

Mirboo North & District Community Foundation

2017 Annual Report

Allambee

Thorpdale

Yinnar

Hallston

Allambee South

Darlimurla

Bolara

Mirboo North

Mirboo

Dumbalk North

Dumbalk



Mirboo North & District
community foundation



The Mirboo North & District
Community Foundation will
enhance the social and
economic strength in our
community, encourage
philanthropy and grow
our legacy through good
stewardship and strong
effective partnerships.



Our Region

Allambee

Thorpdale

Morwell
Traralgon

Yinnar

Hallston

Allambee
South

Darlimurla

Boolarra

**Mirboo
North**

Leongatha

Boolarra
South

Mirboo

Dumbalk
North

Dumbalk

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It has been a year of change for our Community Foundation, seven years since its establishment, both of change and consolidation.

Consolidation in the sense that the organisation's governance, investment and granting structures are all strongly embedded and working well. Consolidation also in that at the end of the 2016/7 Financial Year the Community Foundation's 'future fund' has grown to \$7.68 million from \$5.09 million in 2010, while also having distributed \$611,000 in our district.

There has been change on a number of fronts. Operational change for one, with Derrick Ehmke's retirement at our last AGM, and Ruth Rogan taking over as Executive Officer. Emma Evans also left on a new career path in February and Viv Williams joined us as Media & Operations Co-ordinator in April.

Change has brought an additional focus, beyond the prudent stewardship of the future fund and the distribution of the earnings within the community. It has brought a

focus on community engagement through communication, capacity building and the enhancement of membership roles and benefits.

This focus recognises that community engagement is key to the success of our Community Foundation; without engagement, partnership and collaboration the impact of our organisation in our district will be limited. I am pleased that we have made strong progress in this area through our monthly e-Newsletter, our social media presence, the collaborative forums and capacity building grants.

Our next challenge is to support the whole community in defining its needs and priorities and in developing local workable solutions. The growth of our 'future fund' puts the Community Foundation in a position to provide the financial means towards the community implementation of those solutions. Together we can make the whole community more prosperous, adaptive and resilient; together we can ensure our district's sustainable future.

I would like to acknowledge my colleagues on the Board, who give up so much of their time to ensure the long term success of the Community Foundation. We are sorry to lose Jodie Pincini from our Board, due to her other community commitments, but we look forward to announcing a new Director shortly.

We are also fortunate to have such wonderful staff in Ruth Rogan and Viv Williams. They have brought so much enthusiasm and new ideas on how to engage with the community.

Finally I want to congratulate Derrick Ehmke on receiving the Community Foundation Practitioner Award for 2017. Derrick's impact upon our community, our Community Foundation and the broader Community Foundation movement were significant and it is a very well deserved award.

Executive Officer Report

Ruth Rogan
Executive Officer



Reflecting on my first full year with the Mirboo North & District Community Foundation, I realise how lucky I am to be working so closely with my community. This role has given me a window into our many and varied community groups, and an understanding of how committed our community are to dedicating their time, energy and skills for the good of the community as a whole. Together with our Community Foundation, this community not only has the energy and the spirit for finding local solutions to local problems but also the means to put it into practice.

For me, it has been a year of learning how much is involved in this operational role of Executive Officer: from working with our investment advisors to manage our investments, to ensuring compliance with financial and charitable regulation, to providing support to the Board and our sub-committees, to running grants and awards programs, to telling our story in the community, to collaborating with other stakeholders in planning, discussing and informing ourselves about issues; to building capacity both internally and across the community.

As our Chair, Paul Pratt, noted, it has been a year of change. Some highlights for me during this past year have been:

- Telling our story in new ways – from our new monthly e-newsletter to our revamped social media presence, we are seeking to keep our community abreast of what the Community Foundation is getting involved with, what support we are providing and what impact we have;
- Working with our members to develop new roles and benefits which are meaningful;
- Collaborating with other stakeholders to provide a forum for discussion on issues facing the community, whether youth engagement, transitioning away from a coal economy or planning for our local facilities.
- Introducing capacity building grants, including a social media workshop, places at the Communities in Control Conference and a communications masterclass.

- Supporting the Community Bus, which is very well managed by Di Kidell as a volunteer.
- I wanted to thank everyone who has assisted with my transition into this role; while it has been a year of learning and change, it has been very enjoyable and rewarding. It is a delight to be working on the operational side with Viv Williams, who joined us in April. Viv has brought fantastic skills, hard work and a bright positive approach to her role, the impact of which is readily apparent in our communications.

