

# **Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)**

ABN: 35 679 076 545

## **Financial Statements**

For the Year Ended 30 June 2023

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Contents

For the Year Ended 30 June 2023

	Page
<b>Financial Statements</b>	
Directors' Report	1
Auditor's Independence Declaration under Corporations (Aboriginal and Torres Strait Islanders) Act 2006	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Responsible Persons' Declaration	31
Independent Audit Report	32
Supplementary Information	34

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Directors' Report

30 June 2023

The directors present their report on Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816) for the financial year ended 30 June 2023.

### General information

#### Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Jim Allen	Chairperson/Director	Appointed as Director: 15th June 2022 Appointed as Chairperson: 13th April 2023
Anne Greenaway	Director	Appointed: 16th February 2022
Lynette Goodwin	Director	Appointed: 16th February 2022
Graham Moore	Director/Deputy Chairperson	Appointed as Director: 13th April 2022 Appointed as Deputy Chairperson: 8th March 2023 Resigned as Director: 20th October 2023
Lorraine Naylor	Director	Appointed: 16th February 2022
Angela Parsons	Director	Appointed: 16th February 2022
Yvonne Stewart	Director/Deputy Chairperson	Appointed as Deputy Chairperson: 16th February 2022 Resigned from Board: 8th March 2023 Reappointed as Director: 21st October 2023
Ronald Nye Snr	Chairperson/Director	Appointed as Chairperson: 16th February 2022 Replaced as Chairperson: 13th April 2023 Resigned as Director: 26th October 2023

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal activities

The principal activity of Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816) during the financial year was to provide culturally appropriate comprehensive and integrated primary health care services to Aboriginal and Torres Strait Islander residents of the far south coast of New South Wales on a Kinship based model.

Katungul is incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act) and is registered with the Australian Charities and Not for profits Commission. If the Corporation is wound up, the rulebook states that each member is not liable to meet any outstanding obligations of the Corporation.

No significant changes in the nature of the Corporation's activity occurred during the financial year.

#### Short term objectives

The Corporation's short term objectives are to:

- Deliver holistic primary health care and community services in accordance with funding agreements and in a culturally appropriate manner to promote the wellbeing of the south coast communities; to promote and build a strong foundation of governance to support the financial sustainability of the service by working with all people in the community in a collaborative manner that promotes the effective and efficient delivery of services to our people in a manner that enables access, enables clients to take responsibility for their treatment to meet the need to close the gap in life expectancy and child mortality; ensure our vision of enabling people to meet their potential.
- Improve access to services
- Capacity builds our local workforce by upskilling and supporting a culture based on performance and excellence in service delivery

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Directors' Report

30 June 2023

### General information

### Short term objectives

#### Short term objectives

- Build trust with our members and other key stakeholders in the communities and more broadly with our investor stakeholders including government, Primary Health Networks and Local Health Districts to promote efficient and effective service delivery
- Build a collaborative model of care based on Katungul's Strategic Plan 'Healthy Lives, Kinship at Work'.

### Long term objectives

The Corporation's long term objectives are to:

- To become an integral player in partnership with other service providers that maximise health outcomes for our clients and to be effective representatives in the development of new care models to ensure Aboriginal needs and cultural matters are properly considered and implemented
- To become the Aboriginal health corporation of choice in the provision of needs based holistic health and welfare services that best meet community needs through direct service provision and via collaborative linkages with other 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 all aspects of health including social wellbeing.

### Strategy for achieving the objectives

To achieve these objectives, the Corporation has adopted the following strategies:

- To maximise access to our services for our client base from Batemans Bay to Eden whilst maintaining efficient service delivery and maximising health outcomes through targeting our limited resources to the greatest good.
- To deliver corporate, financial and clinical governance to provide for a sustainable corporation that is viable, meets client expectations, is supported by other key stakeholders and investors and which is increasingly focused on building self-reliance by broadening its service base in response to need.
- To build capacity of local indigenous people to deliver services of high quality and efficiencies to keep Koori Health in Koori Hands.

To grow the holistic, collaborative service model and to make access easier across the region.

### Operating results and review of operations for the year

#### Operating result

The profit of the Corporation for the financial year amounted to \$ 541,007(2022: \$ 3,475,913).

