

Local Government Finance Professionals Association Inc.

Financial Report for the Year Ended 30 September 2021

COMMITTEE'S REPORT

Your committee members submit the financial report of Local Government Finance Professionals Association Inc., "The Association" for the financial year ended 30 September 2021.

Committee Members

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

Alan Wilson	Belinda Johnson
Bradley Thomas	Charles Nganga
Chen Wei	Danny Wain
Fiona Rae	Gabrielle Gordon
Mark Montague	Melissa Baker
Nathan Morsillo	Simone Wickes
Tony Rocca	Binda Gokhale

The principal activities of the association during the financial year were to provide professional development opportunities to members of the association.

Significant Changes

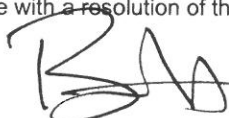
The Association has been greatly impacted by COVID-19 restrictions since March, 2020, resulting in an inability to run any face-to-face seminars, conferences or meetings for either the Members or the Executive. Whilst the Association has adapted to an online webinar and meeting presence, this has not been commensurate with the activities which had been planned for the latter part of the financial year. The Association has continued to provide member services in alternative methods until such time as restrictions as set out by the State government are lifted.

Operating Result

The deficit for the 2021 financial year amounted to \$14,228 (2020: deficit of \$4,936).

Signed in accordance with a resolution of the members of the committee.

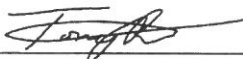
Signed:



Bradley Thomas

Dated: 2 December 2021

Signed:



Tony Rocca

Dated: 2 December, 2021

Local Government Finance Professionals Association Inc

INCOME AND EXPENDITURE STATEMENT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 \$	2020 \$
INCOME			
Contributions (members)		48,117	44,971
Professional Development Fees	2	32,455	252,899
Sponsorship		4,818	115,500
Interest		97	972
		<u>85,487</u>	<u>414,342</u>
EXPENDITURE			
Bank charges		158	173
Consultants		600	1,000
Marketing and Development		136	-
Communications		10,615	4,318
Administration expenses		85,257	79,418
Professional Development	3	380	329,219
Representations		569	5,150
Scholarship Program		2,000	-
		<u>99,715</u>	<u>419,278</u>
Current year surplus (deficit) and other Comprehensive income		<u>(14,228)</u>	<u>(4,936)</u>

The accompanying notes form part of these financial statements.

Local Government Finance Professionals Association Inc

ASSETS AND LIABILITIES STATEMENT AS AT 30 SEPTEMBER 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	192,362	231,656
Prepayments		127,873	7,286
Other Receivable		3,381	795
TOTAL CURRENT ASSETS		323,616	239,737
NON-CURRENT ASSETS			
Prepayments		-	62,576
TOTAL NON-CURRENT ASSETS		-	62,576
TOTAL ASSETS		323,616	302,313
LIABILITIES			
CURRENT LIABILITIES			
Creditors	5	39,513	39,511
Contract Liabilities	5	35,000	-
Accrued Expenditure	5	1,304	775
TOTAL CURRENT LIABILITIES		75,817	40,286
NON-CURRENT LIABILITIES			
		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		75,817	40,286
NET ASSETS		247,799	262,027
MEMBERS' FUNDS			
Opening Balance Equity		63,335	63,335
Retained Surplus		198,692	203,628
Net Income		(14,228)	(4,936)
TOTAL MEMBERS' FUNDS		247,799	262,027

The accompanying notes form part of these financial statements.

Local Government Finance Professionals Association Inc

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	Members' Funds \$	Retained Surplus \$	Total \$
Balance at 1 October 2019		63,335	203,628	266,963
Net surplus for the year		-	(4,936)	(4,936)
Other Comprehensive income		-	-	-
Total comprehensive income attributable to members of the Association for the year		-	(4,936)	(4,936)
Balance at 30 September 2020		63,335	198,692	262,027
Balance at 1 October 2020		63,335	198,692	262,027
Net surplus for the year			(14,228)	(14,228)
Other Comprehensive income			-	-
Total comprehensive income attributable to members for the Association for the year				
Balance at 30 September 2021		63,335	184,464	247,799

The accompanying notes form part of these financial statements.

