RAMAHYUCK DISTRICT ABORIGINAL CORPORATION

ABN: 61 710 932 590

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

RAMAHYUCK DISTRICT ABORIGINAL CORPORATION
ABN: 61 710 932 590

STATEMENT BY THE BOARD OF DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2017

In the opinion of the Board the financial report comprising Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and Notes to and Forming Part of the Financial Statements:

1. Presents fairly the financial position of Ramahyuck District Aboriginal Corporation as at 30 June 2017 and its performance for the year ended on that date in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards – Reduced Disclosure Requirements, and comply with other requirements of the law.

2. At the date of this statement, there are reasonable grounds to believe that Ramahyuck District Aboriginal Corporation will be able to pay its debts as and when they fall due.

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

Chair person: Date: 27.9.17

Treasurer: Date: 27-9-17.

RAMAHYUCK DISTRICT ABORIGINAL CORPORATION
ABN: 61 710 932 590

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
REVENUE			
Government Grants		6,954,065	6,719,419
Interest		63,610	73,300
Other Income		2,223,426	1,866,076
Total Revenue	6	**9,241,101**	**8,658,795**
EXPENSES			
Employee Expenses		6,010,684	5,832,933
Depreciation		130,930	134,561
Depreciation – Buildings		70,799	66,328
Interest		-	378
Other		2,802,097	2,125,680
Total Expenses	7.4	**9,014,510**	**8,159,880**
OTHER			
Items that will be reclassified subsequently to profit or loss:			
Grants Received in Advance	13.1	(300,341)	(65,000)
Total Other		**(300,341)**	**(65,000)**
Profit/(Loss) for the year		**(73,750)**	**433,915**
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Gain/(Loss) on revaluation of land and buildings	9.1	412,728	(7,268)
Total Comprehensive Income for the year		**338,978**	**426,647**
Net current year profit/(loss) attributable to members		**(73,750)**	**433,915**

RAMAHYUCK DISTRICT ABORIGINAL CORPORATION
ABN: 61 710 932 590

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 $	2016 $
CURRENT ASSETS			
Cash		4,208,498	4,171,235
Receivables	10	223,798	264,691
Stock on Hand		-	42,066
TOTAL CURRENT ASSETS		**4,432,296**	**4,477,992**
NON-CURRENT ASSESTS			
Property, Plant and Equipment	8	441,320	440,953
Land and Buildings	9	4,890,857	4,287,392
TOTAL NON- CURRENT ASSETS		**5,332,177**	**4,728,345**
TOTAL ASSETS		**9,764,473**	**9,206,337**
CURRENT LIABILITIES			
Payables	11	169,233	171,885
Other	13	473,968	65,000
Employee Benefits	12	745,028	950,968
TOTAL CURRENT LIABILITIES		**1,388,229**	**1,187,853**
NON-CURRENT LIABILITIES			
Employee Benefits	12	148,255	129,473
TOTAL NON- CURRENT LIABILITIES		**148,255**	**129,473**
TOTAL LIABILITIES		**1,536,484**	**1,317,326**
NET ASSETS		**8,227,989**	**7,889,011**
EQUITY			
Other Reserves	15	4,321,462	3,536,356
Retained Profits		3,906,527	4,352,655
TOTAL MEMBERS' FUNDS		**8,227,989**	**7,889,011**

RAMAHYUCK DISTRICT ABORIGINAL CORPORATION
ABN: 61 710 932 590

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2017

	Retained Earnings	Asset Replacement Reserve	Asset Revaluation Reserve	Employee Entitlements Reserve	DHHS Families Reserve	Long Day Care Capital Reserve	Other Programs Reserve	TOTAL
	$	$	$	$	$	$	$	$
Balance as at 1 July 2015	4,446,655	824,308	618,024	903,759	369,618	300,000	-	7,462,364
Profit/(Loss) attributable to members	433,915	-	-	-	-	-		433,915
Transfers to and from Reserves:								
Asset Replacement	(249,902)	249,902						
Asset Revaluation			(7,268)					(7,268)
Employee Entitlements	(278,013)			278,013				
Balance as at 30 June 2016	**4,352,655**	**1,074,210**	**610,756**	**1,181,772**	**369,618**	**300,000**	**-**	**7,889,011**
Profit/(Loss) attributable to members	(73,750)							**(73,750)**
Transfers to and from Reserves:								
Asset Replacement	573,701	(573,701)						
Asset Revaluation			412,728					**412,728**
Employee Entitlements	288,491			(288,491)				
DHHS Families Reserve	(1,102,869)				1,102,869			
Long Day Care Capital	129,683					(129,683)		
Other Programs	(261,384)						261,384	
Balance as at 30 June 2017	**3,906,527**	**500,509**	**1,023,484**	**893,281**	**1,472,487**	**170,317**	**261,384**	**8,227,989**