## **Directors' Report**

**30 June 2023**

### **Meetings of directors**

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	<b>Directors' Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Jim Allen	8	5
Anne Greenaway	8	8
Lynette Goodwin	8	5
Graham Moore	8	3
Lorraine Naylor	8	8
Angela Parsons	8	7
Yvonne Stewart	5	5
Ronald Nye Snr	8	7

**Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)**

ABN: 35 679 076 545

**Directors' Report**

**30 June 2023**

**Auditor's Independence Declaration**

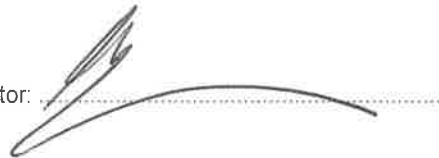
The auditor's independence declaration in accordance with section 339.502A of the Corporations (Aboriginal and Torres Strait Islanders) Act 2006 for the year ended 30 June 2023 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .....



Director: .....



Dated this 23<sup>rd</sup> day of November 2023

**Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)**

ABN: 35 679 076 545

**Auditor's Independence Declaration under Section 339.502A of the Corporations (Aboriginal and Torres Strait Islanders) Act 2006 to the Directors of Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in Corporations (Aboriginal and Torres Strait Islanders) Act 2006 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Vincent's Assurance and Risk Advisory**

Phillip Miller CA  
Director  
Canberra, Date: 23 November 2023

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue - trading	4	12,299,932	14,566,721
Finance income	5	789	20
Other income	4	304,670	207,320
Employee Benefits Expenses		(7,103,386)	(8,034,868)
Depreciation and amortisation expense	6	(389,025)	(277,941)
Administration and Other Costs		(4,023,576)	(2,505,638)
Motor Vehicle Expenses		(184,799)	(170,567)
Travel and Training Expenses		(321,506)	(309,135)
Finance expense	5	(42,091)	-
<b>Surplus before income tax</b>		<b>541,007</b>	<b>3,475,913</b>
Income Tax Expense		-	-
<b>Surplus for the year</b>		<b>541,007</b>	<b>3,475,913</b>
<b>Other comprehensive income, net of income tax</b>			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		-	(164)
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>(164)</b>
<b>Total comprehensive income for the year</b>		<b>541,007</b>	<b>3,475,749</b>

The accompanying notes form part of these financial statements.



# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Statement of Financial Position

30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	3,008,261	2,692,314
Trade and other receivables	8	164,571	433,518
Other financial assets	9	1,042	1,042
Other assets	12	-	200,000
<b>TOTAL CURRENT ASSETS</b>		<b>3,173,874</b>	<b>3,326,874</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	14,799,336	13,830,648
Right of use assets	13	221,547	242,861
<b>TOTAL NON-CURRENT ASSETS</b>		<b>15,020,883</b>	<b>14,073,509</b>
<b>TOTAL ASSETS</b>		<b>18,194,757</b>	<b>17,400,383</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	665,796	1,176,151
Borrowings	15	76,260	44,929
Provisions	16	455,010	553,629
Contract liabilities	10	2,040,638	1,254,054
Lease liabilities	13	88,906	96,548
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,326,610</b>	<b>3,125,311</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	15	416,151	329,454
Lease liabilities	13	138,094	172,723
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>554,245</b>	<b>502,177</b>
<b>TOTAL LIABILITIES</b>		<b>3,880,855</b>	<b>3,627,488</b>
<b>NET ASSETS</b>		<b>14,313,902</b>	<b>13,772,895</b>
<b>EQUITY</b>			
Reserves	17	7,331,872	7,331,872
Retained earnings		6,982,030	6,441,023
<b>TOTAL EQUITY</b>		<b>14,313,902</b>	<b>13,772,895</b>

The accompanying notes form part of these financial statements.

## Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

### Statement of Changes in Equity

For the Year Ended 30 June 2023

#### 2023

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2022	6,441,023	7,331,872	13,772,895
Net surplus for the year	541,007	-	541,007
Balance at 30 June 2023	6,982,030	7,331,872	14,313,902

#### 2022

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2021	2,965,110	7,332,036	10,297,146
Net surplus for the year	3,475,913	-	3,475,913
Revaluation decrement	-	(164)	(164)
Total other comprehensive income for the period	-	-	-
Balance at 30 June 2022	6,441,023	7,331,872	13,772,895

The accompanying notes form part of these financial statements.

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Statement of Cash Flows For the Year Ended 30 June 2023

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		13,718,285	16,022,353
Payments to suppliers and employees		(12,081,737)	(8,850,135)
Interest received		767	-
Interest paid		(42,091)	(97,281)
Income taxes paid		-	(1,995,884)
Net cash provided by operating activities		<u>1,595,224</u>	<u>5,079,053</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		(1,256,640)	(1,606,774)
Net cash used in investing activities		<u>(1,256,640)</u>	<u>(1,606,774)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Lease payments - Principle & interest		(140,665)	(102,646)
Proceeds from borrowings		143,717	-
Repayment of borrowings		(25,689)	(2,230,249)
Net cash used in financing activities		<u>(22,637)</u>	<u>(2,332,895)</u>
Net increase in cash and cash equivalents held		315,947	1,139,384
Cash and cash equivalents at beginning of year		<u>2,692,314</u>	<u>1,552,930</u>
Cash and cash equivalents at end of financial year	7	<u><u>3,008,261</u></u>	<u><u>2,692,314</u></u>

The accompanying notes form part of these financial statements.

