



2017/18

ANNUAL REPORT



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MISSION

To deliver culturally appropriate programs and services that aim to improve and empower the lives of our families, create healthy homes and communities.

Kalano Community Association will:

- work to ensure that its communities will have access to appropriate community services in an equitable and culturally sensitive manner,
- develop and maintain accountability to its members and funding providers and meet its legal and corporate obligations,
- look to its own communities for the uptake of employment, development and work opportunities,
- engage our members to ensure that the directions of the Association takes are in line with our communities expressed aspirations,
- develop and maintain programs which focus on the social cohesion of its Aboriginal members,
- value its members and employees as they strive to address physical, social, emotionl and cultural well-being.



PRESIDENT REPORT TO MEMBERS

Dear Members,

Let me start this year's report by thanking members for the opportunity to serve as the President of Kalano for another term and indicate that the Association continues to govern with members needs in mind, and a consciousness that our organisation is what we make it.

Governance is a central feature of our organisation and our ability to make good decisions relies on being able to communicate our needs to the management and council. Over the past financial year we've had to make some tough decisions in relation to the operations of our Farm and the Store activities and as foreshadowed at our last AGM, we made the conscious decision to stop trading in the Store and suspend the operation of the Farm.

As mentioned last year, Council took a different approach to how we communicate with members, by holding less Council meetings and more community meetings to allow members the opportunity to tell us more about your needs, the direction the organisation is heading and the ideas you have to contribute innovative ways to keep us providing good services to you.

I want to again make the point, that the success of our organization relies heavily your engagement in the services being provided to you and your willingness to be involved at every stage.

A good deal of the 2017/18 financial year has been spent establishing a new organization to manage the Community Patrol and Venndale Rehab. programs under a new Aboriginal Corporation. This new organization is called the Kalano Community Association Aboriginal Corporation and is wholly owned and controlled by the Kalano Community Association Incorporated.

Our two companies have established good business relationships between them and will work together to deliver the same level of service as in past years.

As in past years, we maintain a strong financial position and I want to thank Graham and his team as well as BDO for their high level of support to achieve another positive trading result this year. I also want to thank members of the Kalano Finance Sub Committee for taking the time to engage with Administration to oversee the performance of programs and the framing of budgets for the 2016-17 and 2017-18 financial years. Your effort to be engaged, provide a community perspective and understand the challenge of making every dollar count has been invaluable this year.

This year we also see the departure of our CEO, Graham Castine who has decided to head for greener pastures. I want to extend our sincere thanks to Graham for his enormous contribution, not just to Kalano for this term, but over the many years he has dedicated his life to our organization and the many Aboriginal organizations that have received his advice and help.

We wish you well in the many endeavors that lay ahead and our heartfelt thanks go with you.

My thanks to Alan and staff of our organization also for their hard work and dedication. So, let me come back to the start. It's been a privilege to serve as President, there's still much to do but our organisation is what we make it and I encourage everyone to get involved.

I want to thank my fellow Council members for their support and contribution, we've tackled some tough issues in this term of office.

Finally, as always, let me finish my report by paying my respect and offering my sincere condolences to the families who have lost loved ones in our community this year.

Thank You

Rick Fletcher

BOARD 2017-18

**Myalli
Brumby**

Geyulkgan

**Katherine
Town**

Rosslyn Weetra (Treasurer)
Lisa Mumbin (Vice President)
Zarak Bolga
Mundy Cleary

Frankie Douglas
Patrick Jimmy

Rick Fletcher (President)
Joyce Blitner
Marcus Rosas
Carol Dowling

Jodetluk

Rockhole

Terrance Runyu
Justin Wala

Anita Brongur
Kevin Maroney
Evelyn Andrews
Noleen Farrell

CEO REPORT

Welcome to Kalano's reporting process for the year 2017-18 and Kalano Community Association's AGM.

The year commenced with a certain amount of enthusiasm, even though it was one that saw a reduced funding capacity. In particular, the areas of Housing and Municipal activity. To compensate for that, Kalano started a new program as a Client Support Coordinator. A new challenge that certainly met all challenges.

Under strict management processes, the Community Employment Program continued to bring a high level of earnings.

Following the advice provided at last year's (2017) AGM, our Farm and Store wound down and closed effectively during the first quarter of 2018. These closures had a favourable impact on expenditure patterns from a budget viewpoint.

In line with redundancy requirements, all staff associated with both activities were treated in line with the legal requirements in such situations.

The wind down of those activities opened the way to negotiate and formalise some new directions into the 2018-19 year, which will become evident during the course of 2019.

An important and new corporate/governance structure was negotiated during 2017-18 with the registration under the CATSI Act of the Kalano Community Association Aboriginal Corporation. This Aboriginal Corporation was officially registered on 6 March 2018. There is a clear and important link between the two Organisations in that the Kalano Community Association Inc. is the only Corporate Member of the Aboriginal Corporation. KCA appoints a group of five (5) Directors to the Corporation from amongst its own Councillor membership.

By June 2018, management and operational requirements were in place in order for services to be provided by both the Community Patrol and Alcohol Rehabilitation through KCAAC. The main tool in providing this direction is to be found in a Memorandum of Understanding signed by both Organisations. The 2018-19 year will see further refinement to these processes.

The Council has approved its Strategic Plan for the next 5 years in order to guide direction for all associated with Kalano, which emphasizes government funded programs as well as opportunities to address business, social and cultural issues raised within the Community.

From a financial aspect and taking the so called "bottom line" interpretation, the Kalano Community Association has handled its financial controls well. A Financial Sub Committee consisting of representation from both its Council and senior management was established during the year and has certainly turned our financial prospects around both through its deliberations and formal advice to the Kalano Council.



The successful outcomes will be found in the perusal of the Association's Financial Reports and the Audit for the year.

For a long time Kalano has battled with the provision of housing for its members and families. This year unfortunately saw the demise of a funding subsidy which provided additional assistance to maintain houses in the township area of Katherine. Rental receipts and the meeting of rental arrears by some continues to be problematic from the aspect of finances and budgets delivery.

Many will note or have seen signage which advertises the existence of a Kalano Office in the main street of Katherine. This Office provides a town based point for the public to access Kalano services and houses some of the Community Development Program (CDP) and the newly created Coordination Support Program under the Commonwealth Government's National Disability Insurance Scheme. This office is only an early development as we expect both programs to increase services and projects into the future.