I would also like to thank Jodie Pincini for her contribution to our organisation during her two years as volunteer Director, and wish her all the best in her key role with the Mirboo North Swimming Pool redevelopment.

Last but not least, my thanks to our Board of Directors for their commitment to the achievement of our vision.

Community Connections Sub-Committee Report

Convenor
Diana Mueller



Members

Walter Aich
Kate Buxton
Ned Dennis
Wendy Major

In 2016/7 the Mirboo North & District Community Foundation ('the Community Foundation') strongly focused on community engagement, driven by the strategic review following last year's community survey.

Our particular focus was on three important messages arising from the survey:

- that the members and the community wanted the Community Foundation to increase its visibility and improve communication about impact;
- that the members were feeling somewhat disengaged or unsure about how they could get more involved; and
- that the Community Foundation should provide leadership on community issues.

Visibility and Communications

The year started with a new monthly e-Newsletter to provide news and stories about the impact of grants programs and sponsorship in the community. It also included profiles of Directors and information about community philanthropy. During the year we have built our subscription list to over two hundred.



The Community Foundation has also increased its coverage in local print media. Almost weekly, the Mirboo North Times prints articles about the impact or activities of the Community Foundation, including the monthly 'Community Foundation Update'. There has also been an increase in articles in the Star, the Sentinel Times, the (quarterly) Boolarra Link, the (quarterly) Dumbalk & District Progress Association Newsletter, the (quarterly) Yinnar South News and the (monthly) Thorpy News.

Given its broad coverage and increasing usage, social media has also been a focus. With the assistance of our Media and Operations Co-ordinator, Viv Williams, we have developed a strong and meaningful presence on Facebook and Twitter. This often links back to our website which holds the full details on various topics.

Membership Roles and Benefits

While our membership has grown in 2016/7, there was a clear need to work with our members to ensure that they had the meaningful involvement that they wanted. This included:

- a Members and Community meeting in early July; and

- a members workshop focused on the potential roles and benefits of being a member.

We would like to thank all those who participated. This work has given us a strong basis to develop a membership campaign, which will keep existing members engaged while attracting new ones. Watch this space!

Issues facing the Community

In providing leadership on some of the issues facing our community, the Community Foundation has sought to bring conversations to and provoke discussion in the community around these issues. In April, we co-hosted the 'Transitioning Coal Communities Forum' in Traralgon to hear about how the Appalachian Region of the US is tackling the decline of the coal industry, and what implications or learnings our communities can take from that.



We promoted and attended the Baromi Park planning meeting in July, which looked at how the community could develop Mirboo North's park area and best allocate resources.



Finally in September we co-hosted a Youth Forum, called 'It's Time'. This collaboration with the South Gippsland Shire was about giving a voice to young people on the issues that are important to them and how they would tackle them. The results were very interesting and will not only feed into the development of the Shire's Youth Strategy, they also provide a basis for on-going discussion within our community about how to apply funding to support our young people.



Capacity Building

A fourth theme emerged during 2017, capacity building.

This theme emerged from the recognition that local people are best placed to develop solutions for their problems, but that often they need support in terms of the skills and capacity to do so. Therefore investing in building capacity is a critical enabler for a community.

With this in mind, the Community Foundation sent a number of people during May to the Communities in Control two-day Conference, including Thomasin Bales, Community Project Officer. Later on that month, representatives of the Mirboo North Community Energy Hub and the Mirboo North Swimming Pool were given the opportunity to attend a Pitchmaking Masterclass. Ian Southall noted that *"at a time when the Energy Hub is engaging with the Community about developing a solar farm and other renewable energy projects, this course was very useful in helping us ensure our communication is clear and accessible"*.



In August, the Community Foundation hosted a social media workshop for more than 10 community groups to develop their social media skills to engage their communities and develop their presence on social media. It was well received, as commented by one attendee:

"Erika's knowledge was amazing, very practical, and I really appreciated all her tips and tricks. Her presentation increased my knowledge about the various platforms available and also my understanding of how we can use social media to enhance our event. Thanks Erika and MNDCF for a very helpful and useful workshop."