RAMAHYUCK DISTRICT ABORIGINAL CORPORATION
ABN: 61 710 932 590

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		9,177,491	8,351,085
Payments to Suppliers and Employees		(8,811,914)	(7,811,278)
Net cash provided by operating activities	19.1	**365,577**	**539,807**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earned		63,610	73,300
Fixed Asset Sales		909	4,545
Fixed Asset Purchases		(392,833)	(960,543)
Net cash used in investing activities		**(328,314)**	**(882,698)**
Net Increase/(Decrease) in cash held		37,263	(342,891)
Cash at 1 July		4,171,235	4,514,126
Cash at 30 June	19	**4,208,498**	**4,171,235**

1. GENERAL INFORMATION

Ramahyuck District Aboriginal Corporation ("the Corporation") is a corporation incorporated in Australia under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006.*
The Corporation is also registered as a charity with the Australian Charities and Not-for-profit Commission.

The address of the registered office and principal place of business is:
117 Foster Street
Sale VIC 3850
The principal activities of the Corporation are described in the Director's Report.
The Corporation was incorporated on 12 May 1992.

2. APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 Standards and Interpretations affecting amounts reported in the current period

In the current year, the Corporation has applied a number of amendments to Australian Accounting Standards, issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2016, and therefore relevant for the current year end.

AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*
The Standard makes amendments to AASB 101 *Presentation of Financial Statements* arising from the IASB's Disclosure Initiative project.
The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy AASB 2015-2 is applicable to annual reporting periods beginning on or after 1 January 2016.

The adoption of this amendment has not had a material impact on the Corporation.

There were no other new AASBs or interpretations issued by the Australian Accounting Standards Board which were relevant to the Corporation.

3. SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation of the financial statements.

3.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards – Reduced Disclosure Requirements, and comply with other requirements of the law.

The financial statements were authorised for issue by the directors on 27 September 2017.

3.2 Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values or amortised cost, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Corporation takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB 136 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

3.3.1 Government grants and participant contributions

Government grants are not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government assistance which does not have conditions attached specifically relating to the operating activities of the entity is recognised in accordance with the accounting policies above.

3.3.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the entity and the amount of revenue can be measured reliably. Interest revenue from bank deposits is recognised when earned.

3.3.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The entity as a lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The entity as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value less transactions costs. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.4.1 Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.4.1.1 Loans and receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.4.1.2 Derecognition of financial assets

The Corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3.4.2 Financial liabilities

Financial liabilities are classified as 'other financial liabilities', which are measured at fair value, net of transaction costs.
Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.4.2.1 Derecognition of financial liabilities

The Corporation derecognises financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire.

3.5 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Corporation in respect of services provided by employees up to reporting date.

The Corporation will make payment to defined Superannuation Funds as per relevant legislation.

3.6 Taxation

The income of the Corporation is exempt from income tax pursuant to the provisions of Subdivision 50-B of the Income Tax Assessment Act 1997. The Corporation is also endorsed by the Australian Charities and Not-for-profit Commission as a public benevolent institution.

3.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.8 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.9 Inventories/Consumables

Stocks of medical, dental and other consumable and administrative items purchased in the normal operations are not taken into account at close of balance date as assets, but are written off at the time of purchase.

3.10 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of an expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINITY

In the application of the Corporation's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5. REVENUE

The following is an analysis of the Corporation's revenue for the year from continuing operations (excluding investment revenue – see note 6).