You will note within the context of this year's Annual Report some developments to improve the infrastructure at Myalli Brumby and Geyulkan have been made. The funding for these improvements have been financed through some Town Camp Initiative Programs provided through the NT Department of Housing and Community Development. This Program is to run for two years and Kalano is hopefully going to obtain additional support, in fact the bulk of the program, into 2018-19.

In summary, through careful planning and commitment the work started in 2016-17 has progressed well, and as expected, into the current year.

Despite reduction in overall funding availability, our successes have relied on continued commitment from Government (both NT and Commonwealth) for Kalano's general and ongoing programs. We have also prospered from the advent of funding auspiced by KRAHRS AC to cover the Katherine Individual Services Program. For 2017-18, KCA delivered the program through it's Venndale activities. For 2018-19 our KCAAC will be responsible for its management and direction.

Of course none of this would have been possible without the continued commitment of a forward thinking Council, its members and the dedication of staff engaged by Kalano.

My personal thanks and appreciation is extended to all associated in the workings of the Kalano Community Association during the year covered by this report. I trust that the developments and opportunities uncovered during the year put us in good stead for the times ahead.

I leave you with best wishes as the end of calendar year 2018 approaches.

Graham Castine





DEPUTY CEO REPORT

The 2017-2018 fiscal year has been a very busy time for all staff as Kalano Community Association (KCA) continues to move forward and gain strength as it meets the objectives set by the KCA Council and now the KCAAC Board of Directors.

As the Deputy CEO one of my many roles is to oversee various programs, working with managers on strategies and budgets. I am convinced that the performance of our organisation must not be solely focused on its financial results alone but our ability to respond to the social issues that face our members is crucial to the Kalano Organisation's future success.

KCA - KCAAC funded programs are meeting their requirements under the Government operational and financial guidelines and are providing a remarkable service to our members and clients.

All programs are achieving their set goals and continue to deliver a worthy service with some precise outcomes.

We have restructured and streamlined the Housing and Essential Services Departments by bringing them together to work as a joint team under one manager.

The Kalano Housing Program can only achieve the goals set by the members, by members supporting the KCA/KCAAC through community meeting and insuring that all membered communities are assisting the KCA Housing Department through rental payments, looking after their homes, reporting repairs to the Housing Department and working together to achieve the KCA goals.

The NTG have provided funds to assist the Myalli Brumby and Geyulkgan Communities (Town Camps Stimulus Package) on infrastructure and housing renovation projects for this financial year.

Myalli Brumby Community has had the NBN installed. Every household is now able to gain access to the wide world web.

The Bi-Monthly Community Meeting continues to be a good source of passing information to the KCA/KCAAC members and for KCA/KCAAC to receive feedback on its program delivery and any issues within the communities.

Under the guidance from Director of Corporate Services, KCA/KCAAC will be able to introduce a staffing skills audit to assist staff in performing their duties to their full potential and offer training in areas that are within their position description that are not being addressed, this will lead to better production and outcomes for staff and community programs.

The KCA/KCAAC staff re-structure will influence the organisation in moving forward and drive the KCA/KCAAC in streamlining its programs and commercial business to obtain better outcomes and production.

The KCA/KCAAC continue to work with other stakeholders in the Katherine Region, with current MOU with Correctional Services, NT Police Youth Diversion Programs, Wurli-Wurlinjang, Gudbinji, Catholic Care, Red Cross, Anglicare Etc.

I encourage members to read through each department's report, to gauge thoughts of department managers and their thinking around the future direction of our programs and how we can provide a better service.

To the KCA & KCAAC Council Members, Housing Committee Members, Community Members, CEO and staff, I thank you all for your efforts, input and time. Your investment in Kalano Community Association keeps it functioning, moving forward and delivering programs to our communities and its members. We need your support.

Alan Mole

Completed or undergoing works

- 4 x Houses fully renovated at Geyulkgan
- 4 x Houses fully renovated at Myalli Brumby
- New sealed roads for Myalli Brumby
- A new bus stop/shelter and turn around section
- Power, water and fans for the Myalli Brumby Community sheds
- Water meters to every household
- Footpaths throughout the Myalli Brumby Community
- New LED street lighting for Myalli Brumby and Geyulkgan
- 6 x new grandstands for the Kalano Community Association sports oval
- An immense tree lopping program for both Myalli Brumby and Geyulkgan Communities

Municipal and Essential Services and the CDP

The Municipal and Essential Services team are working well in conjunction with the CDP and continue to provide the services that are essential to the membered communities.

The CDP continues to generate income for KCA through CDP activities. This has produced some very good results in clients obtaining full-time employment. Changes are expected in the future in regards to how the CDP is delivered. We will continue to work with stakeholders and the Government and monitor changes to the program to ensure there is a smooth transition.

DIRECTOR OF CORPORATE SERVICES REPORT



I start by thanking all at Kalano for a wonderful year and according to myself, a year of achieving new milestones. This is my first full year with the organisation after my arrival in January 2017. A review of functions within the Corporate Section was initiated and supported by Council. The Corporate Services keeps a close eye on Kalano finances. However, this role is still being fulfilled by outsourced accountants and there is little input from the corporate hub but thanks to our local finance team who are always on hand to make payroll happen on a weekly basis, keeps our staff happy and provides financial input for our accountants.

Our Human Resource program, the key asset of the organisation, continues to be solid. Staffing levels were at 79 across all programs with the Rehabilitation Services and Community Patrol having the larger numbers. Staff continue to access training. One of our Rehabilitation staff graduated with a Diploma from RMIT during the course of the year.

On the quality front, Kalano was audited in August 2017 for the NDIS Quality and Safeguarding Framework Accreditation and was successfully approved to provide NDIS services to our communities and in the NT as a whole. This fits in well with Kalano's strategic plan goals of healthy communities and business development. Kalano was also audited for the ISO Accreditation and all went well.

During the year we invested in a new Fleet Management system that helps track the movement of our work vehicles thereby improving the efficiency of their use. We also invested in a new Human Resources Management System which is a central document store for staff records and can be made easily available on request.

We continue to work towards the improvement of our quality outcomes. The Management Review Committee meets bi-monthly to discuss this and make recommendations to the Executive.

