

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

AUDIT REPORT
FOR THE YEAR ENDED 30 JUNE 2012

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KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2012

During the reporting period, Katungul Aboriginal Corporation Community & Medical Services had a federal government appointed funds administrator to manage the financial affairs of the organisation. Subsequently, a special administrator was appointed by the Registrar of Indigenous Corporations, in accordance with the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act). The special administrator was appointed on 12th December 2011, and as such, no directors were in office at 30th June 2012.

Principal Activities

The principal activities of the corporation during the financial year were to provide comprehensive primary health care services to Aboriginal and Torres Strait Islander residents of the far south coast of New South Wales.

The corporation's short-term objectives are to:

Use funds in accordance with the funding agreements to provide holistic primary health care activities and to support Aboriginal and Torres Strait Islander Communities on the Far South Coast of NSW to achieve self determination and self management of social and emotional health.

The corporation's long-term objectives are to:

Establish linkages with other health service providers within the region, to ensure that patients are receiving the highest standard of care whilst incorporating a holistic approach toward diagnosis and management of illness.

During the reporting period the objectives of the corporation remain unchanged, however the rules that govern the organisation have been changed in accordance with the CATSI Act.

Key Performance Measures

The corporation measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used to assess the financial sustainability of the corporation and whether the corporation's short-term and long-term objectives are being achieved.

Meetings of Directors

During the financial year, three meetings of directors were held. Attendances by each of the former directors were as follows:


	Position	No. of Meetings Eligible to attend	No. of meetings attended
Ron Mason	Chairperson	3	3
Lorraine Naylor	Deputy Chairperson	3	3
Stella Bolt	Treasurer	3	2
Lynette Rook	Director	3	2
Peter Kirby	Director	3	2
Gary Aldridge	Director	3	2
Bunja Smith	Treasurer	3	2

The corporation is incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act). If the corporation is wound up, the rulebook states that each member is not liable to meet any outstanding obligations of the corporation.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 2 of the financial report.

Signed by the Special Administrator.



Special Administrator:

Dated this 27th day of September 2012



**Chartered
Accountant**

Principal Phillip W Miller CA
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**INDEPENDENCE DECLARATION
TO THE MEMBERS OF
KATUNGUL ABORIGINAL CORPORATION COMMUNITY
AND MEDICAL SERVICES
ABN 35 679 076 545**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 339-75 OF THE CORPORATIONS (ABORIGINAL AND
TORRES STRAIT ISLANDER) ACT 2006**

TO DIRECTORS OF

KATUNGUL ABORIGINAL CORPORATION COMMUNITY AND MEDICAL SERVICES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- a. no contraventions of the auditor independence requirements as set out in the Corporations (Aboriginal & Torres Strait Islander) Act 2006 in relation to the audit; and
- b. assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

MCS Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Phillip W Miller'.

**Phillip W Miller CA
Director**

Dated in Canberra on 26 September 2012

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	<u>NOTE</u>	<u>30-Jun 2012</u>	<u>30-Jun 2011</u>
		<u>\$</u>	<u>\$</u>
Revenue	2	2,185,075	2,405,824
Other Income	2	872,775	860,169
Administration & Other Costs		(561,089)	(985,812)
Audit Fees	3	(27,855)	(27,901)
Depreciation	3	(225,219)	(187,023)
Employee Benefits Expense	3	(1,738,595)	(2,117,897)
Loss on Sale of Assets		(5,312)	(24,681)
Motor Vehicle Expenses		(61,478)	(48,171)
Travel & Training		<u>(76,523)</u>	<u>(24,681)</u>
Profit (Loss) before income tax expense		361,778	(150,173)
Income tax expense			
Profit (Loss) from ordinary activities after income tax expense		<u>361,778</u>	<u>(150,173)</u>

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	30-Jun 2012	30-Jun 2011
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	544,257	(56,821)
Trade and other receivables	5	131,705	2,539
Total Current Assets		<u>675,962</u>	<u>(54,282)</u>
NON CURRENT ASSETS			
Property, Plant & Equipment	6	<u>1,482,133</u>	<u>1,654,639</u>
Total Non Current Assets		<u>1,482,133</u>	<u>1,654,639</u>
TOTAL ASSETS		<u>2,158,096</u>	<u>1,600,358</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	474,209	268,842
Short term provisions	8	<u>0</u>	<u>0</u>
Total Current Liabilities		<u>474,209</u>	<u>268,842</u>
NON CURRENT LIABILITIES			
Long term provisions	8	<u>4,594</u>	<u>14,000</u>
Total Non Current Liabilities		<u>4,594</u>	<u>14,000</u>
TOTAL LIABILITIES		<u>478,803</u>	<u>282,842</u>
NET ASSETS		<u>1,679,293</u>	<u>1,317,515</u>
EQUITY			
Retained Earnings		<u>1,679,293</u>	<u>1,317,515</u>
TOTAL EQUITY		<u>1,679,293</u>	<u>1,317,515</u>