Local Government Finance Professionals Association Inc

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 \$	2020 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (GST inclusive)		120,390	223,502
Payments to suppliers (GST Inclusive)		(159,781)	(299,990)
Interest Received		97	972
NET CASH PROVIDED FROM / (USED IN) OPERATING ACTIVITIES		<u>(39,294)</u>	<u>(75,516)</u>
NET INCREASE (DECREASE) IN CASH HELD		(39,294)	(75,516)
CASH AT BEGINNING OF FINANCIAL YEAR		231,656	307,172
CASH AT END OF FINANCIAL YEAR		<u>192,362</u>	<u>231,656</u>
RECONCILIATION OF CASH			
CASH AT BANK		25,778	65,169
TERM DEPOSIT		166,584	166,487
		<u>192,362</u>	<u>231,656</u>
RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH NET INCOME			
NET INCOME		(14,228)	(4,936)
(INCREASE) / DECREASE IN PREPAYMENTS AND OTHER ASSETS		(58,011)	123,420
INCREASE / (DECREASE) IN CONTRACT LIABILITY		35,000	(189,868)
INCREASE / (DECREASE) IN CREDITORS AND OTHER LIABILITIES		(2,055)	(4,132)
CASHFLOW FROM OPERATIONS		<u>(39,294)</u>	<u>(75,516)</u>

The accompanying notes form part of these financial statements.

Local Government Finance Professionals Association Inc

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Reform Act 2012 Vic. The committee has determined that the Association is not a reporting entity.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The financial statements have been prepared on an accruals basis and are based on historic costs and 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 Association is not registered for income tax as income is received from members and in the event of winding up the organisation it states that all surplus funds are transferred to another like not for profit organisation.

b. **Property, Plant and Equipment (PPE)**

The Association owns no Property, Plant or Equipment.

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 to sell 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**

The Association has no employees.

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.

Local Government Finance Professionals Association Inc

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h. Revenue and Other Income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

Contributions (members)

Contributions received throughout the year are recognised as income on a pro-rata basis. Contributions received relating to the subsequent year are recognised at year-end as contract liabilities, if any.

Professional Development Fees

Revenue is recognised when the event is held.

Sponsorship

Sponsorship revenue is recognised on an accruals basis when the Association is entitled to it.

i. Leases

The Association has no leases at 30 September 2021.

j. 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.

k. 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.

l. 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.

Local Government Finance Professionals Association Inc

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

m. **Contract liabilities**

Contract liabilities represent the incorporated association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the incorporated association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the incorporated association has transferred the goods or services to the customer.

n. **Covid-19**

The Association has been greatly impacted by COVID-19 restrictions since March, 2020, resulting in an inability to run any face-to-face seminars, conferences or meetings for either the Members or the Executive. Whilst the Association has adapted to an online webinar and meeting presence, this has not been commensurate with the activities which had been planned for the latter part of the financial year. The Association will continue to provide member services in alternative methods until such time as restrictions as set out by the State government are lifted.

Local Government Finance Professionals Association Inc

NOTE 2: INCOME - PROFESSIONAL DEVELOPMENT FEES

	2021	2020
	\$	\$
Professional Development: AGM	-	11,496
Professional Development: Conferences	-	201,600
Professional Development: Seminars	-	39,803
Professional Development Levy	32,455	
Total Income – Professional Development Fees	32,455	252,899

NOTE 3: EXPENDITURE - PROFESSIONAL DEVELOPMENT

Professional Development: AGM	-	23,605
Professional Development: Conferences	-	270,682
Professional Development: Seminars	380	34,932
Total Expenses – Professional Development Fees	380	329,219

NOTE 4: CASH ON HAND

Cash at bank – Commonwealth	25,778	65,169
Term Deposit	166,584	166,487
Total cash and cash equivalents	192,362	231,656

NOTE 5: CURRENT LIABILITIES

Creditors	39,513	39,511
Contract liabilities	35,000	-
Accrued Expenses	1,304	775
Total Current Liabilities	75,817	40,286

NOTE 6: SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Association, the results of the operations or the state of affairs of the Association in the future financial years.

