash Flow Statement
for the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Cash from Operating Activities			
Receipts from members/customers		1,250,329	1,564,219
Interest received		3,400	13,283
Payments to suppliers and employees		(795,058)	(1,477,440)
Net Cash Provided by Operating Activities	(i)	458,671	100,062
Cash from Investing Activities			
Placement of Investments		(146,270)	(123,925)
Net Cash (Used in) Investing Activities		(146,270)	(123,925)
Net Increase/(Decrease) in Cash held		312,401	(23,863)
Cash at the Beginning of the financial year		549,415	573,278
Cash at the End of the financial year		861,816	549,415

Note (i)

Net Cash provided by operating activities

Profit before tax	376,569	203,194
Add non-cash items		
Depreciation	-	31,181
	376,569	234,375
Change in Operating Assets/(Liabilities)		
Receivables	(265,797)	174,731
Payables and Other Liabilities	340,238	(309,948)
Provisions	7,661	904
Net Cash Provided by Operating Activities	458,671	100,062

Notes to the Financial Statements
for the Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporations Reform Act 2012*. The Board has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The Association is believed to be exempt from income tax given its "Not for Profit" status, hence no income tax has been provided for in the financial report.

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

(a) 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.

(b) Impairment of Assets

At the end of each reporting period, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any 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 value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(c) Employee Benefits

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 benefits have been measured at the amounts expected to be paid when the liability is settled.

(d) 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.

(e) Revenue and Other Income

Revenue recognition

The Association has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058).

Operating Grants

When the Association receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

No changes to comparative information were required given the adoption of AASB 15: Revenue from Contracts with Customers.

All revenue is recognised at the point of sale/service recognition, and is sourced in Australia. There are no unsatisfied performance obligations.

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

(f) 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(g) Trade and Other Payables

Trade 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, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

VICTORIAN LOCAL GOVERNANCE ASSOCIATION
ABN 25 401 385 085

Notes to the Financial Statements
for the Year Ended 30 June 2021 (cont'd)

	2021 \$	2020 \$
2. REVENUE AND OTHER INCOME		
Interest revenue	3,400	13,283
Membership subscriptions	1,050,741	1,066,372
Management income	25,199	450
Program & project income	210,525	236,165
Events	108,705	29,409
Other income	120,956	43,809
	1,519,526	1,389,488
3A PROGRAMS AND PROJECTS (INCOME)		
Womens Programs	28,634	53,333
Gambling	145,000	145,000
ARC	7,000	-
Libraries After Dark	15,000	9,000
Other	14,891	23,832
	210,525	236,165
3B OTHER INCOME		
ATO Cash Boost	100,000	-
Rental Income	15,547	32,579
Sundry	5,409	11,230
	120,956	43,809
3C ADMINISTRATION EXPENSES		
Consultants	73,565	16,642
Bookkeeping	22,964	27,642
Insurance	7,126	9,153
Legal	9,892	2,000
Other	49,040	48,853
	162,587	104,290
3D EMPLOYEE BENEFITS		
Wages and Salaries	364,234	456,884
Superannuation	33,659	41,877
Workcover	6,436	5,966
	404,329	504,727

VICTORIAN LOCAL GOVERNANCE ASSOCIATION
ABN 25 401 385 085

Notes to the Financial Statements
for the Year Ended 30 June 2021 (cont'd)

	2021 \$	2020 \$
3E PROGRAMS AND PROJECTS (EXPENSES)		
Womens Programs	103,662	119,802
Gambling	118,588	130,103
ARC	7,000	-
Libraries After Dark	-	9,858
Candidate Training	27,846	6,592
Other	12,096	37,620
	269,192	303,975
4. CASH ASSETS		
Bank accounts:		
- WBC bank cheque account	308,149	75,508
- WBC bank savings account	552,320	472,249
- Westpac Debit	1,285	1,596
Other cash items:		
- Cash on hand	62	62
	861,816	549,415
5. RECEIVABLES		
Trade and other debtors (\$nil provision for doubtful debts)	265,852	55
	265,852	55
6. OTHER FINANCIAL ASSETS		
Cash Management Investments	1,834,444	1,688,174
ACF Cash Guarantee	31,221	31,221
	1,865,665	1,719,395
7. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment:		
- At Cost	336,194	336,194
- Less: Accumulated depreciation	(336,194)	(336,194)
	-	-
8. PAYABLES		
Unsecured:		
- Trade creditors and accruals	147,124	146,675
	147,124	146,675

**Notes to the Financial Statements
for the Year Ended 30 June 2021 (cont'd)**

9. OTHER LIABILITIES	2021 \$	2020 \$
Current		
Membership subscriptions	1,091,491	751,702
	1,091,491	751,702

VICTORIAN LOCAL GOVERNANCE ASSOCIATION
ABN 25 401 385 085


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

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 outlined in Note 1 to the financial statements.

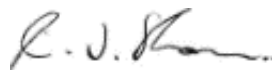
In the opinion of the Board the Income and Expenditure Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cashflows and Notes to the Financial Statements:

1. Presents fairly the financial position of Victorian Local Governance Association as at 30 June 2021 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.

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



Cr Denise Massoud
President



Mr Andrew Sloman
Treasurer

**Certificate by Member of the Board
for the Year Ended 30 June 2021 (cont'd)**

We certify that:

- a. We attended the annual general meeting of the association held on 25 February 2021.
- b. The financial statements for the year ended 30 June 2021 were submitted to the members of the association at its annual general meeting.

Dated 7 September 2021



Cr Denise Massoud
President



Mr Andrew Sloman
Treasurer

**Victorian Local Governance Association
ABN 25 401 385 085
Independent Auditor's Report to the Members**

Report on the Audit of the Financial Report Opinion

We have audited the financial report of Victorian Local Governance Association (the association), which comprises the Statement by Members of the Board, Income and Expenditure Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cashflows, a summary of significant accounting policies and the certification by members of the board 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, in all material respects, the financial position of the association as at 30 June 2021 and of 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 Associations Incorporation Reform Act 2012.

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. We have fulfilled our 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 Associations Incorporation Reform Act 2012. 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 Board for the Financial Report

The board is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Reform Act 2012 and for such internal control as the board 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 board is 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 either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

**Victorian Local Governance Association
ABN 25 401 385 085
Independent Auditor's Report to the Members (Cont'd)**

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.

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 board.
- Conclude on the appropriateness of the board'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 the Board 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.

Stannards Accountants & Advisors

Stannards Accountants and Advisors



Michael B Shulman
Partner

Dated: 7 September 2021