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 30 June 2010	1,467,688	-	1,467,688
Loss from Ordinary Activities	(150,173)	-	(150,173)
Balance at 30 June 2011	1,317,515	0	1,317,515
Profit from Ordinary Activities	361,778	-	361,778
Balance at 30 June 2012	1,679,293	0	1,679,293

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	30-Jun 2012	30-Jun 2011
CASH FLOWS FROM OPERATING ACTIVITIES		\$	\$
Receipt of Grants		2,080,515	2,133,538
Other receipts		840,679	857,057
Payments to suppliers and employees		(2,269,579)	(3,153,043)
Interest Received		7,489	3,112
Net Cash provided in Operating Activities		659,104	(159,336)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		59,946	65,459
Payments for property, plant & equipment		(117,971)	(221,091)
Net Cash provided in investing activities		(58,025)	(155,632)
Net Increase/(Decrease) in cash held		601,079	(314,968)
Cash as at 1 July 2012		(56,821)	258,147
Cash as at 30 June 2012	4	544,257	(56,821)

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are for Katungul Aboriginal Corporation Community & Medical Services, as an individual entity, incorporated and domiciled in Australia.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a) Revenue and Other Income

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

b) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the corporation includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

b) Property, Plant and Equipment (Continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value or prime cost basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated 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:

Class of Fixed Asset	Depreciation Rate	
Class of Fixed Asset	Buildings	20 years
	Plant & Equipment	5 -10 years
	Leased Plant & Equipment	5 -10 years #

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c) 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 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 statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

d) Employee Benefits

Provision is made for the organisation'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 amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

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 Australian Taxation 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a net basis.

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NOTES TO THE FINANCIAL STATEMENTS
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g) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

h) Income Tax

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

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NOTES TO THE FINANCIAL STATEMENTS
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i) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

j) 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 organisation 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.

k) Economic Dependence

Katungul Aboriginal Corporation Community & Medical Services is dependent on the various State and Commonwealth Government funding for the majority of its revenue used to operate the business.

l) Unexpended Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grants monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

m) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. 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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

n) Provisions

Provisions are recognised when the entity 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the corporation.

p) Adoption of New and Revised Accounting Standards

During the current year, the organisation has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Katungul Aboriginal Corporation Community & Medical Services.

AASB 101: Presentation of Financial Statements

In September 2007, the Australian Accounting Standards Board revised AASB 101, and as a result there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the corporation's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

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p) Adoption of New and Revised Accounting Standards (continued)

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement — the statement of comprehensive income, or two statements — a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The entity's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

q) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the corporation. The corporation has decided not to early adopt any of the new and amended pronouncements. The corporation's assessment of the new and amended pronouncements that are relevant to the corporation but applicable in future reporting periods is set out below:

– AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

The corporation has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the corporation is a not-for-profit private sector entity, it qualifies for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the corporation will take advantage of Tier 2 reporting at a later date.

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q) New Accounting Standards for Application in Future Periods (continued)

– AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the corporation.

– AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

– AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

These Standards are not expected to significantly impact the corporation.

– AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the corporation.

-AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The corporation does not have any defined benefit plans and so is not impacted by the amendment.

AASB 119 (September 2011) also includes changes to:

(a) require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term employee benefits, post-employment benefits or termination benefits, as appropriate; and

(b) the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

- (i) where for an offer that may be withdrawn – when the employee accepts;
- (ii) where for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
- (iii) where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