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

The financial report covers Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816) as an individual entity. Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816) is a not-for-profit Corporation, registered and domiciled in Australia.

The functional and presentation currency of Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816) is Australian dollars.

The financial report was authorised for issue by the Directors on 20 November 2023.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations (Aboriginal and Torres Strait Island) Act 2006*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Revenue and other income

###### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Corporation expects to receive in exchange for those goods or services.

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

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

###### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Corporation are:

###### Grant revenue

The Corporation's primary source of revenue is from Grants. The grant agreement would constitute the contract for AASB 15 purposes, and the grant specifies the transaction price. Each grant reflects the specific performance obligation and also the milestones in line with AASB 15 principles. Revenue would be recognised overtime when the milestones have been met and the performance obligations have been satisfied.

Grants that are not enforceable or where the performance obligations are not sufficiently specific, are

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **2 Summary of Significant Accounting Policies**

#### **(a) Revenue and other income**

##### **Specific revenue streams**

accounted for under AASB 1058, where by income is recognised immediately on receipt.

##### **Medicare revenue**

The Corporation has concluded that revenue from the rendering of Medicare services should be recognised at the point in time when the service is performed, as this is when the performance obligation has been met. Under AASB 15 this is deemed to be the point in time when risks and rewards are transferred.

##### **NDIS revenue**

The Corporation has concluded that revenue from the rendering of NDIS services should be recognised at the point in time when the service is performed, as this is when the performance obligation has been met. Under AASB 15 this is deemed to be the point in time when risks and rewards are transferred.

##### **Statement of financial position balances relating to revenue recognition**

##### **Contract assets and liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Corporation presents the contract as a contract asset, unless the Corporation's rights to that amount of consideration are unconditional, in which case the Corporation recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Corporation presents the contract as a contract liability.

##### **Contract cost assets**

The Corporation recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

##### *Costs to obtain a contract*

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a straight line basis over the expected life of the contract.

##### *Set-up / mobilisation costs*

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Statement of financial position balances relating to revenue recognition

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Corporation if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

##### *Costs to fulfil a contract*

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Corporation that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

##### Other income

Other income is recognised on an accruals basis when the Corporation is entitled to it.

#### (b) Income tax

The Corporation is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

#### (d) Property, plant and equipment

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

##### Land and buildings

Land and buildings are measured using the revaluation model.

Land and buildings are carried at fair value based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation and impairment losses where applicable. In periods when the land and buildings are not subject to an independent valuation. The board members conduct internal valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 2 Summary of Significant Accounting Policies

#### (d) Property, plant and equipment

##### Land and buildings

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income. All other decreases are recognised in profit and loss.

##### Plant and equipment

Plant and equipment are measured using the cost model.

Plant and equipment including leasehold improvements are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by management to ensure it is not in excess of the value in use of these assets.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Corporation, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Furniture, Fixtures and Fittings	10%
Office Equipment	25%
Computer Equipment	33.33%
Dental Equipment	20%-25%
Medical Equipment	20%-40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the Corporation becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **2 Summary of Significant Accounting Policies**

#### **(e) Financial instruments**

##### **Financial assets**

###### *Classification*

On initial recognition, the Corporation classifies its financial assets into the following categories, those measured at:

amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Corporation changes its business model for managing financial assets.

###### *Amortised cost*

The Corporation's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Corporation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Corporation's historical experience and informed credit assessment and including forward looking information.

The Corporation uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Corporation uses the presumption that a financial asset is in default when:

the other party is unlikely to pay its credit obligations to the Corporation in full, without recourse to the Corporation to actions such as realising security (if any is held); or

the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Corporation in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 2 Summary of Significant Accounting Policies

##### (e) Financial instruments

###### Financial assets

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Corporation has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Corporation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### Financial liabilities

The Corporation measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Corporation comprise trade payables, bank and other loans and lease liabilities.

##### (f) Impairment of non-financial assets

At the end of each reporting period the Corporation determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **2 Summary of Significant Accounting Policies**

**(f) Impairment of non-financial assets**

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(h) Leases**

At inception of a contract, the Corporation assesses whether a lease exists.

**Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

The Corporation has chosen not to apply AASB 16 to leases of intangible assets.

At the lease commencement, the Corporation recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Corporation believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Corporation's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Corporation's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*Exceptions to lease accounting*

The Corporation has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Corporation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **2 Summary of Significant Accounting Policies**

#### **(i) Employee benefits**

Provision is made for the Corporation's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### **(j) Economic dependence**

Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816) is dependent on various State and Commonwealth Government funding for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the various State and Commonwealth Government funding will not continue to support Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816).

### **3 Critical Accounting Estimates and Judgments**

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment of property, plant and equipment**

The Corporation assesses impairment at the end of each reporting period by evaluating conditions specific to the Corporation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

#### **Key estimates - fair value of financial instruments**

The Corporation has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

#### **Key estimates - revenue recognition - long term contracts**

The Corporation undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **3 Critical Accounting Estimates and Judgments**

#### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

#### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

#### **Key estimates - Lease term**

The lease term is a significant component in the measure of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, if there is a significant event or significant change in circumstances.

#### **Key estimates – mortgage in favour of Commonwealth of Australia**

The Australian Government, through the Department of Social Security, provided grant funding to complete the establishment of the Katungul Women's Healing Centre at our premises in Bega. The only enduring condition of that funding is that we maintain the back two wings and the adjoining cottage and always make them available for use as a domestic violence refuge for a period of fifteen years from date of practical completion. That condition is supported by a first mortgage over the property in favour of the Commonwealth and that mortgage is lifted after the 15-year term as noted. There are no other obligations (financial or otherwise) created by the mortgage and, the only impediment is that we would need obtain the permission of the Commonwealth if we were seeking to further encumber the Bega property.

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 4 Other Revenue and Income

	2023	2022
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Medicare	925,800	902,664
- NDIS income	2,336,902	2,390,848
- Department of Health	3,600,556	3,124,479
- Department of Social Security	844,178	3,356,488
- Department of Prime Minister and Cabinet	1,486,688	1,438,441
- Primary Health Networks - Coordinare	810,776	978,128
- NSW Government Grants	1,315,503	1,576,187
- Other grants	664,525	487,613
	<b>11,984,928</b>	<b>14,254,848</b>
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- Practice Incentives Program (PIP)	173,194	201,202
- Australian Child Immunisation (CIR)	150	54
- GP register training	28,341	110,616
- Program income	97,119	-
- Donations	16,200	-
	<b>315,004</b>	<b>311,872</b>
<b>Total Revenue</b>	<b>12,299,932</b>	<b>14,566,720</b>

	2023	2022
	\$	\$
Other Income		
- Wages subsidies	3,374	15,039
- other income	160,668	192,281
- Workers compensation recoveries	140,629	-
	<b>304,671</b>	<b>207,320</b>
<b>Total Revenue and Other Income</b>	<b>12,604,603</b>	<b>14,774,040</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 4 Other Revenue and Income

#### Disaggregation of revenue from contracts with customers

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	\$	\$
<b>Timing of revenue recognition</b>		
- At a point in time	3,262,702	3,293,512
- Over time	8,722,226	10,961,336
<b>Revenue from contracts with customers</b>	<b>11,984,928</b>	<b>14,254,848</b>

### 5 Finance Income and Expenses

#### Finance income

	2023	2022
	\$	\$
Interest income		
Interest income	767	20
Dividend income		
- dividends	21	-
<b>Total finance income</b>	<b>788</b>	<b>20</b>

#### Finance expenses

	2023	2022
	\$	\$
Interest expense		
Interest paid	42,091	-

### 6 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Other expenses:		
Employee Benefits Expenses	7,103,386	8,034,868
Depreciation and Amortisation Expenses	389,025	277,941

# Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 7 Cash and Cash Equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	3,008,261	2,692,314
	<u>3,008,261</u>	<u>2,692,314</u>

### 8 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade Receivables	158,351	320,707
Staff Debtors	6,220	4,317
NDIS late claims	-	108,494
<b>Total current trade and other receivables</b>	<u>164,571</u>	<u>433,518</u>

### 9 Other Financial Assets

	2023	2022
	\$	\$
CURRENT		
Share in listed entities	1,042	1,042
<b>Total</b>	<u>1,042</u>	<u>1,042</u>

### 10 Contract Balances

#### Contract assets and liabilities

The Corporation has recognised the following contract assets and liabilities from contracts with customers:

	2023	2022
	\$	\$
CURRENT		
Government grants	2,025,050	1,238,465
Other grants	15,588	15,588
<b>Total current contract liabilities</b>	<u>2,040,638</u>	<u>1,254,053</u>

The contract liabilities relate to the unspent grant and program funds. The milestones as per the grant and program agreement had not been satisfied during the year ended 30 June 2023 and therefore been carried forward to the next year.