Rosie Romano
Mirboo North Italian Festa



In conclusion, thank you to the Community Connections Sub-Committee and particularly to Ruth Rogan, Executive Officer and Viv Williams, Media and Operations Co-ordinator for their continued support and hard work for this committee. We have, with the support of the Board, responded to the community and member feedback to improve our community engagement, and will continue to do so in the coming year.

Grants and Allocation Sub-Committee Report

Convenor
Diana Mueller



Members

Walter Aich
Kate Buxton
Ned Dennis
Wendy Major



Each year the Grants and Allocations Sub-committee manages a number of grants programs, including the Education Support Fund awards, Strategic Grants, the Community Grants program, the ‘Back to School’ program and Sponsorship.

In 2016/7 funds of \$87,400 were distributed to the community through these programs. These funds went into health, youth, aged, community strengthening, education, arts and culture and the environment.

It is wonderful to see the commitment of so many people not only to successfully apply for grants but to then work together using those funds to implement the project and bring the benefits to the community. Each grant project takes the time, skills and energy of community volunteers whom are critical in this process.

Education Support Fund

The Education Support Fund awards are first on our agenda after the AGM. This Fund supports our young and mature students as they transition into Higher Education or Vocational Education and Training.

The fund, which is generously supported by the Mirboo North & District Community Bank, seeks to reduce the barriers that our rural students face in accessing high quality education by providing some financial support. In 2016/7 \$16,000 was awarded to eight young people heading into this next phase of their lives. Since its inception in 2012, over \$66,000 has been invested in the education of the future leaders of our community.



FRRR ‘Back to School’ Program

In 2017, the Mirboo North & District Community Foundation (‘the Community Foundation’) again partnered with The Foundation for Rural & Regional Renewal (FRRR) in its ‘Back to School’ program, distributing \$4,000 worth of vouchers to schools in our

district, including Yinnar, Thorpdale, Narracan, Boolarra and Mirboo North. The aim of this program is reach families who are struggling financially, to help them provide their children with clothing and equipment for school. The schools assist in the distribution of the vouchers to families in need. Since joining the program in 2012, vouchers to the value of \$17,750 have been distributed.

Strategic Grants

The Strategic Grants program offers a route for the community to access larger amounts of money for bigger and more strategic projects in the community. In 2016/7 over \$17,000 was distributed to four projects under this program:

Community Project Officer

The Community Project Officer role was devised by our local development organisation, Mirboo Country Development Inc. (MCDI), with the aim of supporting on-going community projects and helping local community organisations where needed. The Community Foundation came together with the Mirboo North & District Community Bank

to collaborate with MCDI in this role, as we felt this role was well placed to support the 'enhancement of the social and economic strength in our community', as set out in our Vision. In her one day a week role, Thomasin Bales who took on this role has been very productive assisting with various community projects and events, including the Easy Find Directory, Community Organisation List, Ridgway Survey, Communications Strategy for Mirboo Country, Australia Day, Baromi Park planning and more.



Mirboo North Times

The Mirboo North Times have built their capacity over the last number of years, including investing in a state of the art printer. During 2016/7 there was a need to install higher capacity computers in order to be able to utilise this printer effectively. The Community Foundation awarded a strategic grant in support, recognising that The Mirboo North Times is one of the most important community strengthening organisations in our district, sharing news and connecting us all.



We also wish the Mirboo North Times a happy 20th anniversary as a wholly volunteer produced weekly newspaper – one of only a handful in rural Victoria that manage this feat.

The Mirboo North ArtSpace

This year marked the third and final payment under the strategic grant awarded to the Mirboo North

ArtSpace. The aim of this strategic grant was to support the ArtSpace in its establishment as a self sustaining arts hub for our community, providing a route for local artists to sell their wares, and share their skills with the local community through workshops and exhibitions. This year the Artspace has also focused on engaging young people and the socially isolated, providing arts related activities.

Mirboo North & District Community Energy Hub

2016/7 was a big year for the Mirboo North & District Community Energy Hub, who received a grant of \$50,000 from the Victoria Department of Economic Development, to fund a feasibility study into the development of a local renewable energy project. The Community Foundation awarded a strategic grant to the Energy Hub to support this process, in particular in their community engagement around the project. We look forward to hearing the outcome!



