



**MACLEOD
CORPORATION PTY LTD.**

A.B.N. 25 082 636 968

14 The Outlook
BAYONET HEAD
ALBANY WA 6330

PO Box 5321
ALBANY WA 6332

ph/fax. 08 9844 1693

m. 0412 375 667

e. paul@macleodcpa.com.au
www.macleodcpa.com.au

INDEPENDENT AUDITOR'S REPORT

To: The Members of Mental Health Association of Central Australia Inc.

Report on the Financial Report

We have audited the accompanying financial report of Mental Health Association of Central Australia Inc, which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows for the year ended 30 June 2016 and notes comprising a summary of significant accounting policies, other explanatory information, and the statement by Board of Management members.

Board of Management's Responsibility for the Financial Report

The association's board of management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Act and for such internal control as the board of management determine 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the associations preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of our professional and ethical accounting and auditing standards.

Re-Issued Audit Report

This Independent Auditor's Report replaces our previous Independent Auditors Report dated 30th August 2016. The Independent Auditor's Report has been re-issued because prior period grant funding in advance and funding allocation required adjustment as a result the liability for Unexpended grants reduced and grant income increased by \$ 54,468.

Opinion

In our opinion the special purpose financial report of Mental Health Association of Central Australia Inc is in accordance with the accounting policy notes described in Note 1, including giving a true and fair view of the association's financial position as at 30 June 2016 and of its performance for the year ended on that date.



LIABILITY LIMITED BY A SCHEME APPROVED UNDER PROFESSIONAL STANDARDS LEGISLATION

Report on Other Legal and Regulatory Requirements

- (a) the financial report satisfies the requirements of the Australian Charities and Not For Profits Commission Act 2012.
- (b) we have received all information, explanation and assistance necessary for the conduct of the audit.
- (c) the Association has kept financial records sufficient to enable a special purpose financial report to be prepared and audited.
- (d) the Association has kept other records as required by the Australian Charities and Not For Profits Commission Act 2012.

Emphasis of Matter

As is common for organisations of this type, it is not practicable for Mental Health Association of Central Australia Inc to maintain an effective system of internal control over monies received, until their initial entry in the accounting records. Accordingly, our audit in relation to this income was limited to amounts recorded in the accounting records.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 Statement of Accounting Policies, which describes the basis of accounting. The financial statements are prepared to assist Mental Health Association of Central Australia Inc to comply with the financial reporting provisions of the Constitution and Australian Charities and Not-for-profit Commission (ACNC). As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Mental Health Association of Central Australia Inc and ACNC and should not be distributed to or used by parties other than Mental Health Association of Central Australia Inc or ACNC.



Paul Gilbert
Macleod Corporation Pty Ltd

Dated this 9th day of November 2016



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CERTIFIED PRACTISING ACCOUNTANTS



**MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<u>INCOME</u>			
Grants		2,470,787	3,162,666
Interest		18,452	22,830
Professional Fees		72,793	33,527
Rent		43,290	54,809
Other Income		37,011	36,643
		<u>2,642,333</u>	<u>3,310,475</u>
<u>EXPENDITURE</u>			
Employee Benefits		1,766,508	1,522,051
Depreciation		92,766	92,507
Program Costs		228,870	114,806
Insurance		60,960	3,530
Interest		54,580	49,301
Minor Equipment		12,909	209,991
Repairs & Maintenance		23,005	74,133
Rent Expense		9,552	198,053
Operating Expense		254,265	536,785
		<u>2,503,415</u>	<u>2,801,157</u>
Operating Result Surplus/(Loss)	11	<u>138,918</u>	<u>509,318</u>

The accompanying notes form part of these financial statements.

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC.
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash at Bank	2	488,074	999,169
Accounts Receivable	3	123,786	46,963
Investments	4	500	500
TOTAL CURRENT ASSETS		<u>612,360</u>	<u>1,046,632</u>
NON CURRENT ASSETS			
Land & Buildings	5	3,404,407	3,413,547
Plant & Equipment	6	166,343	135,768
TOTAL NON CURRENT ASSETS		<u>3,570,750</u>	<u>3,549,225</u>
TOTAL ASSETS		<u>4,183,110</u>	<u>4,595,857</u>
CURRENT LIABILITIES			
Accounts Payable	7	59,198	76,531
Provision for Employee Entitlements	8	99,740	94,412
Unexpended Grants	9	24,763	107,537
TOTAL CURRENT LIABILITIES		<u>183,701</u>	<u>278,480</u>
NON CURRENT LIABILITIES			
Borrowings		966,338	1,447,359
Provision for Employee Entitlements	8	40,786	16,651
TOTAL NON CURRENT LIABILITIES		<u>1,007,124</u>	<u>1,464,010</u>
TOTAL LIABILITIES		<u>1,190,825</u>	<u>1,742,490</u>
NET ASSETS		<u>2,992,285</u>	<u>2,853,367</u>
Represented by:			
EQUITY			
Accumulated Surplus		2,336,824	2,197,906
Asset Revaluation Reserve		655,461	655,461
TOTAL EQUITY		<u>2,992,285</u>	<u>2,853,367</u>

The accompanying notes form part of these financial statements.

**MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
EQUITY			
<u>Accumulated Surplus</u>			
Balance as at the beginning of period		2,197,906	1,688,588
Net result for the period		138,918	509,318
		<hr/>	<hr/>
Balance as at the end of period		2,336,824	2,197,906
<u>Asset Revaluation Reserve</u>			
Balance as at the beginning of the period		655,461	655,461
Revaluations of Non- Current Assets		0	0
		<hr/>	<hr/>
Balance as at the end of the period		655,461	655,461
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TOTAL EQUITY		2,992,285	2,853,367

The accompanying notes form part of these financial statements.

MENTAL HEALTH ASSOCIATION OF CENTRAL AUSTRALIA INC.
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts – Grants		2,500,283	3,004,314
- Rent		43,290	54,809
- Customers		84,454	33,527
- Interest		18,452	22,830
- Other		37,011	19,163
Payments – Interest Expense		(54,580)	(49,301)
- Employees		(1,737,045)	(1,465,442)
- Services and charges		(805,557)	(1,193,288)
Net Cash flows from / (used in) Operating Activities	11	<u>86,848</u>	<u>426,612</u>
CASHFLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		9,500	12,166
Purchase of Land & Buildings		(34,864)	(1,729,147)
Purchase of Property, Plant & Equipment		(91,558)	(71,362)
Net Cash flows used in Investing Activities		<u>(116,922)</u>	<u>(1,788,343)</u>
CASHFLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(481,021)	(52,641)
Proceed of Borrowing		0	1,500,000
Net Cash flows from / (used in) Financing Activities		<u>(481,021)</u>	<u>1,447,359</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>(511,095)</u>	<u>85,628</u>
Add: Opening Cash Balance Forward	2	999,169	913,541
CLOSING CASH CARRIED FORWARD	2	<u>488,074</u>	<u>999,169</u>

The accompanying notes form part of these financial statements.