	30 June 2017	30 June 2016
	$	$
Revenue from Australian Government grants	3,864,105	3,711,947
Revenue from Victorian Government grants	3,089,960	3,007,472
Child care fees	37,962	30,307
Dental fees	610,440	553,579
Lawns and Landcare	57,421	56,321
Medicare	1,112,400	923,175
Reimbursements	242,163	88,199
Rental	116,320	60,241
Wage subsidies	18,568	133,898
Other income	28,152	20,356
Total Revenue from Ordinary Activities	**9,177,491**	**8,585,495**

6. INVESTMENT REVENUE

Investment Revenue		
Bank deposits	63,610	73,300
Total Investment Revenue	**63,610**	**73,300**
Total Revenue including Investment Revenue	**9,241,101**	**8,658,795**

7. EXPENSES

7.1 Administration Expenses

	30 June 2017	30 June 2016
	$	$
Accounting	23,765	18,000
Advertising	20,910	48,494
Audit services	39,692	34,634
Bad debts	3,704	1,692
Bank fees	1,400	8,580
Insurance	2,363	899
Legal	95,345	41,692
Postage	19,891	13,060
Stationery	53,842	45,422
Telephone	144,346	104,978
Total Administration Expenses	**405,258**	**317,451**

7.2 Depreciation Expense

Depreciation of property, plant and equipment	201,729	200,889
Total Depreciation Expense	**201,729**	**200,889**

7.3 Employee Expenses

Salary and wages	5,408,063	5,202,209
Superannuation	487,336	476,709
Training	42,944	64,399
Uniforms	17,266	18,844
Work Cover	26,961	29,303
Counselling Services	7,030	17,807
Other employee benefits	21,084	22,412
Total Employee Benefits Expense	**6,010,684**	**5,831,683**

7.4 Operating expenses

	30 June 2017	30 June 2016
	$	$
Board Expenses	37,235	24,438
Catering	33,484	34,540
Cleaning	193,692	185,917
Consultants	575,267	164,420
Functions and Events	18,950	21,046
Information Technology	86,265	75,189
Leases	11,590	10,382
Licensing	10,451	4,101
Materials	7,717	14,261
Medical Expenses	196,105	126,588
Meeting Expenses	16,061	46,011
Motor Vehicle Expenses	377,285	402,254
Programs	413,916	328,081
Rates	52,535	48,359
Rental Costs	82,656	65,160
Repairs and Maintenance	124,929	86,802
Security	11,479	9,470
Subscriptions and Fees	69,560	52,765
Travel Costs and Allowances	14,700	14,550
Utilities	62,011	86,755
Other	951	8,768
Total Operating Expenses	**2,396,839**	**1,809,857**
Total Expenses	**9,014,510**	**8,159,880**

8. PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment		
At Cost	770,203	676,711
Less Accumulated Depreciation	(585,545)	(557,825)
	184,658	**118,886**
Furniture and Fittings		
At Cost	1,618,758	1,590,172
Less Accumulated Depreciation	(1,362,096)	(1,268,106)
	256,662	**322,066**
Motor Vehicles		
At Cost	242,514	270,815
Less Accumulated Depreciation	(242,514)	(270,815)
	-	-
Total Property, Plant and Equipment	**441,320**	**440,952**

9. LAND AND BUILDINGS

	30 June 2017 $	30 June 2016 $
111 Foster Street, Sale		
Land at valuation	125,000	125,000
Building at valuation	210,000	210,000
Less building accumulated depreciation	(10,045)	(5,164)
	324,955	**329,836**
113 Foster Street, Sale		
Land at valuation	175,000	175,000
Building at valuation	125,000	125,000
Property Improvements	17,722	-
Less building accumulated depreciation	(6252)	(3,107)
	311,470	**296,893**
117-125 Foster Street, Sale		
Land at valuation	500,000	500,000
Building at valuation	600,000	600,000
Property Improvements	21,191	-
Less building accumulated depreciation	(43,210)	(21,414)
	1,077,981	**1,078,586**
2 Stead Street, Sale		
Land at valuation	273,153	273,153
Building at valuation	486,847	486,847
Property Improvements	33,009	-
Less building accumulated depreciation	(19,339)	(6,784)
	773,670	**753,216**
373-377 Raglan Street, Sale		
Land at valuation	175,000	175,000
Building at valuation	225,000	225,000
Less building accumulated depreciation	(16,919)	(8,889)
	383,081	**391,111**
590 Murtnaugh Road, Longford		
Land at valuation	225,000	225,000
Building at valuation	160,000	160,000
Less building accumulated depreciation	(9,123)	(4,715)
	375,877	**380,285**