During the same period work was undertaken, successfully, in the creation of Kalano Community Association Aboriginal Corporation (KCAAC). This involved a lot of consultations with various stakeholders and the creation of extended systems to take care of the newly created entity. Our Financial Management System/HR Management System/Assets Management were all adopted in part by the new organisation. A Client Management System is now in use and we continue to investigate its use across all programs.

A new Office was opened at 54 Katherine Terrace in Katherine town and this has become the face of Kalano on the main street with two programs operating from the facility, the NDIS and CDP with the capacity to be a contact point for all other Kalano programs.

Kalano's website was created by a developer and it is now active on the World Wide Web as a good publicity, marketing and information tool for the organisation. Constant updates are now being made on the site for all to visit and see especially our various stakeholders. We also continue to work with our outsourced IT Services to make our programs run efficiently and during the course of the year we have seen some upgrades of system; NBN was installed at Kalano main office and our phones were changed from ISDN to SIP. We hope this will make our communication faster and easy for all users.

Finally I would again like to thank the President, the Council, the Executive Management and all at Kalano for understanding our corporate situation and your patience as we work towards a modernised Kalano environment.

I wish you all the best as the year draws to an end.

Thank you,

Great Makunde

COMMUNITY IMPACT

51,213

PEOPLE ASSISTED BY
COMMUNITY PATROL

NBN INSTALLATION

118

ADMITTED INTO
REHABILITATION

NEW WEBSITE

3,142

NDIS SUPPORT
COORDINATION
HOURS

PAVED ROADS &
STREET LIGHTING

APPROVED 5 YEAR
STRATEGIC PLAN

NEW KATHERINE
STORE FRONT



8 FULLY RENOVATED
HOMES

Providing education, training and job placements
in diverse industries:

Hospitality

Retail

Mechanics

Manufacturing

Administration

Rehabilitation Services

Caregiver Services

KALANO REHABILITATION SERVICES



INCREASING DEMAND FOR REHABILITATION SERVICES

ASSESSED OVER 500 CLIENTS, ADMITTED 118, 6 MONTH WAITING LIST

Kalano Rehabilitation Service (KRS), formerly known as Venndale Rehabilitation, again assessed over 500 clients for the Financial Year of 2017-2108. We admitted 118 clients this year and remained at capacity for most of the year. Our waiting list extended to approximately 6 months and at any time had in excess of 40 people on the waiting list at its largest. We had 50 of the 118 complete the program and 34 of those 118 were still in admission at time of this report. As usual, we attribute our success to our comprehensive program and remote location.

Staffing was consistent all year thanks to our relationship with RMIT and the intended future development of our staff as we offer incentives to stay at KRS for professional development purposes. This year we had staff complete Cert 4 in Disability in preparation of the NDIS

possibilities as well as 7 staff completing the Cert 4 in Alcohol and Other Drugs in August 2018. This ensured that all support staff (excluding after hours and weekend staff) had a qualification between a Cert 4 and Diploma of Alcohol and Other Drugs. The relationship with RMIT continues with a number of staff starting the Advanced Diploma in Community Sector Management in October. This training is optional but includes an application process. The progression following this training next year is to start a post grad course with those who complete the advanced diploma.

Cosmetically and physically, KRS has seen some amazing changes this year with special thanks to the Departments of Health and also Corrections.

KRS has managed to establish a very large vegetable garden and fruit orchid. We hope to eliminate our fruit and vegetable bill in the future and provide food at any time to the our clients.

KRS also received funding to refurbish the clients recreation room, provide new TVs, washing machines, a pool table, gym equipment, fencing to secure the facility, a new fire alarm and PA system, 4G connectivity, a Wifi Router system for the whole of the facility, new toilets, plumbing fittings and all new mattresses. Each of these improvements are part of the new additions to the program.

WEEKLY EVENTS & ANNOUNCEMENTS

KALANO REHABILITATION SERVICES ON FACEBOOK

We encourage people to keep an eye on what KRS is up to as there is far too much to report by watching our social media page www.facebook.com/Venndale

BUILDING UPGRADES

A special thanks to the Department of Health and Corrections for the opportunity to create a large garden for our clients, our 4G connectivity, Wifi Router system, new mattresses, gym equipment and funding for additional renovations and upgrades.

KALANO REHABILITATION SERVICES TESTIMONIALS



I feel success from having my I.D., bank card, medicare card and when I stick to a routine. I feel success when I take medication every morning, save money, learn reading and writing, going shopping and buying things that I never had before like new clothes. Sometimes, I shave to look good. I feel better every morning, every day, when I see family on the street. I will feel more success when I get my license for the first time this year.



I am proud for doing the right thing for the baby and staying away from grog. Thanks to Venndale for supporting her, getting through with it, giving her some new ways from getting out of trouble with the police. When we get out of here, we are going to give up drinking. I'm going to find a job to support her and the baby. I will save money, get a house in town and buy things for the baby. She is going to buy a car when she gets her license so we can travel and visit family out bush.



Kalano was required to shift KRS from the Community Association element of their company to the newly appointed Kalano Community Association Aboriginal Corporation. This was a necessity to apply for and receive federal funding. The process was long and painful at times but we are better for it and look forward to doing business under the ORIC regulations. KRS would like to thank the Executive and the Board for all their help in this process.

KRS has gained additional funding this year. We are extremely happy for the inclusion of the KISP project and the increased funding from the Department of Community Corrections as both will go a long way to improving the service we deliver and therefore the outcomes we achieve for clients. Through this funding we will be adding 2 new Case Managers, a full-time Transport and Support worker and an Activities Coordinator. Recruitment has not commenced yet but we are looking forward to when this starts.



As reported in last year's annual report, after 12 months of operation I am happy to advise that we have developed programs for self esteem, mental health and Life Skills education. We have also been eased by the ability have a transport officer who plans town trips with the conservation of fuel and time as a main focus.



We have enjoyed this year and would like to send a big thanks to the Kalano Board and the Executive committee, especially Graham, Alan, April and Great who have been very supportive in helping KRS get what they need to run at capacity. We look forward to a prosperous 2018-2019. Hopefully, we will continue to grow to meet the demands of our town.

Casey Bishop
KRS manager



COMMUNITY DEVELOPMENT PROGRAM

CREATING OPPORTUNITY

Kalano CDP has settled into the new office at 54 Katherine Terrace. The new site is more easily accessible to clients and a step forward in Kalano's CDP development and future goals.