Community Grants Program 2016

The final grants program on the calendar is the Community Grants program and in 2016/7 grants of \$35,400 were awarded to nine diverse community groups, including the Yinnar Community Garden, the Boolarra Pre-school, the Artspace, the Victorian Men's Shed Association, Thorpdale Rec Reserve, Boolarra Primary School, Dumbalk Community Centre, Mirboo North Scouts and the Friends of the Strzelecki House Aged Care Facility. To keep up to date with stories of our impact, keep an eye on the monthly e-newsletter or visit our website.



Sponsorship

The Mirboo North & District Community Foundation is also supportive of an exciting array of community events and organisations in our district through sponsorship. In 2016/7 we provided sponsorship to:

- Mirboo North Art Show, as Major Sponsor
- Mirboo North Music Festival,
- Mirboo North Idol,
- Santa in the Park,
- Mirboo North Lions Christmas Raffle,
- Thorpdale Potato Festival,
- Arty Gras Festival,
- Choo Choo Market,
- MN Football & Netball Club, and
- South Gippsland LLEN, bringing high school students to the Job Skills Expo in Lardner Park.



Thank you to our Executive Officer, Ruth Rogan, our Media and Operations Co-ordinator, Viv Williams and the committee and community members who assist in allocating funds. Your input ensures we support a diverse range of community projects.

Compliance and Finance Sub-Committee Report

Convenor
Robert Kiddell



Members

Grant Irving
Paul Pratt
Jodie Pincini

The economic environment in which we operate has seen a further year of pronounced volatility in the global economy. However, our prudent investment policy, developed in conjunction with our professional advisors, Hewisons Private Wealth, which sets out a 50/50 division between growth and defensive asset classes, rather than the 70-80 percent allocation to growth assets that was common amongst such funds at our inception, has served us very well.

We are pleased to report that it has in large part contributed to us exceeding all benchmarks that were set and more particularly resulted in an increase of capital to \$7.68 million as at 30 June 2017 (after all grants, operating expenses, donations and sponsorships) from an initial capital base of \$5.09 million in 2010.

We are not content to rest on our laurels and in the year just gone the finance and compliance sub-committee worked on inter alia recommendations to the Board for:

- benchmarking our investment returns against data published for public offer funds with similar asset allocation policies;
- review of and extension of our arrangement with our advisers; and
- fine tuning of the Investment Policy

What follows is the detailed annual review report received from our advisers:

“The Mirboo North & District Community Foundation (the ‘Community Foundation’) has achieved an income return on investments of 4.8% over the 2016/17 financial year, consistent with previous years.

The Community Foundation also recorded growth in value of investments of 5.8% over the 2016/17 financial year, and since inception in October 2010 has achieved growth in the value of investments of 3.4% per annum.

The Community Foundation has an investment policy target of achieving an income before costs of at least the 90-day bank bill rate on a rolling three-year basis. It also has the target of growing the value of investments by at least the Consumer Price Index (CPI) over the past five years.

The 90-day bank bill rate has averaged 2.16% over the past three years, and the average CPI over the past five years has been 2.01%.

The Community Foundation continues to exceed its longer-term benchmark returns. Total returns have averaged 10.6% for the 2016/17 financial year, and 9.5% per annum since 2010.

The favourable total return outcome is partly due to the implementation of the Community Foundation’s International equity strategy, which saw a large portion of cash be invested to further strengthen the portfolios strong cash-flow earning capability. Returns have also been bolstered by the outstanding result achieved by a property investment in the Newmark 417 St. Kilda Rd Property Trust, where a \$100,000 initial investment almost doubled in value plus 9% income paid annually over the 3.5 year holding period.

The 2016/17 financial year saw the Australian share market, as measured by the S&P/ASX200, gain around 10 per cent, excluding dividends. Yet in the last three months of the year, share market growth was relatively flat, partly driven by the big four banks. In saying this, a continued focus on ensuring strong portfolio diversification has acted to shelter the underlying asset mix from equity market volatility and has well positioned the portfolio to achieve the results seen thus far.

Given the relatively conservative nature of the Community Foundation’s investment policy, we anticipate returns will continue to provide a reliable source of income as well as longer term asset growth to meet the future objectives of the Community Foundation.”