	30 June 2017	30 June 2016
	$	$
66-72 Latrobe Road, Morwell		
Land at valuation	430,000	430,000
Building at valuation	70,000	70,000
Property Improvements	3,720	3,720
Shed	31,390	-
Less building accumulated depreciation	(4,297)	(1,785)
	530,813	**501,935**
25 Young Street, Drouin		
Land at valuation	200,000	200,000
Building at valuation	370,000	370,000
Shed	30,953	-
Less building accumulated depreciation	(27,943)	(14,470)
	573,010	**555,530**
5 Buckley Street, Morwell		
Land at valuation	110,000	-
Building at valuation	240,000	-
Less building accumulated depreciation	-	-
	350,000	-
158 Mary Street, Morwell		
Land at valuation	110,000	-
Building at valuation	80,000	-
Less building accumulated depreciation	-	-
	190,000	-
Total Land and Buildings	**4,890,857**	**4,287,392**

Independent valuations on all properties other than 5 Buckley Street and 158 Mary Street, Morwell were completed by Gippsland Property Valuations. These were completed as at 30 June 2015. Valuations on 5 Buckley Street and 154 Mary Street were completed by Herron Todd White (South East Regional Australia) Pty Ltd as at 30 June 2017.

Aboriginal Affairs Victoria (AAV) has encumbrances over the titles of the properties at 117-121 Foster Street, Sale and 66-72 Latrobe Road, Morwell and will obtain a residual interest in these properties in the case of the Corporation's liquidation. This interest will be equal to the value of the funds provided to the Corporation by AAV at the time of purchase of these properties.

9.1: Movement in the carrying amounts between the beginning and end of the current financial year

	Freehold Land	Buildings & Improvements	Motor Vehicles
	$	$	$
Carrying amount at the beginning of the year	2,103,153	2,184,239	-
Additions	127,272	134,264	-
Revaluations	92,728	320,000	-
Disposals	-	-	-
Depreciation Expense	-	(70,799)	-
Carrying amount at the end of the year	**2,323,153**	**2,567,704**	-

	Plant and Equipment	Furniture and Fittings	Total
	$	$	$
Carrying amount at the beginning of the year	118,886	322,067	4,728,345
Additions	102,712	28,585	392,833
Revaluations	-	-	412,728
Disposals	-	-	-
Depreciation Expense	(36,940)	(93,990)	(201,729)
Carrying amount at the end of the year	**184,658**	**256,662**	**5,332,177**

10. TRADE AND OTHER RECEIVABLES

	30 June 2017	30 June 2016
	$	$
Sundry Debtors	214,698	251,370
Child Care Fees	2,394	1,831
Dental Fees	586	4,824
Medical Clinic Claims	6,120	6,666
Total Trade and other receivables	**223,798**	**264,691**

11. TRADE AND OTHER PAYABLES

Sundry Creditors	158,769	163,014
Australian Taxation Office	12,765	8,871
Credit Card	(2,301)	-
Total Trade and other payables	**169,233**	**171,885**

12. PROVISIONS

	30 June 2017	30 June 2016
	$	$
Employee benefits		
Current		
Annual Leave	323,449	391,640
Long Service Leave	421,579	559,328
	745,028	**950,968**
Non-current		
Long Service Leave	148,255	129,472
Total Employee benefits	**893,283**	**1,080,440**

13. OTHER LIABILITIES

Accrued Expenses	173,627	-
Auspice Funds	4,558	-
Grants in Advance	295,783	65,000
Total Other Liabilities	**473,968**	**65,000**

Accrued expenses include $98,792 of accrued payroll for year ended 30 June 2017.
This is the first year this has been included due to a change in accounting policy. The impact of this change means an increase to creditors of $98,792 and an increase in payroll expenses of $98,792.

13.1 Grants In Advance

Auspice Funds – East Gippsland Family Violence	4,558	-
Golf Day	1,439	-
Koolin Balit – Early Years	832	-
PHN Gippsland	165,575	-
West Gippsland Justice Worker	59,217	65,000
Working Together	68,720	-
Total Grants in Advance including Auspice Funds	**300,341**	**65,000**

14. SCHEDULE OF MOTOR VEHICLE LEASE

Lease Payments		
Current		
Not Later than 12 months	236,912	235,033
Non-Current		
Later than 12 months but not later than 2 years	16,777	18,780
Later than 2 years but not later than 3 years	109,889	240,817
Later than 3 years but not later than 4 years	37,946	76,227
Later than 4 years but not later than 5 years	81,293	12,682
Total Lease Payments	**482,817**	**585,539**

These leases on 33 motor vehicles are non-cancellable leases with terms of four and five years with rent payable monthly.