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 11 Property, Plant and Equipment

Buildings		
At fair value		
Bateman's Bay	1,293,560	1,290,000
Bega	11,694,401	10,767,915
Narooma	1,150,000	1,150,000
Accumulated depreciation	(166,366)	(61,000)
Total buildings	13,971,595	13,146,915
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	256,617	249,629
Accumulated depreciation	(173,140)	(168,805)
Total furniture, fixtures and fittings	83,477	80,824
Motor vehicles		
At cost	397,224	121,554
Accumulated depreciation	(41,962)	(10,142)
Total motor vehicles	355,262	111,412
Office equipment		
At cost	135,568	135,568
Accumulated depreciation	(124,898)	(121,346)
Total office equipment	10,670	14,222
Computer equipment		
At cost	1,174,119	1,170,446
Accumulated depreciation	(958,096)	(843,502)
Total computer equipment	216,023	326,944
Dental Equipment		
At cost	1,149,824	1,149,824
Accumulated depreciation	(1,022,683)	(1,020,933)
Total Dental Equipment	127,141	128,891
Medical Equipment		
At cost	215,797	175,534
Accumulated depreciation	(161,972)	(154,094)
Total Medical Equipment	53,825	21,440
Dental Van		
Accumulated depreciation	(18,657)	-
Total plant and equipment	827,741	683,733
<b>Total property, plant and equipment</b>	<b>14,799,336</b>	<b>13,830,648</b>



## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 11 Property, Plant and Equipment

##### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Dental Equipment	Medical Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>								
Balance at the beginning of year	13,146,915	80,824	111,412	14,222	326,944	128,891	21,440	13,830,648
<b>Additions</b>								
Additions	930,046	6,988	275,670	-	3,673	-	40,263	1,256,640
Depreciation expense	(105,366)	(4,334)	(31,820)	(3,552)	(114,595)	(20,407)	(7,878)	(287,952)
<b>Balance at the end of the year</b>	<b>13,971,595</b>	<b>83,478</b>	<b>355,262</b>	<b>10,670</b>	<b>216,022</b>	<b>108,484</b>	<b>53,825</b>	<b>14,799,336</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 11 Property, Plant and Equipment

##### (a) Movements in carrying amounts of property, plant and equipment

	Land and Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Computer Equipment	Dental Equipment	Medical Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2022</b>								
Balance at the beginning of the year	12,076,364	68,985	-	10,500	82,135	148,073	18,477	12,404,534
Additions	1,131,551	14,810	121,554	6,941	316,321	7,000	8,597	1,606,774
Depreciation expense	(61,000)	(2,971)	(10,142)	(3,219)	(71,512)	(26,182)	(5,634)	(180,660)
<b>Balance at the end of the year</b>	<b>13,146,915</b>	<b>80,824</b>	<b>111,412</b>	<b>14,222</b>	<b>326,944</b>	<b>128,891</b>	<b>21,440</b>	<b>13,830,648</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 12 Other Non-Financial Assets

	2023	2022
	\$	\$
CURRENT		
Deposits	-	200,000
	-	200,000

### 13 Leases

#### Corporation as a lessee

The Corporation has leases over a range of assets including land and buildings and motor vehicles.

The Corporation has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

#### Terms and conditions of leases

Office rental being leases for two buildings in Narooma with lease terms from between two to five years.

Vehicle rental leases being rental for 17 units of motor vehicles for 60 months, expiring on 20 November 2023.

#### Right-of-use assets

	Land and Buildings	Vehicle and Equipment	Total
	\$	\$	\$
<b>Year ended 30 June 2023</b>			
At cost	291,279	295,540	586,819
Additions	79,759	-	79,759
Accumulated Depreciation	(174,119)	(270,912)	(445,031)
<b>Balance at end of year</b>	<b>196,919</b>	<b>24,628</b>	<b>221,547</b>

	Land and Buildings	Vehicle and Equipment	Total
	\$	\$	\$
<b>Year ended 30 June 2022</b>			
At cost	291,279	295,540	586,819
Accumulated Depreciation	(132,154)	(211,804)	(343,958)
<b>Balance at end of year</b>	<b>159,125</b>	<b>83,736</b>	<b>242,861</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 13 Leases

##### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	Total undiscounted lease liabilities
	\$	\$	\$
<b>2023</b>			
Lease liabilities	99,330	147,282	246,612
<b>2022</b>			
Lease liabilities	96,548	172,723	269,271