The corporation has not yet been able to reasonably estimate the impact of these changes to AASB 119.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	<u>JUN 2012</u>	<u>JUN 2011</u>
	<u>\$</u>	<u>\$</u>
NOTE 2: Revenue and Other Income		
Commonwealth Government Grants		
Department of Health & Ageing	1,611,575	1,708,824
State Government Grants		
NSW Department of Health	508,927	631,000
Other Grants		
Health Reform Transition Office	50,999	66,000
Pharmacy Guild of Australia	13,574	0
Total Revenue	<u>2,185,075</u>	<u>2,405,824</u>
Other Income		
Medicare Income	433,417	523,902
Practice Incentives Program (PIP)	314,293	0
Australian Child Immunisation (CIR)	1,836	0
Interest Received	7,489	3,112
Employment Subsidies	27,857	4,840
Other Income	87,883	328,315
Total Other Income	<u>872,775</u>	<u>860,169</u>
Total Revenue & Other Income	<u>3,057,850</u>	<u>3,265,993</u>
 NOTE 3: Profit for the Year		
Expenses		
Depreciation and amortisation		
Land and Buildings	35,280	35,279
Motor Vehicles	26,135	11,058
Plant & Equipment	163,804	140,686
Total Depreciation and Amortisation	<u>225,219</u>	<u>187,023</u>
Total Employee Benefits Expense	<u>1,738,595</u>	<u>2,117,897</u>
Auditor's Remuneration		
Audit or Review Services	27,855	27,901
Other Services	0	7,035
	<u>27,855</u>	<u>34,936</u>
 NOTE 4: Cash and Cash Equivalents		
Westpac- OATSIH 504570	27,930	0
Westpac- OATSIH 504634	261,109	0
Westpac- NSW 504626	73	0
Westpac- NSW 504642	409,856	0
NAB Overdraft	(154,711)	(57,791)
NAB Payroll 2620	0	490
KACC Building Fund 8618	0	480
	<u>544,257</u>	<u>(56,821)</u>

Cash at bank is a "restricted asset" in that amounts representing unexpended grants may only be applied for the purpose specified in Program Funding Agreement

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 5: Trade and other receivables

CURRENT

	<u>JUN</u> <u>2012</u>	<u>JUN</u> <u>2011</u>
Trade Receivables	<u>\$</u>	<u>\$</u>
Trade Debtors	107,098	2,539
Medicare Debtors	24,166	0
Staff Debtors	441	0
Total current trade and other receivables	<u>131,705</u>	<u>2,539</u>

NOTE 6: Property, plant and equipment

BUILDINGS

Land and Building- Narooma	874,974	874,974
Land and Building- Bega	352,200	352,199
Less Accum Depreciation	<u>(174,449)</u>	<u>(139,170)</u>
Total Land & Buildings	<u>1,052,724</u>	<u>1,088,003</u>

PLANT & EQUIPMENT

Furniture & Fittings		
At cost	132,192	132,192
Less Accum Depreciation	<u>(53,287)</u>	<u>(39,886)</u>
Total Furniture & Fittings	<u>78,905</u>	<u>92,306</u>

Dental Equipment		
At cost	561,821	528,541
Less Accum Depreciation	<u>(432,433)</u>	<u>(351,557)</u>
Total Dental Equipment	<u>129,387</u>	<u>176,984</u>

Medical Equipment		
At cost	78,063	76,388
Less Accum Depreciation	<u>(61,933)</u>	<u>(57,575)</u>
Total Medical Equipment	<u>16,131</u>	<u>18,813</u>

Computers		
At cost	220,311	217,846
Less Accum Depreciation	<u>(180,046)</u>	<u>(142,437)</u>
Total Computers	<u>40,265</u>	<u>75,409</u>

Office Equipment		
At cost	86,428	86,428
Less Accum Depreciation	<u>(61,038)</u>	<u>(48,340)</u>
Total Equipment	<u>25,390</u>	<u>38,088</u>

MOTOR VEHICLES

Motor Vehicles		
At Cost vehicles	218,513	218,083
Less Accum Depreciation	<u>(79,183)</u>	<u>(53,047)</u>
Total Motor Vehicles	<u>139,330</u>	<u>165,036</u>
	<u>1,482,133</u>	<u>1,654,639</u>

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

	<u>JUN 2012</u>	<u>JUN 2011</u>
	\$	\$
NOTE 7(a): Trade and Other Payables		
CURRENT		
Trade Creditors		
Trade Creditors	106,995	91,792
Accrued Expenditure	42,539	0
Sick & Holiday Pay	102,010	111,045
Credit Cards	0	6,195
Wage Deductions Payable		
Superannuation Liability	17,742	35,543
ATO Liabilities	118,241	24,256
Employee Deductions	18	12
Total Trade Creditors & Wage Deductions Payable	<u>387,545</u>	<u>268,842</u>
Other Liabilities		
Grants in advance	7(b) 86,664	0
Total Other Current Payables	<u>86,664</u>	<u>0</u>
Total Payables	<u><u>474,209</u></u>	<u><u>268,842</u></u>