15. MOVEMENTS IN RESERVES

a)	Asset Replacement Reserve This asset replacement reserve records funds set aside for the future replacement of damaged or obsolete assets used by programs conducted by the Corporation.	500,509	1,074,210
b)	Asset Revaluation Reserve The revaluation reserve records revaluations of non-current assets.	1,023,483	610,756
c)	DHHS Families Reserve This reserve records funds set aside for future program use by the Corporation.	1,472,487	369,618
d)	Employee Entitlements Reserve This employee entitlements reserve records funds set aside for the future entitlements, including annual leave and long service leave, owed to the employees of the Corporation.	893,281	1,181,772
e)	Long Day Care Capital This building reserve records funds set aside for future works completed on the building within which the Corporation runs its day car program.	170,317	300,000
f)	Other Program Reserve This reserve records funds set aside for future program use by the Corporation.	261,385	-
	Total Reserves	**4,321,462**	**3,536,356**

16. FINANCIAL INSTRUMENTS

16.1 Capital risk management

The Corporation manages its capital to ensure that the entity will be able to continue as a going concern. The capital structure of the Corporation consists of cash and bank balances and equity of the Corporation. (comprising of retained earnings as detailed in Statement of Changes in Equity).

16.2 Significant accounting policies

The following are the Corporation's accounting policies and terms and conditions for each class of financial asset and liability.

Recognised Financial Instrument	Accounting Policies	Terms and conditions
(i) Financial assets	Receivables are carried at nominal amounts due, less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is doubtful.	Credit "sales" are generally on 30 day terms.
(ii) Financial liabilities	Liabilities are recognised for the amounts to be paid in the future for goods and services received, whether or not billed to the entity.	Trade liabilities are normally settled on 30 day terms.

16.3 Categories of financial instrument's

	30 June 2017 $	30 June 2016 $
Financial Assets		
Cash and Bank Balances	4,208,498	4,171,235
Total Financial Assets	**4,208,498**	**4,171,235**
Financial Liabilities		
Other liabilities	169,233	171,885
Total Financial Liabilities	**169,233**	**171,885**

16.3.1 Market risk

The Corporation is exposed to interest rate risk because it enters into investments with floating/short term fixed interest rates. The Corporation monitors the future predicted interest rates and manages cash reserves to maximise interest rate returns. The Board is informed of the management of the Corporation's cash reserves. The risk is managed by the Corporation maintaining an appropriate mix between fixed and floating rate investments, quarterly reviews and high level involvement by the management of the Corporation.

(i) Interest rate sensitivity analysis.

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. A 0.5 percent increase or decrease (used when reporting interest rate risk internally to key management) represents management's assessment of the reasonably possible change in interest rates.

Current investment revenue and the effect on revenue	**Interest rate**	**Revenue earned**
		$
Average interest rate for 2017 year	1.87%	78,699
Average interest rate less 0.5%	1.37%	57,656
Average interest rate plus 0.5%	2.37%	99,741

16.3.2 Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the entity. The Corporation's credit risk at 30 June 2017 in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the statement of financial position.

16.3.3 Liquidity risk

The Corporation's liquidity risk at 30 June 2017 is in relation to unpaid debtors. The Corporation manages liquidity risk by monitoring and reporting to the Board debtors over 90 days.

16.3.4 Fair value of financial instruments

Recognised financial instruments
Cash, cash equivalents and short term investments: The carrying amount approximates fair value because of their short term to maturity.

The carrying value less impairment provision of trade receivables is a reasonable approximation of their fair values due to the short term nature of trade receivables.