#### 14 Trade and Other Payables

	2023	2022
	\$	\$
CURRENT		
Trade payables	87,301	706,104
GST payable	141,869	372,289
Accrued expenses	2,942	655
Provision for workers compensation	353,255	-
PAYG and superannuation payable	80,429	97,103
	<b>665,796</b>	<b>1,176,151</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

### Notes to the Financial Statements

For the Year Ended 30 June 2023

#### 15 Borrowings

	2023	2022
	\$	\$
CURRENT		
Secured liabilities:		
CBA Loan - Kia Carnival	6,103	5,797
CBA Loan - Tritons	24,950	-
Bank loans	45,207	39,132
<b>Total current borrowings</b>	<b>76,260</b>	<b>44,929</b>
	2023	2022
	\$	\$
NON-CURRENT		
Secured liabilities:		
CBA Loan - Kia Carnival	30,797	36,900
CBA Loan - Tritons	118,767	-
IMB Bank loans	266,587	292,554
<b>Total non-current borrowings</b>	<b>416,151</b>	<b>329,454</b>
<b>Total borrowings</b>	<b>492,411</b>	<b>374,383</b>

The bank debt is secured by a registered first mortgage over the property known as 13 Old Princes Highway, Bateman's Bay, New South Wales owned by the Corporation. Minimum property insurance cover: \$2,250,000.

During the current and prior year, there were no defaults or breaches on any of the loans.

#### 16 Employee Benefits

	2023	2022
	\$	\$
Current liabilities		
Long service leave	170,579	150,947
Provision for employee benefits	284,431	402,682
	455,010	553,629

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 17 Reserves

	2023 \$	2022 \$
<b>Asset revaluation reserve</b>		
Transfers in	7,331,872	7,332,036
Transfers out	-	(164)
	<b>7,331,872</b>	<b>7,331,872</b>

#### (a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

### 18 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Corporation is \$ 903,858 (2022: \$ 758,608).

### 19 Auditors' Remuneration

	2023 \$	2022 \$
Remuneration of the auditor Vincents Assurance & Risk Advisory, for:		
- auditing or reviewing the financial statements	30,302	28,250
<b>Total</b>	<b>30,302</b>	<b>28,250</b>

### 20 Contingencies

In the opinion of the Directors, the Corporation did not have any contingencies at 30 June 2023 (30 June 2022: None).

### 21 Related Parties

#### (a) The Corporation's main related parties are as follows:

Key management personnel - refer to Note 18.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2023**

### **22 Significant events during the year**

#### **Bushfires**

The funding from the Australian Government via Coordinare for employment of Bushfire Recovery Officers continued until 31<sup>st</sup> December 2022 with extra funding of \$224,227.

Funding from Resilience NSW for their BCRRF initiative had the initial payment of \$71,750 rolled over from last year. That amount was expended in the year in FY2023.

#### **Covid**

NACCHO provided Covid 19 Vaccine Support funding of \$105,000 and this amount was applied to clinic operations.

#### **Training**

The two training programmes funded in FY2022 and rolled over to FY2023 (NIAA \$75000 and SNSW LHD \$130,000) have been rolled over to FY2024.

#### **General**

Operational funding for the Katungul Women's Healing Centre (KWHC) at Bega was provided in June 2023 amounting to \$650,000. This was rolled over for expenditure in FY2024 and forms part of a three-year funding package totalling \$2.25million.

Two new mental health programmes were funded by NSW Ministry of Health (Connecting Communities to Country \$194,000 and Resilience and Suicide Prevention \$126,383) and, as funds were only received in June 2023 those amounts have been rolled over to FY2024 in full.

Besides the Covid Funding noted above NACCHO continued on with their BBV/STI funding with a total of \$180,696 expended in FY2023. NACCHO also provided funding for an Aboriginal Disability Liaison Officer, a one off grant to strengthen Medicare and, funding for their Culture Care Connect programme.

#### **Capital**

As noted last year, a further amount of \$884,178 was funded by Australian Government Department of Social Security (DSS) to complete the refurbishment of the back two wings and adjoining cottage at our Bega property which now incorporates the Katungul Women's Healing Centre (KWHC). There is an amount of \$48,685 remaining under this grant to be claimed and expended in FY2024.

A capital grant was procured from the Paul Ramsay Foundation amounting to \$185,000 and that amount has been rolled over to FY2024 to be added to the DSS funds noted above to complete the remaining capital needs of the KWHC.

NSW Department of Aboriginal Affairs provided a capital grant of \$241,000 during FY2023. Of that, \$141,000 was expended on the purchase of three additional 7-Seater vehicles and, the remaining \$100,000 was rolled over and application has been made to NSW DAA to extend this to end FY2024 to cover the cost of two 12 seater mini-buses for use at KWHC.