	<u>Unexp 2012</u>	<u>Release 12/13</u>	<u>Other Income</u>	<u>Expended 12/13</u>	<u>Unexp. 30-Jun-12</u>
NOTE 7(b): Schedule of Grants					
Government Grants					
Comm Department of Health & Ageing-OATSIH					
Primary Health Care	0	1,085,080	115,080	1,200,160	0
Bringing Them Home	0	106,922	0	89,220	17,702
Substance Use	0	226,764	0	180,574	46,190
Rural Primary Health Services	0	256,701	0	256,701	0
NSW Department of Health					
Oral Health	0	292,400	3,907	296,307	0
Mental Health	0	85,500	0	80,181	5,319
Otitis Media	0	73,100	0	73,100	0
Sexual Health	0	67,700	0	63,247	4,453
Other Grants					
Koori Maternity Access Program	0	64,000	0	50,999	13,001
	<u>-</u>	<u>2,194,167</u>	<u>118,987</u>	<u>2,239,489</u>	<u>86,664</u>

	<u>JUN 2012</u>
	\$
NOTE 8: Provisions	
CURRENT	
Short-term Employee Benefits	
Opening balance at 1 July 2011	0
Additional provisions raised during year	0
Amounts used	0
Balance at 30 June 2012	<u>0</u>
NON-CURRENT	
Long-term Employee Benefits	
Opening balance at 1 July 2011	14,000
Additional provisions raised during year	(9,406)
Amounts used	0
Balance at 30 June 2012	<u>4,594</u>
Analysis of Total Provisions	
Current	0
Non-current	<u>4,594</u>
	<u><u>4,594</u></u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

NOTE 9: Contingent Liabilities and Contingent Assets

There are no known contingent liabilities or assets at the time of preparing this report.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 10: Events After the Reporting Period

Civil court proceedings have been commenced by the Registrar of Indigenous Corporations against the former CEO of Katungul Aboriginal Corporation Community & Medical Services, Damien Matcham. Among the orders sought by the Registrar is an order that compensation be paid to the corporation by Mr Matcham. The corporation notes that any compensation monies awarded to the corporation, following the payment of all legal and associated costs, will be paid to the Department of Health & Ageing as the compensation is expected to relate to payments from funding from that department. At the date of this report, both the likelihood of receiving any monies, and the amount of monies anticipated to be received, is unknown.

NOTE 11: Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the corporation, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

	Short-term benefits	Post employ't benefits	Other long-term benefits	Total
	\$	\$	\$	\$
2011				
Total compensation	675,624	0	0	675,624
2012				
Total compensation	338,433	0	0	338,433

NOTE 12: Cash Flow Information

a) Reconciliation of Cash

	JUN 2012	JUN 2011
	\$	\$
Cash at bank	544,257	(56,821)
Other cash	0	0
	4	(56,821)

b) Reconciliation of cash flow from operations with loss after income tax

Profit (Loss) after income tax	361,778	(150,173)
Non cash flows		
(Profit)/Loss on sale of assets	5,312	22,426
Changes to provisions	(9,406)	30,434
Depreciation	225,219	187,023
Changes in assets and liabilities		
(Increase)/Decrease in receivables	(129,166)	35,602
Increase/(Decrease) in Creditors, Accruals and Grants in Advance	205,367	(284,648)
Net Cash provided by Operating Activities	659,104	(159,336)

NOTE 12: Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		JUN 2012	JUN 2011
	Note	\$	\$
Financial Assets			
Cash and cash equivalents	4	544,257	(56,821)
		544,257	(56,821)
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	7	474,209	268,842
		474,209	268,842

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: Financial Risk Management (continued)

Financial Risk Management Policies

The entity's risks are closely associated with funding received from various government agencies, and the terms and conditions associated to funding, requiring certain conditions to be met. The board, in cooperation with the Chief Executive Officer monitor expenditure of such funds, and impose sanctions where there is indication that over-expenditure is likely to be incurred.

Specific Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the organisation.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise cleared as being financially sound.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the corporation securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5.