CDP services that are available from the KCA Town Office:

- Clients monthly appointments
- Inquiries regarding income support payments
- Use of the public computers for job searches and updating resumes with assistance from the KCA CDP staff, if required.

The move into a new office site within the township in conjunction with NDIS demonstrates the growth that CDP and Kalano in general have achieved over the past three years. The future is even more promising.

KCA CDP currently have CDP activities running in Rockhole, Geyulkgan and Jodetluk Communities and a variety of activities within Kalano Community including, Housing Maintenance and Repairs, Municipal Services, the Auto Workshop, pallet furniture making and the CDP Women's Resource Centre.

CDP community improvement projects include:

- Creating a secure compound for Plant Equipment and Vehicles.
- Rockhole – Security fencing around the ablutions block.
- Rockhole – Building a works compound to introduce an activity for pallet furniture making.

Our caseload currently sits at 284 with 154 commenced and 54 pending jobseekers, the remaining are suspended transferred or exited.

We have noticed a significant drop in case load numbers in the past 2 months and this is across all CDP providers in the NT. This is a concern as it indicates that there are people not receiving income support which adds financial pressure to the family. We will be introducing strategies to combat this issue and encourage people to reengage with CDP providers.

In closing I would like to say it is an absolute pleasure to lead a team of professional, intelligent, hardworking and committed staff. The KCA CDP Department is continuously improving processes to ensure we meet our funding obligations. We always strive to meet and exceed our KPI's by delivering quality CDP services and activities.

We all look forward to another challenging and productive year in an ever-changing landscape.

Kind Regards,

Karyn Kalamaras

Kalano CDP Manager

KEY PERFORMANCE INDICATORS (KPI's)

KPI's are the standards that the funding body sets to evaluate our performance. I am very proud to say that the changes and adjustments to the way we operate and our processes have placed us in a very good position to meet the challenges of 2018/19.

1

KPI 1 Delivery of Service in Accordance with the Funding Agreement

- We have regular appointments for all jobseekers and monitor their caseloads on a weekly basis to ensure all pending jobseekers have an appointment.
- We are addressing Literacy and Numeracy issues by working collaboratively with STEPS.
- We are having success at assisting Jobseekers to secure and maintain employment. We ensure that we put forward the most appropriate person for the position and provide effective Post Placement Support (PPS).
- Our compliance and reporting process has been streamlined although there is room for improvement with the attendance reports we receive. This is being addressed and we hope to have the process running smoothly to meet this particular KPI.

2

KPI 2 Availability, Attendance and Appropriateness of Activities for WFD Participants

- The CDP provider must have activities suitable for WFD Jobseekers to participate in. Kalano CDP is in a better than average position to meet and excel in this large component of the KPI's.
- KCA CDP also has the ability to place jobseekers in existing departments within the Kalano Community Association.
- The CDP activity unit offer Fee for Service placements for RISE, generating income and demonstrating Kalano CDPs capacity to deliver the CDP Program to a larger case load.
- We must ensure the activities are engaging, productive and give jobseekers the skills and confidence to secure and maintain employment or where there is limited opportunities for employment, provide improvements to the community.

3

KPI 3 Achievement of Regional Employment Targets

- Processes to meet this target is the Job Board, which is available for our clients to see what jobs are vacant. Participants are able to seek assistance from their Case Managers to apply for positions.
- PPS process means we can monitor and address any issues the jobseeker may be experiencing and therefore ensure they maintain employment.
- We have also developed strong relationships with external labour hire agencies such as HR links and Broad Spectrum as well as local contractors and employers.



DEPARTMENT STAFF

Lee Fisher

Administration Support and Reception

Lee commenced employment with Kalano CDP in October 2017 and has risen to the challenges of a new and complex position. Lee provides administrative support to the Service Consultants and CDP Manager.

Tahnee Clarke

Team Leader

Tahnee is a huge asset to the team. She has demonstrated leadership qualities and performs in her role to an exceptional standard.

Natalia Watego-Assan

Work for the Dole Supervisor & Service Consultant

Natalia is a valued member of the CDP team and performs a dual role as a WFD Supervisor and a Service Consultant.

Tua Snowball

Service Consultant

Tua commenced in October 2017 and is a valued member of the team.

Work for the Dole Supervisors

- Steve Fletcher, Auto workshop supervisor
- Darren Murphy, Rockhole supervisor
- Sam Jackson, WFD activities coordinator
- Glenn Nuggins, Geyulkgan supervisor and transport officer
- Jae Vale, women's resource centre supervisor

New Staff Team Members

- Shona Maclean, Pallet furniture supervisor
- Fred Croker, all-rounder to fill in where required and to undertake special projects



HOUSING, MUNICIPAL & ESSENTIAL SERVICES

KALANO'S PROGRAMS WORKING TOGETHER TO SERVE OUR COMMUNITIES

Myalli Brumby

Myalli Brumby is Kalano's largest member Community and is located on McKeddie Rd., near the centre of Katherine. It has 32 Houses and 5 units. It is home to most of Kalano's employees and traditional land owners. Myalli Brumby also has a football oval, basketball court, 2 meeting sheds and the main office for Kalano's Night Patrol. Children of Myalli Brumby attend various Primary and High Schools in Katherine. Kalano Community Association contributes greatly to the economy of Katherine by shopping locally in Katherine. Members also participate in local sporting clubs as well as fielding it's own team (The Kalano Bombers) in the BRFL, the local AFL Competition.

Katherine Town

Katherine Town is home to 15 of Kalano Community Association's houses, which puts us in a position where the town occupants are the most visible representatives of Kalano Community Association. Residents are kept up to date with all activities and encouraged to take interest and participate in Kalano activities.

Rockhole

Rockhole is approximately 13kms northwest of Katherine and is only a 10 minute walk to the Katherine River. Fishing is the main recreational activity. Rockhole is Kalano Community Association's second largest residential area with 21 houses, the CDP Hub, a meeting shed, a nursery and an activity centre.



←
BEFORE

AFTER
→



Geyulkgan

Geyulkgan is a reasonably large piece of land on the southern outskirts of Katherine. It began as a transient camp, but now with 5 newly renovated houses, it is gradually becoming an integral part of Katherine and in particular Kalano Community Association. There are established facilities already available for many more houses, should the money become available.