The NSW Government Small Capital Grant allowed rollover into FY2023 of \$281,050. Of this amount \$77,500 was for a dental clinic at Batemans Bay and the balance was to be applied to clinic refurbishments at Batemans Bay. That amount was supported by an Australian Government Grant under the Indigenous Australians Health Programme Service Maintenance Programme (IAHP SMP) of \$500,000 which had been rolled over from FY2022.

## Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

### Notes to the Financial Statements

#### For the Year Ended 30 June 2023

#### 22 Significant events during the year

This work could not proceed at Batemans Bay due to local government regulations relating to parking spaces so, the original amount from the NSW grant (\$203,550) was applied to the clinic renovations (plumbing and air conditioning) in the Bega clinic and offices and, application is now to be made to NSW Health to apply the remaining \$77,500 to capital upgrades (mainly equipment) at Bega and Narooma.

In July 2022 we were notified that capital funding applications for staff accommodation (Bega) and Clinic extensions (Narooma) and totalling \$3million in value had progressed to Stage 2 and would be finalised subject to regulatory approval and building cost increases. The same regulatory problem (car parking spaces) prevented the Narooma clinic extension and, the escalation in building costs (and further planning delays) prevented the Bega project from complying with the stipulated timelines. Consequently, the benefits to be derived from this funding was lost to Katungul.

As the funding of \$500,000 under the IAHP SMP Service Maintenance Programme cannot be applied to the clinic expansion at Batemans Bay, application has been made to divert those funds to complete a similar refurbishment of the front two wings at Bega. Besides ticking all accreditation compliance boxes, these works will allow extra clinic spaces for use by visiting specialists and allied health professionals.

All up, FY2023 income includes \$1.18 million in capital grants. All of that funding is reflected in the balance sheet either as building costs or plant and equipment.

#### Unexpended Grants

All up, amounts actually banked but not yet recorded as Income in the Profit & Loss Statement, for programmes either fully or partly rolled over, amounted to \$2.04million as at 30<sup>th</sup> June 2023. Subject to approval of the IAHP SMP diversion, it is expected that all this funding will be fully acquitted as the projects are rolled out and completed.

#### 23 Events After the End of the Reporting Period

The financial report was authorised for issue on 20 November 2023, by the Directors.

During the year a GP from interstate who desperately wanted to work full time at Katungul was forced to return home as suitable/affordable housing was not available. A friend of the GP learned of this predicament and, in September 2023 she donated \$1million to Katungul. Only condition is that it is to be held in trust with our solicitor until it can be applied to the purchase of staff accommodation.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in future financial years.

#### 24 Statutory Information

The registered office and principal place of business of the company is:  
Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)  
26 Princess Highway  
NAROOMA NSW 2546



## Katungul Aboriginal Corporation Regional Health and Community Services (ICN 1816)

ABN: 35 679 076 545

### Responsible Persons' Declaration

The directors declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- *the financial statements and notes satisfy the requirements of the Corporations (Aboriginal and Torres Strait Island) Act 2006.*

Signed in accordance with a resolution of the directors made on the date of signature below.

Director .....



Dated

23.11.2023

Director .....



## Independent Audit Report to the members of Katungul Aboriginal Corporation Regional Health and Community Services

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Katungul Aboriginal Corporation Regional Health and Community Services (the Corporation), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Katungul Aboriginal Corporation Regional Health and Community Services has been prepared in accordance with *Corporations (Aboriginal and Torres Strait Islanders) ACT 2006 (CATSI Act)* including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and *Corporations (Aboriginal and Torres Strait Islander Corporation) Act 2006*.

#### 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 registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other 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

Those charged with governance are responsible for the other information. The other information comprises the information included in the Corporation's annual report for the year ended 30 June 2023 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, 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 Responsible Entities for the Financial Report

Those charged with governance of the Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Corporations (Aboriginal and Torres Strait Islander Corporation) Act 2006* and for such internal control as management determines is necessary to enable the preparation of the 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, those charged with governance 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 those charged with governance either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity'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 registered entity 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Vincent's Assurance and Risk Advisory



Phillip Miller CA  
Director  
Canberra, Date: 23 November 2023

**Katungul Aboriginal Corporation Regional Health and Community Services ICN 1816**  
**Financial Accounts for Year Ended 30th June 2023**  
**Supplementary Income - Schedule of Unexpended Grants**