The entity has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2012	2011
Cash and Cash equivalents			
-AA Rated	4	<u>544,257</u>	<u>(56,821)</u>
		<u>544,257</u>	<u>(56,821)</u>

b) Liquidity risk

Liquidity risk arises from the possibility that the entity might encounter difficulty in settling its debts or activities otherwise meeting its obligations related to financial liabilities. The entity manages this risk through the following mechanisms:-

- preparing forward looking cash flow analysis in relation to its operational, investing and financing maintaining a reputable credit profile
- managing government funding in line with requirements, and thereby minimize delays in funding releases;
- investing only in surplus cash with major financial institutions
- managing receivables from other customers;

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: Financial Risk Management (Continued)

Financial liability and financial asset maturity analysis

	Within 1 Year		Total	
	2012	2011	2012	2011
Financial liabilities due for payment				
Lease liabilities			0	0
Trade and other payables (excl. annual leave and deferred income)	474,209	268,842	474,209	268,842
Total expected outflows	474,209	268,842	474,209	268,842
Financial Assets - cash flows realisable				
Cash and cash equivalents	544,257	(56,821)	544,257	(56,821)
Trade, term and loans receivables	131,705	2,539	131,705	2,539
Other investments			0	0
Total anticipated inflows	675,962	(54,282)	675,962	(54,282)
Net (outflow) / inflow on financial instruments	201,753	(323,124)	201,753	(323,124)

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

Sensitivity Analysis

The following table illustrates sensitivities to the entity's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2011	Profit	Equity
+/- 2 % in interest rates	(3,003)	26,350
Year ended 30 June 2012	Profit	Equity
+/- 2 % in interest rates	7,236	33,586

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed on foreign exchange risk, as the entity is not exposed to foreign currency fluctuations.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 12: Financial Risk Management (Continued)

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the entity. Most of these instruments which are carried at amortised cost are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the entity.

	Footnote	2012		2011	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash and cash equivalents	(i)	544,257	544,257	(56,821)	(56,821)
Trade and other receivables	(i)	131,705	131,705	2,539	2,539
Total financial assets		675,962	675,962	(54,282)	(54,282)
Financial liabilities					
Trade and other payables	(i)	474,209	474,209	268,842	268,842
Total financial liabilities		474,209	474,209	268,842	268,842

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument

NOTE 13: Entity Details

The registered office of the corporation is:

Katungul Aboriginal Corporation Community & Medical Services
PO Box 296
Narooma NSW 2546

The principal place of business is:

Katungul Aboriginal Corporation Community & Medical Services
26 Princes Highway
Narooma NSW 2546

NOTE 14: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

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DIRECTOR'S DECLARATION
FOR THE YEAR ENDED 30 JUNE 2012

The special administrator of the entity declares that:

1. The financial statements and notes, as set out on pages 3 to 19, are in accordance with the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act), and:
 - (a) comply with Accounting Standards and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the period ended on that date of the entity.
2. In the special administrator's opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made by the Special Administrator.

Special Administrator



Dated this *27th* day of *September* 2012



**Chartered
Accountant**

Principal Phillip W Miller CA
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Phone (02) 6260 3588
Fax (02) 6282 4711
Web www.mcsaudit.com.au
ASIC Authorised Audit Company No. 408893

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KATUNGUL ABORIGINAL CORPORATION COMMUNITY
AND MEDICAL SERVICES
ABN 35 679 076 545**

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of Katungul Aboriginal Corporation Community and Medical Services which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of Katungul Aboriginal Corporation Community and Medical Services are responsible for the preparation of the financial report, which gives a true and fair view in accordance with Australian Accounting Standards. The directors have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and are appropriate to meet the needs of the members. The directors are also responsible for such internal control as they determine is necessary to enable the preparation 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 conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and that we plan and perform the audit to obtain reasonable assurance about 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 entity's preparation of the financial report which gives a true and fair view, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*. We confirm that the independence declaration required by the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*, which has been given to the directors of Katungul Aboriginal Corporation Community and Medical Services on 26 September 2012, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis of Qualified Opinion

During the year it was discovered that the former CEO of Katungul Aboriginal Corporation Community and Medical Services had misused Corporation funds. It has been determined that the misused funds comprise government funding paid to Katungul Aboriginal Corporation Community and Medical Services, from the Department of Health and Ageing. The Registrar of Indigenous Corporations has commenced legal proceedings to recover the misused funds from the former CEO. As at the date of this report, the total amount of misused funds and the outcome of legal proceedings are not yet known.