←
BEFORE

AFTER
→



PROGRESS REPORT

- 1** Kalano's Housing and Essential Services teams have now combined into one department, Housing and Municipal and Essential Services. In doing this we are able to provide a wider range of experience to our workers and hopefully a better service to our communities. As a team we are able to provide householders with a fortnightly yard maintenance programme for only \$66 per fortnight. Quite a few of our Head Tenants are taking advantage of this offer. Myalli Brumby has received many comments from visitors complimenting its tidiness.
- 2** All Myalli Brumby Community Roads have been resurfaced and widened to 6m and are guaranteed for 10 years. Better roads will make our community safer. A total of 3,950m of pathways are being poured throughout Myalli Brumby.
- 3** Water meters have been installed at all houses in Myalli Brumby and Geyulkgan to assist the Kalano Community Association in monitoring the water usage and locating leaks. This will help us to reduce our excess water bill.
- 4** Street lighting in Myalli Brumby and Geyulkgan Communities have been replaced with new 100w LED PE controlled green frog streetlights. This lighting makes our community safer for all our community members and will assist Community Patrol.
- 5** Speed humps are being installed at Rockhole and Myalli Brumby. It seems that the better roads encourage faster speeds. Therefore, we require more speed humps. We will continue to install speed humps until the complaints from Community Members regarding the speeding abates.
- 6** Houses 2, 12, 25 and 28 at Myalli Brumby were the first to be renovated. HMES plans to fully renovate all houses in Myalli Brumby and Geyulkgan. 5 houses at Geyulkgan are being renovated. New locking systems have been installed at the front and back doors. 17 houses have been renovated at Rockhole Community in the past 12 months. Only 5 remain to be renovated.

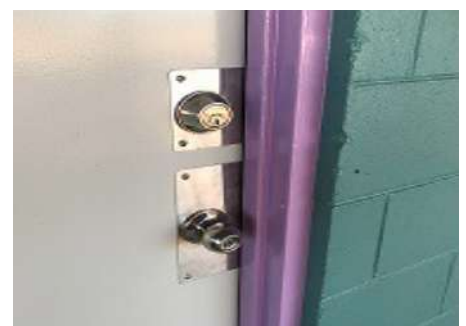


I would like to thank all of the H&MES staff for their continued hard work and support over the last 12 months. It takes a good team to make a department function to its full ability and the H&MES staff have done an excellent job in assisting me with the delivery of the program.

Emil Nasarenko

Housing, Municipal &

Essential Services Manager



COMMONWEALTH HOME SUPPORT PROGRAM

The CHSP Program has been funded for some time now and operates from the Kalano Aged Care facility. We are funded for this program by the Federal government to provide assistance to people assessed and eligible for Aged Care. Numbers of this program are always inconsistent as some participants move to other regions and other factors as expected of this demographic. The program is being delivered by 4 staff members who provide activities such as Personal Care, Meals on

Wheels, Domestic assistance and social supports. We are excited to report that funding has been secured for this program until 2021. Thank you,

Christina Gordon
NDIS/CHSP Manager



2513
Meals

1792
Domestic Services

1160
Transport

493
Personal Care

171
Breakfast

420
Social Support

NAIDOC WEEK

“BECAUSE OF HER, WE CAN!”



As pillars of our society, Aboriginal and Torres Strait Islander women have played – and continue to play - active and significant roles at the community, local, state and national levels.

As leaders, trailblazers, politicians, activists and social change advocates, Aboriginal and Torres Strait Islander women fought and continue to fight, for justice, equal rights, our rights to country, for law and justice, access to education, employment and to maintain and celebrate our culture, language, music and art.

They continue to influence as doctors, lawyers, teachers, electricians, chefs, nurses, architects, rangers, emergency and defence personnel, writers, volunteers, chief executive officers, actors, singer songwriters, journalists, entrepreneurs, media personalities, board members, accountants, academics, sporting icons and Olympians, the list goes on.

They are our mothers, our elders, our grandmothers, our aunts, our sisters and our daughters.



Sadly, Indigenous women’s role in our cultural, social and political survival has often been invisible, unsung or diminished.

For at least 65,000 years, Aboriginal and Torres Strait Islander women have carried our dreaming stories, songlines, languages and knowledge that have kept our culture strong and enriched us as the oldest continuing culture on the planet.

Aboriginal and Torres Strait Islander women were there at first contact.

They have marched, protested and spoken at demonstrations and national gatherings for the proper recognition of our rights and calling for national reform and justice.

They often did so while caring for our families, maintaining our homes and breaking down cultural and institutionalised barriers and gender stereotypes.



Our women did so because they demanded a better life, x-greater opportunities and - in many cases equal rights - for our children, our families and our people.

Their achievements, their voice, their unwavering passion give us strength and have empowered past generations and paved the way for generations to come.

NATIONAL DISABILITY INSURANCE SCHEME

TOTAL HOURS OF SERVICE DELIVERY

Support Coordination Hours

3,142.5

Community Access Hours

803.5

Yard Maintenance Hours

231

Cleaning

330

PROGRESS REPORT

The Kalano NDIS program has been operating since November 2017. Kalano started with 7 NDIS participants in Tennant Creek. Kalano NDIS now has a total of 38 NDIS participants from Tennant Creek, Katherine and the surrounding areas. The NDIS Program now operates out of our new Town Office at 54 Katherine Terrace.

STAFFING

The program operates with 3 full time staff members, 2 part time staff members and 2 casual positions. Some staff are also providing community access to our participants including assisting with daily tasks like shopping, collecting medications and any other daily tasks the participants require. They also provide activities with the participants including painting, cooking, fishing etc. Kalano provides Coordination of Supports to participants in the region. We work closely with the Office of Public Guardian for participants under guardianships. We then link participants with services funded and not funded in their NDIS Plans.

HELPING BUILD HEALTHY AND SAFE COMMUNITIES

The NDIS program fits well into Kalano's Strategic Plan goals of Healthy and Safe Communities and also Business Development. The NDIS provision by Kalano has allowed community members living with a disability to benefit from these services whilst at the same time becoming a new business activity that generates income for the organisation. Starting off only doing Coordination of Supports, Kalano has starting to explore other opportunities presented by the NDIS. We are therefore grateful for the President, Kalano Council and Executive Management for supporting such an important program.