	2022 unspent	Release 2022/23	Acquitted 2022/2023	Funds Returned	2023 unspent
<b>Grants - Commonwealth</b>					
<b>Department of Health</b>					
IAHP	\$ -	\$ 3,600,556	\$ 3,600,556		\$ -
IAHP Capital Grants	\$ 500,000		\$ -		\$ 500,000
	<u>\$ 500,000</u>	<u>\$ 3,600,556</u>	<u>\$ 3,600,556</u>	<u>\$ -</u>	<u>\$ 500,000</u>
<b>Department of Social Security</b>					
Capital Grant Bega		\$ 844,178	\$ 844,178		\$ -
<b>National Indigenous Australians Agency</b>					
Stay Strong	\$ -	\$ 964,942	\$ 964,942		\$ -
Koori Connections	\$ -	\$ 402,637	\$ 402,637		\$ -
Strong Families: Strong Communities	\$ -	\$ 119,110	\$ 119,110		\$ -
Covid Boost	\$ -				\$ -
Sth Coast M&M Project	\$ 75,000	\$ -	\$ -		\$ 75,000
SEWBEAT	\$ 11,776		\$ -	\$ 11,776	\$ -
	<u>\$ 86,776</u>	<u>\$ 1,486,688</u>	<u>\$ 1,486,688</u>	<u>\$ 11,776</u>	<u>\$ 75,000</u>
<b>Primary Health Networks</b>					
<b>Coordinare</b>					
Intensive Team Care	\$ 8,607	\$ 322,869	\$ 331,476		
Mental Health Services	\$ -	\$ 225,053	\$ 225,053		\$ -
Bushfire Recovery Officers		\$ 224,247	\$ 224,247		\$ -
Empowering Communities Drought Initiative		\$ 30,000	\$ 30,000		\$ -
	<u>\$ 8,607</u>	<u>\$ 802,169</u>	<u>\$ 810,776</u>		<u>\$ -</u>
<b>NSW Government</b>					
Dept Communities and Justice - KWHC		\$ 650,000			\$ 650,000
Ministry of Health CCC		\$ 194,000			\$ 194,000
Ministry of Health - Dental	\$ 86,446	\$ 292,050	\$ 372,563		\$ 5,933
Ministry of Health - Mental	\$ -	\$ 113,700	\$ 113,700		\$ -
Minsitry of Health - Eyes & Ears	\$ -	\$ 97,400	\$ 97,400		\$ -
Ministry of Health - Population Health	\$ -	\$ 278,500	\$ 278,500		\$ -
Ministry of Health - Small Capital Grants	\$ 281,050		\$ 203,550		\$ 77,500
Ministry of Health Resilience SPV		\$ 126,384			\$ 126,384
Suicide Prevention Gatekeeper Training	\$ 14,313		\$ 14,313		\$ -
SNSW LHD Training Programme	\$ 130,000				\$ 130,000
Resilience NSW BCRRF	\$ 71,750		\$ 71,750		\$ -
NSW Dept Aboriginal Affairs	\$ -	\$ 263,727	\$ 163,727		\$ 100,000
NSW DAA Dance Auspice	\$ 20,000	\$ -	\$ -		\$ 20,000
	<u>\$ 603,559</u>	<u>\$ 2,015,761</u>	<u>\$ 1,315,503</u>	<u>\$ -</u>	<u>\$ 1,303,817</u>
<b>Other Grants/Projects</b>					
Paul Ramsay Foundation - KWHC		\$ 185,000			\$ 185,000
NDIS		\$ 2,336,902	\$ 2,336,902		\$ -
RDN Outreach Programme	-\$ 34,620	\$ 211,062	\$ 215,209		-\$ 38,767
NACCHO	\$ 74,143	\$ 323,326	\$ 397,469		\$ -
AH&MRC - NRT	\$ -	\$ 17,783	\$ 17,783		\$ -
IHSPS	\$ -	\$ 15,520	\$ 15,520		\$ -
Calleo		\$ 15,000	\$ 15,000		\$ -
Self Generated Income		\$ 1,549,806	\$ 1,549,806		
	<u>\$ 39,523</u>	<u>\$ 4,654,399</u>	<u>\$ 4,547,689</u>	<u>\$ -</u>	<u>\$ 146,233</u>
<b>Total of Unexpended Grants - 30th June 2023</b>					<u>\$ 2,025,050</u>
<b>NAIDOC</b>	<u>\$ 15,588</u>				<u>\$ 15,588</u>

The above supplementary information aligns with the overall income and expenditure position included in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2023 and the opening and closing balances of unspent funds are included in the respective Statement of Financial Position. With these exceptions, the supplementary information is otherwise unaudited, and has been prepared to assist management and reporting and should not be used for another purpose