Qualified Opinion

In our opinion, except for the effects of the matter described in Basis of Qualified Opinion paragraph above, the financial report of Katungul Aboriginal Corporation Community and Medical Services presents fairly, in all material respects the financial position of Katungul Aboriginal Corporation Community and Medical Services as at 30 June 2012, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

MCS Audit Pty Ltd

Phillip W Miller CA
Director

Dated in Canberra on 26 September 2012

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

STATEMENT OF INCOME AND EXPENDITURE- SELF- GENERATED
FOR THE YEAR ENDED 30 JUNE 2012

	<u>2011-12</u>
	<u>\$</u>
INCOME- Medicare and Other Income	
Medicare General Receipts	261,629
Medicare - Unpaid Income	(12,495)
Medicare Dental Receipts	73,917
Medicare Mental Receipts	13,200
Aust Child Immunisation (CIR)	1,854
QUMAX Funding	13,575
Wages Subsidies	27,857
Donations Received	1,420
Workers' Compensation Refund	18,112
Dividends	29
Activities Income	782
Refunds and Rebates	2,336
Miscellaneous Income	50,854
TOTAL INCOME	453,070
EXPENDITURE	
Advertising	544
Audit	5,970
Bank & Financial Charges	1,708
Body Corporate Fees	6,612
Capital Works	2,799
Medical Practitioners/Doctors	73,140
Medical/Dental Supplies	8,744
Clinical Expenses	415
Cleaning	0
Consultants	14,949
Computer Support	14,866
ADSL Internet	1,103
ICT & IM	812
Depreciation Expense	184,911
Electricity & Gas	13,297
Freight Paid	35
Insurance Expense	12,164
Program Development	0
Postage & Couriers	59
Rates	5,478
Rent	(300)
Security	2,692
Staff amenities	78
Storage	2,016
Subscriptions & Regist	1,827
Sundry Expenses	(2,396)
Telephones/Mobiles	13,409
Waste Removal	2,440

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

STATEMENT OF INCOME AND EXPENDITURE- SELF- GENERATED

FOR THE YEAR ENDED 30 JUNE 2012

Continued

	<u>2011-12</u>
	<u>\$</u>
MV - Registration & Insurance	(1,106)
MV - Repairs & Maintenance	0
RM - Plant & Equipment	(25)
SG - Directors Travel Allow	8,152
SG - Sponsorship	2,125
TR- Fares	7,602
TR - Travel Allowance	(7,800)
TR - Meeting Expenses	4,930
TR - Accomodation	8,579
Wages & Salaries	(34,307)
Superannuation Expense	12,278
Workers Compensation	0
Leave Provisions	(75,445)
Uniforms	1,269
Staff Training	6,217
Recruitment	36,541
Staff Amenities	5,567
TOTAL EXPENDITURE	<u>341,951</u>
OTHER INCOME	
Practice Incentive Prog (PIP)	109,499
PIP (Prior Year/s Payments)	204,794
TOTAL OTHER INCOME	<u>314,293</u>
OTHER EXPENDITURE- PAID WITH PIP MONIES	
Interest Expense	25,927
Legal Fees	37,718
TOTAL EXPENDITURE	<u>63,645</u>
NET SURPLUS/(DEFICIT)	<u>361,766</u>

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

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STATEMENT OF INCOME AND EXPENDITURE- OATSIH: COMPREHENSIVE PRIMARY HEALTH CARE
FOR THE YEAR ENDED 30 JUNE 2012

OATSIH: Comprehensive Primary Health Care

	2011-12
	\$
INCOME	
Funding	1,085,080
Medicare General Receipts	112,897
Medicare Dental Receipts	(19,637)
Aust Child Immunisation (CIR)	(18)
Workers' Compensation Refund	13,888
Activities Income	64
Interest Income	7,489
Miscellaneous Income	397
TOTAL INCOME	1,200,160
EXPENDITURE	
Advertising	14,589
Audit	10,250
Bank & Financial Charges	2,032
Body Corporate Fees	5,656
Medical Practitioners/Doctors	242,794
Professional Indemnity	1,083
Medical/Dental Supplies	7,029
Clinical Expenses	2,025
Cleaning	18,727
Consultants	55,383
Computer Support	12,925
ADSL Internet	1,662
ICT & IM	135
Depreciation Expense	15,504
Electricity & Gas	3,724
Insurance Expense	9,273
Office Supplies & Stationery	4,184
OH&S	376
Printing	2,737
Program Development	2,771
Postage & Couriers	1,610
Rates	3,000
Rent	3,974
Security	302
Storage	682
Subscriptions & Regist	2,890
Sundry Expenses	1,764
Telephones/Mobiles	25,029
Waste Removal	1,956
MV - Petrol & Oil	21,696
MV - Registration & Insurance	8,529
MV - Repairs & Maintenance	4,217
RM - Building	9,582
RM - Plant & Equipment	2,351
SG - Sponsorship	500