COMMUNITY PATROL

A PRO-ACTIVE RESPONSE TO CHANGING AND CHALLENGING ENVIRONMENTS

Community Patrol has continued to run nightly safety patrols in our community areas of Myalli Brumby, Rockhole, Binjari, town and suburbs. Assisting people 'at risk' who want their help to get to a safe place like home, women's shelter, sobering up shelter (SUS) or the police station for protective custody.

Sadly patrol is encountering more and more children unsupervised on the main streets of town.

An average of 55 children every night, 5 nights a week are unsupervised on the main streets of town.

Patrol continues to talk and work with other agencies like Wurlu Health Service Police, Mission Australia and the Hospital so we can help people be safe in our community and to give help to families living with the impact of alcohol misuse. The Patrol Management team attends meetings with these agencies so everyone can work together to support those in need.

Our Community Night Patrol staff have kept up their skills at work, doing training this year in Applying First Aid, Mental Health First Aid and new staff doing their Certificate III in Night Patrol with Charles Darwin University.

Patrol continues to support our communities' safety through participating in activities such as taking kids to school, running discos, sports and cultural activities like NAIDOC and football. Community can support patrol by speaking with them when you need help or family needs help with times that are unsafe. Patrol management team attends community meetings every second month so you can have an opportunity to speak to them.





1 July 2017 - 30 June 2018

Total number of people offered assistance on contact	51,725
Total number of people assisted	51,213
Number of females aged 45 and over	6,413
Number of females aged 26 to 44 years	6,399
Number of females aged between 18 to 25 years	6,408
Number of females aged between 13 to 17 years	3,761
Number of females aged between 0 to 12 years	3,664
Number of males aged 45 years and over	7,506
Number of males aged 26 to 44 years	4,424
Number of males aged 18 to 25 years	6,071
Number of males aged 13 to 17 years	3,424
Number of males aged between 0 to 12 years	3,143
Number of people transported to a designated Safe House	394
Children out late unsupervised and taken home to family	13,173
Children taken to school in February to June 2018	48

ASSET PROPERTY & FLEET MANAGEMENT

PROVIDING KALANO COMMUNITY ASSOCIATION WITH AN ECONOMICALLY SUSTAINABLE ASSET BASE.

Asset Property Management and Fleet Management would like to thank Kalano Community Association Inc. for providing us with the opportunity as indigenous women to work and provide a service to its indigenous member communities and acknowledge our past and present Elders in Council.

This year Asset Property Management continues to review its process and procedures to work towards providing Kalano Community Association Inc. with an economically sustainable asset base.

These processes include integrating an Asset Property Lease Plan to better monitor the purchasing and maintenance of assets, ensuring they meet the safety and regulatory requirements and strategically plan for replacing all of Kalano Community Association Inc. assets. We strive to minimise cost and maximise utilisation of the Associations Assets and facilities to ensure Kalano programs provide a quality service delivery standard to our communities.

Asset Property Management has worked to modify its monitoring systems to accurately record the standards set in the Asset Property Lease Plan and provide an efficient database to capture a complete financial statement of Kalano Community Association Assets. This will also provide the community with a better understanding of the value of the company's capital items.

This year Fleet Management implemented a tracking system into all Kalano Community Association vehicles, the system monitors various aspects of the utilisation and maintenance of company vehicles and delivers beneficial reports back to Management which include: locations, vehicle speed, kilometres driven, fuel consumption, anomalies, service schedules and an array of data contributing to lease plans and replacement. Thus far, it proves its ability and requirement within the Organisations compulsory systems to better enhance the Company.

Fleet Management has also worked to reassess its processes and procedures to align with the new tracking system as well as monitoring Contracts and Licensing to ensure staff members follow the safety and regulatory requirements for Fleet Management.

We continue to look forward to working for this Community lead Organisation and look forward to what the future holds for Kalano Community Association.

Teale Fletcher
Asset Property Management

Casey McElhone
Fleet Management





KALANO COMMUNITY ASSOCIATION ABORIGINAL CORPORATION

NEW CORPORATION REGISTERED

Kalano Community Association Aboriginal Corporation was registered as an Aboriginal Corporation on the 6th of March, 2018. The Corporation was formed as a direct requirement from Senator Scullion in order for Kalano to continue to receive funding for its Prime Minister and Cabinet funded programs, particularly those related to Kalano's Community Patrol and Residential Alcohol Rehabilitation Program.

During the last two years Kalano appointed lawyers, McCormack Solicitors firstly to challenge that demand but secondly to formalise the Registration process along with a Book of Rules. Our thanks to their staff for that assistance.

During the course of 2017-18, Kalano Management worked together with their accountants, BDO, to put in place a transition plan and schedule to the transfer of these programs to the new Corporation. Basically, the transition was guided by a formal Memorandum of Understanding between the Kalano Community Association and the Kalano Community Association Aboriginal Corporation.

KCA is the Corporate Member of the Aboriginal Corporation and through its Council appoints the Directors to the Corporation.

If you are wondering, this is not the only example of a former Association maintaining its influence in the direction of the workings of the Aboriginal Corporation.

From a program perspective Kalano was successful in negotiating agreements with the NT Government Department which funded our Venndale program in 2017-18 to continue to fund the Residential Rehabilitation Program through the developing KCAAC. Along with KRAHRS AC, which group funds the KISP Program, these arrangements commenced on 1 July 2018.

A lot of work by both Council and Directors of the Corporation, along with Management, was undertaken in conjunction of a series of steering committees to plan, develop and manage for the success of the new arrangements. My thanks and pride in all that assisted in this work.

I trust that the ground work, consultation phases and deliberations prove a sound basis for the coming years and the continued delivery of the services, now the precinct of KCAAC, is both maintained and developed in this important area of the Kalano Community Association member facet of life here in Katherine and beyond.