Chris Morcom
Hewisons Private Wealth

Where We Have Helped 2010 - 2017

**Community
Strengthening
\$180,000**

**Health &
Wellbeing
\$160,000**

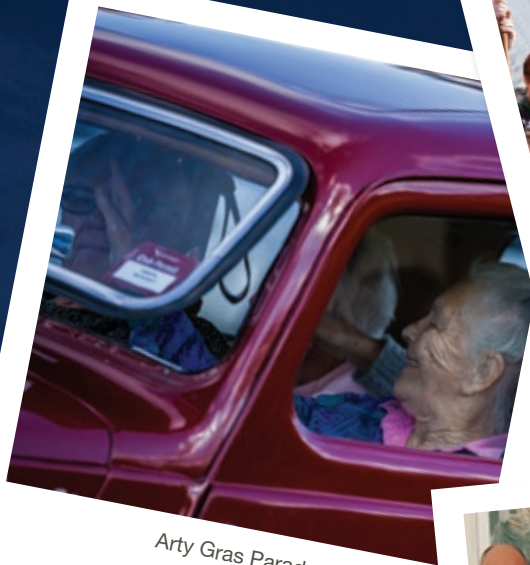
**Arts &
Culture
\$55,000**

**Youth
\$100,000**

**Education
\$90,000**

**Environment
\$26,500**

The Year in Focus



Arty Gras Parade



1st Mirboo North Scouts



ESF 2017 Recipients



Friends of Mirboo North Aged Care 60's night



Boolarra Pre S



AGM 2016



Baromi Park



Community Bus



MNDCF M



Mirboo North Artshow



Energy Hub



Yinnar Community Garden



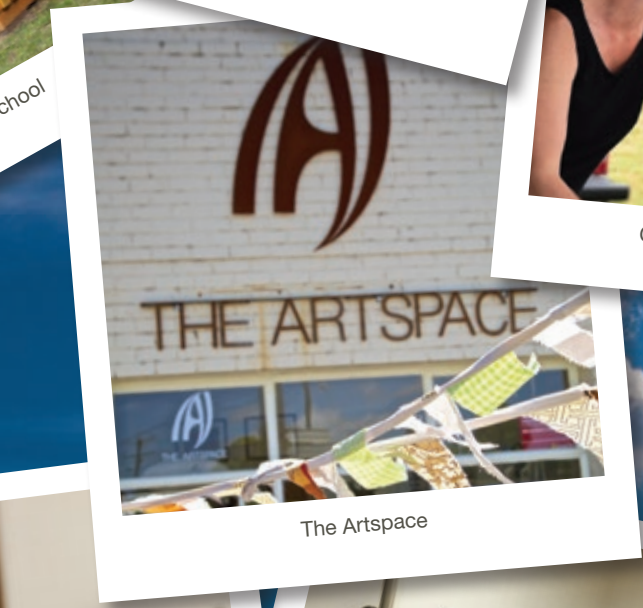
Youth Forum



Community Project Officer



Community Grants 2016



The Artspace



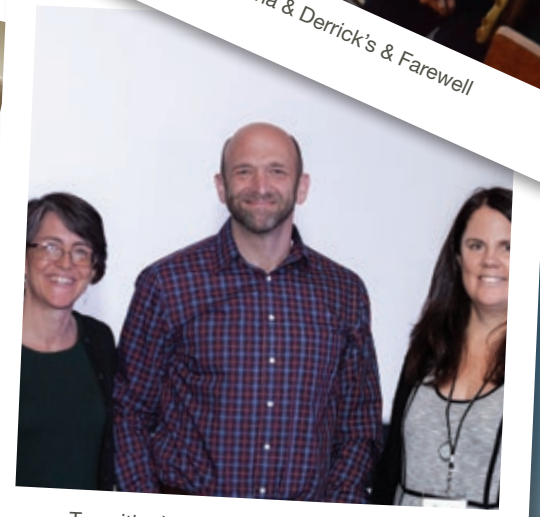
Emma & Derrick's & Farewell



Members Meeting



Social Media Workshop



Transitioning Coal Communities Forum

Funding Recipients 2010 - 2017



Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

	Note	2017 (\$)	2016 (\$)
CURRENT ASSETS			
Cash and Cash Equivalents	3	230,111	374,925
Trade and Other Receivables	2	60,260	57,665
Financial Assets	4	7,156,966	6,611,016
Loan Receivable	5	13,886	13,496
Total Current Assets		7,461,223	7,057,102
NON CURRENT ASSETS			
Loan Receivable	5	152,151	161,186
Property, Plant and Equipment	6	4,200	5,600
Investment in Strzelecki Ranges Community Enterprises Limited		65,000	65,000
Total Non-Current Assets		221,351	231,786
TOTAL ASSETS		7,682,574	7,288,888
CURRENT LIABILITIES			
Trade and other payables		7,555	3,154
Employee provisions		797	-
Total Current Liabilities		8,352	3,154
TOTAL LIABILITIES		8,352	3,154
NET ASSETS		7,674,222	7,285,734
EQUITY			
Grants Reserve	7	171,755	140,921
Donated Funds Reserve	8	290,415	331,837
Financial Assets Reserve	9	575,927	260,706
Retained Earnings	10	612,837	643,030
Maintained Corpus	11	6,023,288	5,909,240
TOTAL EQUITY		7,674,222	7,285,734