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

STATEMENT OF INCOME AND EXPENDITURE- OATSIH: COMPREHENSIVE PRIMARY HEALTH CARE
FOR THE YEAR ENDED 30 JUNE 2012

OATSIH: Comprehensive Primary Health Care (Continued)

2011-12

\$

TR - Medical Transport	24
TR- Fares	9,755
TR - Travel Allowance	19,277
TR - Meeting Expenses	1,378
Wages & Salaries	549,225
Superannuation Expense	46,292
Workers Compensation	20,432
Leave Provisions	17,143
Staff Training	2,880
Recruitment	25,005
Staff Amenities	2,501
PL on Motor Vehicles	5,312
TOTAL EXPENDITURE	1,200,160
NET SURPLUS/(DEFICIT)	0

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES

ABN: 35 679 076 545

STATEMENT OF INCOME AND EXPENDITURE- OATSIH: SUBSTANCE USE

FOR THE YEAR ENDED 30 JUNE 2012

OATSIH: Substance Use

	<u>2011-12</u>
	<u>\$</u>
INCOME	
Funding	226,764
TOTAL INCOME	<u>226,764</u>
EXPENDITURE	
Advertising	1,394
Audit	1,800
Bank & Financial Charges	253
Cleaning	130
Computer Support	1,250
Depreciation Expense	12,000
Electricity & Gas	1,300
Insurance Expense	500
Program Development	5,434
Postage & Couriers	228
Rates	500
Subscriptions & Regist	408
Telephones/Mobiles	3,032
MV - Registration & Insurance	2,500
MV - Repairs & Maintenance	959
RM - Building	4,075
RM - Plant & Equipment	154
TR- Fares	2,475
TR - Travel Allowance	3,000
Wages & Salaries	126,003
Superannuation Expense	10,907
Workers Compensation	1,000
Leave Provisions	1,272
TOTAL EXPENDITURE	<u>180,574</u>
NET SURPLUS/(DEFICIT)	<u>46,190</u>

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
STATEMENT OF INCOME AND EXPENDITURE- OATSIH: BRINGING THEM HOME
FOR THE YEAR ENDED 30 JUNE 2012

OATSIH: Bringing Them Home

	2011-12
	\$
INCOME	
Funding	106,922
TOTAL INCOME	106,922
EXPENDITURE	
Advertising	300
Audit	1,635
Bank & Financial Charges	145
Cleaning	200
Computer Support	500
Depreciation Expense	2,004
Electricity & Gas	700
Insurance Expense	500
Postage & Couriers	126
Rates	250
Subscriptions & Regist	117
Telephones/Mobiles	1,513
MV - Petrol & Oil	361
MV - Registration & Insurance	1,150
MV - Repairs & Maintenance	1,230
RM - Building	375
RM - Plant & Equipment	350
TR- Fares	1,500
TR - Travel Allowance	1,236
Wages & Salaries	66,114
Superannuation Expense	5,771
Workers Compensation	750
Leave Provisions	823
Staff Training	1,520
Staff Amenities	49
TOTAL EXPENDITURE	89,220
NET SURPLUS/(DEFICIT)	17,702

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
STATEMENT OF INCOME AND EXPENDITURE- NSW HEALTH: ORAL HEALTH
FOR THE YEAR ENDED 30 JUNE 2012

NSW Health: Oral Health

	2011-12
	\$
INCOME	
Funding	292,400
Medicare- Dental Receipts	3,907
TOTAL INCOME	296,307
EXPENDITURE	
Audit	500
Medical Practitioners/Doctors	40,970
Medical/Dental Supplies	20,446
Electricity & Gas	240
Freight Paid	10
Program Development	908
Subscriptions & Regist	2,369
MV - Petrol & Oil	2,633
MV - Repairs & Maintenance	1,731
RM - Plant & Equipment	4,208
TR- Fares	1,835
TR - Travel Allowance	4,495
Wages & Salaries	198,342
Superannuation Expense	17,590
Staff Amenities	31
TOTAL EXPENDITURE	296,307
NET SURPLUS/(DEFICIT)	0

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
STATEMENT OF INCOME AND EXPENDITURE- NSW HEALTH: MENTAL HEALTH
FOR THE YEAR ENDED 30 JUNE 2012