17. KEY MANAGEMENT PERSONNEL COMPENSATION

The Directors and key management personnel of the Corporation during the year were:

Ms Debbie Leon (Chairperson)
Ms Jodie Douthat (Deputy Chairperson)
Mr Shayne Tilley (Treasurer)
Ms Wendy Henry (Secretary)
Ms Daphne Yarram (Non-executive director)
Ms Ivy Yarram (Non-executive director)
Ms Tanya Harris (Non-executive director)
Dr Ali Khan (Chief Executive Officer on Leave from 01 July to 25 December 2016)
Ms Annemarie Frawley (Acting Chief Executive Officer from 01 July to 26 August 2016)
Mr Eddie Gibbons (Acting Chief Executive Officer from 29 August to 2 December 2016)
Mr Lionel Dukakis (Acting Chief Executive Officer from 5 December 2016 to 16 May 2017)
Mr David Morgan (Chief Executive Officer from 17 May 2017)
Ms Michelle Evison-Rose (Deputy Chief Executive Officer from 22 May 2017)

The aggregate compensation made to directors and key management personnel of the Corporation is set out below:

	30 June 2017	30 June 2016
	$	$
Short-term employee benefits	372,919	261,672

18. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended 30 June 2017.

19. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks accounts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	30 June 2017	30 June 2016
	$	$
Cash and bank balances	4,208,498	4,171,235

Cash at bank includes unexpended funds from program funding. These funds are committed to both specific programs and planned initiatives of the Corporation. Should funding requirements not be met these funds may have to be returned to the funding bodies.

Wanjana Lidj Programs	1,230,688	1,000,619
Aged and Home Care	36,679	61,847
Koolin Balit – Oral Health	59,720	79,275
Koolin Balit – Early Years	15,000	15,001
Working Together	76,419	76,419
East Gippsland Indigenous Family Violence	66,922	66,923
NAIDOC Golf	1,747	3,048
Best Start	4,897	17,980
Latrobe Koori Offender Support	-	146,229
West Gippsland Justice Worker	-	64,793
Children and Schooling	-	6,970
Total Committed funds	**1,492,072**	**1,539,104**

19.1 Reconciliation of surplus for the period to net cash flows from operating activities

	30 June 2017	30 June 2016
	$	$
Cash Flows from Operating Activities		
Surplus for the period	(73,750)	433,915
Interest Earned	(63,610)	(73,300)
Depreciation of property, plant and equipment	201,729	200,889
Net (profit)/loss on sale or disposal of assets	(909)	8,399
	63,460	**569,903**
Movements in working capital		
(Increase)/decrease in trade and other receivables	40,893	(169,410)
(Increase)/decrease in stock on hand	42,066	2,907
Increase/(decrease) in trade and other payables	170,975	(56,543)
Increase/(decrease) in income in advance	235,341	65,000
Increase/(decease) in employee liabilities	(187,158)	127,950
Cash Generated by Operating Activities	**302,117**	**(30,096)**
Net Cash Generated by Operating Activities	**365,577**	**539,807**

20. ECONOMIC DEPENDENCY

The Corporation's ability to continue its principle activity of the provision of comprehensive primary health care and safety and wellbeing services to the Koori and wider community of Gippsland is dependent on the continuing financial support from the Australian and Victorian Governments.

21. EVENTS AFTER THE REPORTING PERIOD

There were no significant events occurring after the end of the reporting period.

There is currently a confidential human resource related legal claim against the Corporation from a former employee that should be settled by 30 June 2018. The anticipated liability to the Corporation from this claim is expected to be less than $20,000.

LSHACCOUNTING
simple solutions

Chartered Accountants

Phone (03) 5134 4955
Fax (03) 5134 6201
Email admin@lshaccounting.com.au

235-237 Princes Drive
Morwell VIC 3840

PO Box 600
Morwell VIC 3840

INDEPENDENT AUDITOR'S REPORT

To the Members of Ramahyuck District Aboriginal Corporation

Opinion

We have audited the financial report of Ramahyuck District Aboroginal Corporation (the Corporation), which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Ramahyuck District Aboriginal Corporation is in accordance with the Corporations (Aboriginal and Torres Strait Islander) Act 2006, including:

a. giving a true and fair view of the corporation's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b. complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Additionally:

a) We have been given all information, explanations and assistance necessary for the conduct of the audit;
b) The Corporation has kept financial records sufficient to enable the financial report to be prepared and audited; and
c) The Corporation has kept other records and registers as required.

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 Corporation in accordance with the auditor independence requirements of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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.

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the corporation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations (Aboriginal and Torres Strait Islander) Act 2006 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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 Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Corporation'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 Corporation 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 directors 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.

LSH Accounting

Ed Psaltis
Sole Practitioner – RCA 156240 **27th September 2017**