Muk Muk,

Graham Castine



Kalano Community Association Incorporated
P.O. Box 646; Katherine NT 0851
Lot 508 McKeddie Rd Katherine, N.T. 0851
Phone: (08) 89 722 588 Facsimile: (08) 89 710 105

KALANO COMMUNITY ASSOCIATION INCORPORATED
ABN 17 030 032 930
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

KALANO COMMUNITY ASSOCIATION INCORPORATED

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FOR THE YEAR ENDED 30 JUNE 2018

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KALANO COMMUNITY ASSOCIATION INCORPORATED

**Council Members' Declaration
For the year ended 30 June 2018**

In the opinion of the Council Members,

- (a) the attached financial statements and notes thereto as set out on pages 4 to 29, being general purpose financial statements under the reduced disclosure regime, are in accordance with the Associations Act NT and Australian Charities and Not-for-Profit Commission (ACNC) Act 2012, including compliance with Australian Accounting Standards - Reduced Disclosure Requirements, and give a true and fair view of the financial position of Kalano Community Association Incorporated (the Association) as at 30 June 2018 and performance of the Association for the year ended on that date;
- (b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (c) as at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Council Members

The names of the council members throughout the financial year and up to the date of this report are:

Lisa Mumbin	Anita Bronghur	Joyce Blitner
Carol Dowling	Kevin Maroney	Marcus Rosas
Ian Woods	Evelyn Andrews	Patrick Jimmy
Gary Manbulloo	Noeleen Farrell	Frankie Douglas
Rosslyn Weetra	Terrance Runyu	Rick Fletcher
Mundy Cleary	Somara Ryan	
Zarak Bolga	Justin Walla	
Marcus Rogers		

Principal Activity

The principal activities of the Association during the financial year were administering to the health, housing and employment requirements and the overall general well being of the members of the Kalano Community and their families.

Significant Changes

No significant changes in the state of affairs of the Association occurred during the financial year.

Operating Results

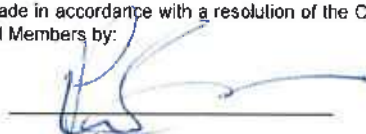
The surplus of the Association for the financial year ended 30 June 2018 amounted to \$1,070,852 (2017: Deficit \$494,724).

After Balance Date Events

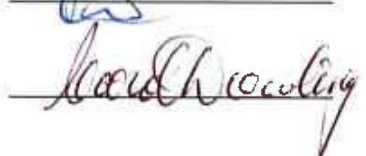
Kalano Community Association Aboriginal Corporation (the Corporation) was incorporated on 6 March 2018 under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* to take over the running of services funded by the Commonwealth Government and some from the Northern Territory Government from the Association. The Corporation did not commence operations until 1 July 2018. The restructure did not have any effect on the running or financial results of the Association for the year ended 30 June 2018.

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

Council Member



Council Member



Dated: 24 October 2018

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF KALANO COMMUNITY ASSOCIATION INCORPORATED****Report on the Audit of the Financial Report****Opinion**

We have audited the accompanying financial report, as set out on pages 4 to 29, of Kalano Community Association Incorporated (the Association) which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, the notes to the financial report including the summary of significant accounting policies and the council members' declaration.

In our opinion, the financial report of the Association is in accordance with the Northern Territory of Australia Associations Act, the Australian Charities and Not-for-profits Commission Act 2012 (the Acts) and the Association's Constitution (the Constitution), including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the financial reporting requirements of the Acts and the Constitution.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following matters:

Dependency on Government Funding

The Association relies on funding from the government. The financial report has been prepared on a going concern basis on the expectation that government funding will continue. Without such sources of revenue there is significant uncertainty whether the Association will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Other

Kalano Community Association Aboriginal Corporation (the Corporation) was incorporated on 6 March 2018 under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* to take over the running of services funded by the Commonwealth Government and some from the Northern Territory Government from the Association. The Corporation did not commence operations until 1 July 2018. The restructure did not have any effect on the running or financial results of the Association for the year ended 30 June 2018.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the 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.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Notes 1 to the financial statements which describe the basis of accounting. The financial report has been prepared to assist the Association to meet the reporting requirements of the *Acts* and the *Constitution*. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the Council Members for the Financial Report

The council members of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as the council members determine are necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the council members are responsible for assessing the Associations ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Council members are also responsible for overseeing the Associations financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

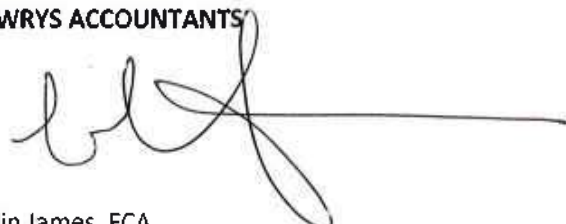
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our audit report.

LOWRYS ACCOUNTANTS

A handwritten signature in black ink, appearing to be "Colin James", written over a horizontal line.

Colin James, FCA
Registered Company Auditor

Darwin

Date: 26 October 2018

KALANO COMMUNITY ASSOCIATION INCORPORATED
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue			
Administration Fees	3(a)	163,016	148,717
Contract Income		-	61,083
Grants Received	3(b)	6,145,317	4,579,583
Rent Received		1,040,060	972,531
Sales and Operating Income	3(c)	767,910	724,382
Other Income	3(d)	2,903,839	1,762,605
Total Revenue And Other Income		<u>11,020,142</u>	<u>8,248,901</u>
Expenses			
Administrative Expenses	4(a)	1,186,725	1,064,448
Bad Debts		29,472	-
Depreciation	4(b)	398,615	447,709
Doubtful Debts Expense		402,053	128,446
Employee Expenses	4(c)	4,836,316	4,760,141
Fringe Benefits Tax		3,688	12,083
Housing Expense		194,282	186,379
Motor Vehicle Expense		310,143	321,040
Repairs and Maintenance	4(d)	1,229,223	179,919
Utilities	4(e)	634,105	698,524
Other Expenses	4(f)	724,668	944,936
Total Expenses		<u>9,949,290</u>	<u>8,743,625</u>
Surplus/(Deficit) for the year		1,070,852	(494,724)
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u><u>1,070,852</u></u>	<u><u>(494,724)</u></u>

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED

Statement of Financial Position
As at 30 June 2018

	Note	2018 \$	2017 \$
Current Assets			
Cash and Cash Equivalents	5	6,282,641	4,313,206
Inventory		-	73,329
Trade and Other Receivables	7	805,111	282,388
Total Current Assets		<u>7,087,752</u>	<u>4,668,923</u>
Non-Current Assets			
Property, Plant and Equipment	8	2,545,726	2,560,281
Total Non-Current Assets		<u>2,545,726</u>	<u>2,560,281</u>
Total Assets		<u>9,633,478</u>	<u>7,229,204</u>
Current Liabilities			
Trade & Other Payables	9	2,689,377	1,365,469
Provisions	10	362,060	325,268
Total Current Liabilities		<u>3,051,437</u>	<u>1,690,737</u>
Non-Current Liabilities			
Provisions	10	71,671	98,949
Total Non-Current Liabilities		<u>71,671</u>	<u>98,949</u>
Total Liabilities		<u>3,123,108</u>	<u>1,789,686</u>
Net Assets		<u>6,510,370</u>	<u>5,439,518</u>
Members' Funds			
Reserves	2	1,731,040	1,731,040
Retained Earnings		4,779,330	3,708,478
Total Members' Funds		<u>6,510,370</u>	<u>5,439,518</u>