NSW Health: Mental Health

	2011-12
	\$
INCOME	
Funding	85,500
TOTAL INCOME	85,500
EXPENDITURE	
Audit	1,000
Bank & Financial Charges	83
Medical/Dental Supplies	431
Depreciation Expense	7,200
Electricity & Gas	71
Insurance Expense	225
Subscriptions & Regist	114
Telephones/Mobiles	84
MV - Petrol & Oil	1,902
MV - Registration & Insurance	635
MV - Repairs & Maintenance	222
RM - Building	4,800
TR - Travel Allowance	2,400
Wages & Salaries	57,283
Superannuation Expense	2,950
Uniforms	702
Staff Amenities	78
TOTAL EXPENDITURE	80,181
NET SURPLUS/(DEFICIT)	5,319

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
STATEMENT OF INCOME AND EXPENDITURE- NSW HEALTH: SEXUAL HEALTH
FOR THE YEAR ENDED 30 JUNE 2012

NSW Health: Sexual Health

	2011-12
	\$
INCOME	
Funding	67,700
TOTAL INCOME	67,700
EXPENDITURE	
Audit	1,000
Bank & Financial Charges	210
Electricity & Gas	107
Subscriptions & Regist	91
Telephones/Mobiles	126
MV - Petrol & Oil	186
Wages & Salaries	56,610
Superannuation Expense	4,916
TOTAL EXPENDITURE	63,247
NET SURPLUS/(DEFICIT)	4,453

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KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
STATEMENT OF INCOME AND EXPENDITURE- NSW HEALTH: OTITIS MEDIA
FOR THE YEAR ENDED 30 JUNE 2012

NSW Health: Otitis Media

	2011-12
	\$
INCOME	
Funding	73,100
TOTAL INCOME	73,100
EXPENDITURE	
Audit	200
Medical/Dental Supplies	291
Electricity & Gas	107
Program Development	364
Telephones/Mobiles	126
MV - Petrol & Oil	5,085
MV - Repairs & Maintenance	314
TR- Fares	1,523
TR - Travel Allowance	1,927
TR - Meeting Expenses	568
Wages & Salaries	59,287
Superannuation Expense	2,985
Uniforms	236
Staff Amenities	71
TOTAL EXPENDITURE	73,085
NET SURPLUS/(DEFICIT)	15

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KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
STATEMENT OF INCOME AND EXPENDITURE- HEALTH REFORM TRANSITION OFFICE
FOR THE YEAR ENDED 30 JUNE 2012

Koori Maternity Access Program

	2011-12
	\$
INCOME	
Funding	64,000
TOTAL INCOME	64,000
EXPENDITURE	
Audit	500
Depreciation Expense	3,600
Electricity & Gas	321
Program Development	4,911
Telephones/Mobiles	854
MV - Petrol & Oil	604
MV - Registration & Insurance	600
MV - Repairs & Maintenance	150
Wages & Salaries	36,335
Superannuation Expense	3,124
TOTAL EXPENDITURE	50,999
NET SURPLUS/(DEFICIT)	13,001

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.

KATUNGUL ABORIGINAL CORPORATION COMMUNITY & MEDICAL SERVICES
ABN: 35 679 076 545
STATEMENT OF INCOME AND EXPENDITURE- DOHA: RURAL PRIMARY HEALTH SERVICES
FOR THE YEAR ENDED 30 JUNE 2012

DoHA: Rural Primary Health Services

	2011-12
	\$
INCOME	
Funding	256,701
TOTAL INCOME	256,701
EXPENDITURE	
Audit	5,000
Medical Practitioners/Doctors	21,972
Medical/Dental Supplies	8,070
Cleaning	9,825
Computer Support	1,600
ADSL Internet	492
Electricity & Gas	5,285
Office Supplies & Stationery	1,031
OH&S	442
Printing	1,122
Program Development	1,440
Postage & Couriers	635
Rates	2,992
Security	2,471
Subscriptions & Regist	3,440
Telephones/Mobiles	8,851
Waste Removal	1,303
MV - Petrol & Oil	5,506
MV - Registration & Insurance	1,891
MV - Repairs & Maintenance	484
RM - Building	900
TR - Medical Transport	535
TR - Travel Allowance	515
TR - Meeting Expenses	25
TR - Accommodation	125
Wages & Salaries	152,732
Superannuation Expense	15,994
Leave Provisions	1,105
Staff Amenities	918
TOTAL EXPENDITURE	256,701
NET SURPLUS/(DEFICIT)	(0)

These financial statements are to be read in conjunction with the notes attached to and form part of the financial statements.