NOTE 7: CONTINGENT LIABILITIES

The Association had no contingent liabilities or assets as at 30 September 2021 and 30 September 2020.

Local Government Finance Professionals Association Inc

Associations Incorporation Reform Act 2012

ss 94(2)(b), 97(2)(b) and 100(2)(b)

**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF FINANCIAL POSITION AND
PERFORMANCE OF INCORPORATED ASSOCIATION**

We, Bradley Thomas and Tony Rocca, being members of the committee of Local Government Finance Professionals Association Inc., certify that:

The statements attached to this certificate give a true and fair view of the financial position and performance of Local Government Finance Professionals Association Inc. during and at the end of the financial year of the Association ended on 30 September 2021.

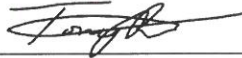
Signed:



Bradley Thomas

Dated:

Signed:



Tony Rocca

Dated: 2/12/2021

Local Government Finance Professionals Association Inc

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCAL GOVERNMENT FINANCE PROFESSIONALS ASSOCIATION INC

We have audited the accompanying financial report, being a special purpose financial report, of Local Government Finance Professionals Association Inc. (the association), which comprises the committee's report, the assets and liabilities statement as at 30 September 2021, 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.

Committee's Responsibility for the Financial Report

The committee of Local Government Finance Professionals Association Inc. is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Victorian Association Reform Act 2012 and is appropriate to meet the needs of the members. The committee's responsibility also includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial report, in all material respects), the financial position of Local Government Finance Professionals Association Inc. as at 30 September 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 Victorian Association Incorporation Reform Act 2012.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Local Government Finance Professionals Association Inc. to meet the requirements of the Vic. As a result, the financial report may not be suitable for another purpose.

Auditor's signature:

Auditor's address:

Dated this 2nd day of December, 2021

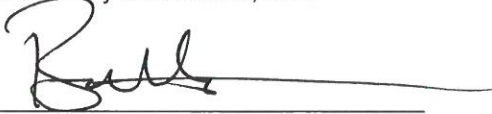
Local Government Finance Professionals Association Inc

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Bradley Thomas of 4 Colrae Crt, Golden Square certify that:

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

Dated this 3rd day of December, 2021

A handwritten signature in black ink, appearing to read 'Bradley Thomas', is written over a horizontal line.

Bradley Thomas (Committee Member)

Independent Auditor's Report to the Members of Local Government Finance Professionals Association Inc.

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Local Government Finance Professionals Association Inc. ("the Association"), which comprises the Assets and Liabilities Statement as at 30 September 2021, the Income and Expenditure Statement and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the Association as at 30 September 2021 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 *Associations Incorporation Reform Act 2012 (Vic)*.

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 auditor independence 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 meet the requirements of the *Associations Incorporation Reform Act 2012 (Vic)*. 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 of the special purpose 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 its requirements of the *Associations Incorporation Reform Act 2012 (Vic)*. Management's responsibility also includes such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, the Committee 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 management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

hlb.com.au

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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 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 the 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 management.
- Conclude on the appropriateness of the management'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 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.



HLB Mann Judd
Chartered Accountants

Melbourne
2 December 2021



Mark Peters
Partner

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Local Government Financial Professionals Association Inc. for the year ended 30 September 2021.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Melbourne
2 December 2021



**Mark Peters
Partner**

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