The accompanying notes form part of these financial statements

Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2017

	Note	2017 (\$)	2016 (\$)
REVENUE FROM OPERATIONS			
Interest Income		126,795	152,802
Investment Income		269,135	250,966
Miscellaneous Income and Donations		13,935	289,192
TOTAL REVENUE FROM OPERATIONS		409,865	692,960
EXPENSES FROM OPERATIONS			
Administration		130,495	95,838
Consultancy and Project Management Fees		11,600	8,974
Grants and Sponsorships		146,337	111,471
Insurance		3,238	3,354
Investment Advisor Fee		44,928	42,706
TOTAL EXPENSES FROM OPERATIONS		336,598	262,343
SURPLUS FOR THE YEAR		73,267	430,617
Fair value gain / (loss) on investments	9	315,221	(245,747)
TOTAL COMPREHENSIVE INCOME		388,488	184,870

The accompanying notes form part of these financial statements.

Statement of Cash Flows For The Year Ended 30 June 2017

	Note	2017 (\$)	2016 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		131,382	151,667
Receipts from other income		13,935	282,192
Investment income received		270,598	268,643
Payments to grant recipients		(146,337)	(111,471)
Payments to suppliers and employees		(183,663)	(146,318)
Net cash from operating activities	3(b)	85,915	444,713
CASH FLOWS FROM INVESTING ACTIVITIES			
Net Payments for investments		(230,729)	(377,365)
Net cash used in investing activities		(230,729)	(377,365)
Net (decrease) / increase in cash held		(144,814)	67,348
Cash at beginning of year		374,925	307,577
Cash at end of year	3(a)	230,111	374,925

The accompanying notes form part of these financial statements.

Notes To The Financial Statements For The Year Ended 30 June 2017

1. Statement of Significant Accounting Policies

The financial statements cover the Association Mirboo North and District Community Foundation Inc., incorporated and domiciled in Australia.

The Association is not a reporting entity because in the opinion of the Committee there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the requirements of section 60.40 of the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation) and meet the needs of the members.

Statement of Compliance

The financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Basis of Preparation

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

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) Income Tax

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

(b) Cash

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

(c) Revenue

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

Donations

Donations are recognised at the time the funds are received.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Investment Income

Investment income is recognised as revenue when received."

(d) Trade and Other Receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(e) Property, Plant and Equipment

Plant and equipment are brought to account at cost less, where

applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Donated assets are recognised at fair value at the time of donation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by Committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. The cost of plant and equipment constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all plant and equipment including capitalised lease assets, are depreciated over their useful lives to the Association commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation method and rates used for each class of depreciable asset are:

Class	Motor Vehicles
Depreciation Rate	20%
Depreciation Method	Straight Line

Notes To The Financial Statements For The Year Ended 30 June 2017

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial performance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

(f) Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(g) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the incorporated 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.

(h) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(i) Financial Instruments

Initial recognition and measurement

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

Classification and subsequent measurement

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

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

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the

effective interest method; and (iv) less any reduction for impairment.

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the financial asset reserve in equity. Cumulative gain or loss previously reported in the financial asset reserve is recognised in profit or loss when the asset is derecognised or impaired.

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

i. Loans and receivables

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

ii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iii. Financial liabilities, including trade and other payables

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

Notes To The Financial Statements For The Year Ended 30 June 2017

Fair value

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

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

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

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the statement of financial position.

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

(l) Adoption of New and Revised Accounting Standards

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

The adoption of these standards has not significantly impacted the recognition and measurement of transactions and the presentation and disclosures of the financial statements.

(m) Critical Accounting Estimates and Judgments

The Committee evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association. No material estimates or judgements have been made by the Committee.