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED

Statement of Changes in Equity
For the year ended 30 June 2018

	Retained Earnings	General Reserve	Total
	\$	\$	\$
Balance at 1 July 2016	4,203,202	1,731,040	5,934,242
Deficit for the year	(494,724)	-	(494,724)
Comprehensive income for the year	-	-	-
Balance at 30 June 2017	<u>3,708,478</u>	<u>1,731,040</u>	<u>5,439,518</u>
Surplus for the year	1,070,852	-	1,070,852
Comprehensive income for the year	-	-	-
Balance at 30 June 2018	<u>4,779,330</u>	<u>1,731,040</u>	<u>6,510,370</u>

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED

**Statement of Cash Flows
For the year ended 30 June 2018**

	Notes	2018 \$	2017 \$
Cash Flows from Operating Activities			
Receipts from funding bodies		6,145,317	4,544,534
Receipts from customers		3,980,616	4,283,149
Payments to suppliers and employees		(7,789,561)	(9,497,767)
Interest received		17,123	21,276
Net cash (used in)/provided by operating activities	6	<u>2,353,495</u>	<u>(648,808)</u>
Cash Flow from Investing Activities			
Acquisition of property, plant and equipment		<u>(384,060)</u>	<u>(323,106)</u>
Net cash used in investing activities		<u>(384,060)</u>	<u>(323,106)</u>
Net (decrease)/increase in cash & cash equivalents		1,969,435	(971,914)
Cash & cash equivalents at beginning of financial year		4,313,206	5,285,120
Cash and cash equivalents at end of the financial year	5	<u>6,282,641</u>	<u>4,313,206</u>

The accompanying notes form part of these financial statements.

KALANO COMMUNITY ASSOCIATION INCORPORATED

Notes to the Financial Statements For the year ended 30 June 2018

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New, revised or amending Accounting Standards and Interpretations adopted

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Association from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

(b) Basis of preparation

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

The financial statements comprise Kalano Community Association Incorporated financial statements as an individual entity.

The general purpose financial statements have been prepared due to specific grant requirements of Funding Agreements. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). The Association's financial statements and notes comply with Australian Accounting Standards - Reduced Disclosure Regime, except for IAS 20 Accounting for Government Grants and Disclosure of Government Assistance (AASB 120 - Australian equivalent). This is because the recognition criteria in AASB 1004 are different from those in AASB 120, which is a compliance requirement for not-for-profit entities.

The financial statements were authorised for issue by the Council Members on 24 October 2018.

KALANO COMMUNITY ASSOCIATION INCORPORATED

Notes to the Financial Statements For the year ended 30 June 2018

Historical cost convention

The financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair values 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 Association 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 financial statements is determined on such a basis, except for, 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 value in use in AASB 136.

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.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(r).

(c) Basis of consolidation

Financial statements of entities controlled by the Association (its subsidiaries) are consolidated where the results of the subsidiary are material to the financial position and performance of the association. Control is achieved where the Association has the power to govern the financial and operating policies of any entity so as to obtain benefits from its activities.

(d) Investments in associates

An associate is an entity over which the Association has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Association's share of the profit or loss and other comprehensive income of the associate. When the Association's share of losses of an associate exceeds the Association's interest in that associate (which includes any long-term interests that, in substance, form part of the association's net investment in the associate), the association discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Association has incurred legal or constructive obligations or made payments on behalf of the associate.

KALANO COMMUNITY ASSOCIATION INCORPORATED

Notes to the Financial Statements For the year ended 30 June 2018

The requirements of AASB 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Association's investment in an associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with AASB 136 'Impairment of Assets' as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

Where the Association transacts with an associate, profits and losses resulting from the transactions with the associate are recognised in the financial statements only to the extent of interests in the associate that are not related to the Association.

(e) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the incorporated association and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Government grants

Non-reciprocal Government grants are measured at the fair value of the contribution received or receivable. Income arising from the contribution shall be recognised when the association obtains control of or the right to receive the contribution and it is probable that the economic benefits will flow to the Association and the contribution can be measured reliably.

If conditions are attached to the grant which must be satisfied before the Association is eligible to receive the contribution, the recognition of the grant is deferred until those conditions are satisfied and is recognised as a liability in the Statement of financial position until conditions are met.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Administration fees

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

The Association's policy for recognition of revenue from operating leases is described in note 1(f) below.

KALANO COMMUNITY ASSOCIATION INCORPORATED

**Notes to the Financial Statements
For the year ended 30 June 2018**

(f) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Association has no finance leases at either 30 June 2018 or 30 June 2017.

The Association as 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 Association as 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 assets 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.

(g) Income tax

As the Association is a public benevolent institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

(h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

KALANO COMMUNITY ASSOCIATION INCORPORATED

**Notes to the Financial Statements
For the year ended 30 June 2018**

(j) Trade and other receivables

Trade and other receivables are recognised at cost or fair value, less any provision for impairment.

(k) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, as there is no active market that can provide evidence of the fair value of property due to the location of the Association and of its assets. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on 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.

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. Any 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.

The following useful lives are used in the calculation of depreciation for the majority of assets for both the 2018 and 2017 years (with some exceptions for specialist equipment which requires accelerated depreciation due to its nature):

Buildings freehold	5 - 40 years	Straight line and diminishing value
Plant and equipment	1.5 - 20 years	Straight line and diminishing value
Motor vehicles	1.5 - 8 years	Straight line and diminishing value

(l) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

KALANO COMMUNITY ASSOCIATION INCORPORATED

**Notes to the Financial Statements
For the year ended 30 June 2018**

(n) Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability.

(o) Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association 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 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.

(p) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(q) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

KALANO COMMUNITY ASSOCIATION INCORPORATED

Notes to the Financial Statements For the year ended 30 June 2018

(n) **Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets

The Association assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1(n), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

KALANO COMMUNITY ASSOCIATION



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