Notes To The Financial Statements For The Year Ended 30 June 2017

2. Trade and Other Receivables

	2017 (\$)	2016 (\$)
Debtors	363	4,950
Other receivables	59,897	52,715
	60,260	57,665

3. Cash Flow Information

(a) Cash Assets

For the purpose of the cash flow statement, the Foundation considers cash to include cash on hand and in banks. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2017 (\$)	2016 (\$)
Cash on hand at bank	230,111	374,925
	230,111	374,925

(b) Reconciliation of net cash provided by Operating Activities to Operating Surplus after Income tax

	2017 (\$)	2016 (\$)
Operating surplus	73,267	430,617
Depreciation	1,400	1,400
Donated asset	-	(7,000)
Changes in assets and liabilities:		
Increase in receivables	(2,595)	(1)
Increase in payables	4,401	3,154
Increase in employee provisions	797	-
Decrease in loan receivable	8,645	16,543
Net cash from operating activities	85,915	444,713

Notes To The Financial Statements For The Year Ended 30 June 2017

4. Financial Assets	2017 (\$)	2016 (\$)
Term deposits	217,430	362,200
Investment in shares	2,877,416	2,683,644
Investment in hybrid securities	556,681	470,712
Investment in bonds	506,458	357,851
Investment in unlisted property trusts	758,035	846,609
Investment in secured first mortgages	2,240,946	1,890,000
	7,156,966	6,611,016

5. Loan Receivable	2017 (\$)	2016 (\$)
Loan Receivable - current	13,886	13,496
Loan Receivable - non current	152,151	161,186
	166,037	174,682

In April 2013, the Mirboo North and District Community Foundation Inc. received a donation of \$206,818. The donation is a transfer of a mortgage which is receivable over a maximum period of 20 years. The full amount of the donation has been recognised as income in the 2013 financial year. Future repayments of the mortgage will be recognised as a reduction in the loan receivable balance, and any interest component will be recognised in the year it is received.

6. Property Plant and Equipment	2017 (\$)	2016 (\$)
Motor Vehicles	7,000	7,000
Accumulated Depreciation	(2,800)	(1,400)
	4,200	5,600

Movements in Carrying Amounts

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

2017	Motor Vehicles (\$)	Total (\$)
Balance at beginning of the year	5,600	5,600
Additions	-	-
Depreciation	(1,400)	(1,400)
Balance at end of the year	4,200	4,200

7. Grants Reserve	2017 (\$)	2016 (\$)
Opening Grants Reserve	140,921	181,155
Transfers in	88,453	45,000
Payments made	(57,619)	(85,234)
Closing Grants Reserve	171,755	140,921

The grants reserve represents funds approved by the board to be spent on community grants. As the allocation of grants has not yet been approved by the board there is no liability in relation to these amounts at 30 June 2017. It is however the intention of the board to award these grants in the future.

8. Donated Funds Reserve	2017 (\$)	2016 (\$)
Opening Donated Funds Reserve	331,837	36,818
Transfers in	(24,822)	310,619
Payments made	(16,600)	(15,600)
Closing Donated Funds Reserve	290,415	331,837

The donated funds reserve represents donations received where the donor has requested the funds be spent for a specific purpose.

22 Transfers in/(out) of the reserve represents donations received during the year, an allocation of investment income for the year based on the average rate of return of the Foundation's portfolio, less an allocation of the Foundation's expenses based on two percent of the reserve balance for the year.

Notes To The Financial Statements For The Year Ended 30 June 2017

9. Financial Assets Reserve	2017 (\$)	2016 (\$)
Opening Financial Assets Reserve	260,706	506,453
Fair value adjustment	315,221	(245,747)
Closing Financial Assets Reserve	575,927	260,706

The financial assets reserve represents the revaluation of financial assets.

10. Retained Earnings	2017 (\$)	2016 (\$)
Opening Retained Earnings	643,030	527,052
Net Transfer from/(to) Grants Reserve	(30,834)	40,234
Net Transfer from/(to) Donated Funds Reserve	41,422	(295,019)
Transfer from/(to) Financial Assets Reserve	(315,221)	245,747
Transfer to Maintained Corpus	(114,048)	(59,854)
Comprehensive Income for the year	388,488	184,870
Closing Retained Earnings	612,837	643,030

11. Maintained Corpus	2017 (\$)	2016 (\$)
Opening Maintained Corpus	5,909,240	5,849,386
Transfers in	114,048	59,854
Closing Maintained Corpus	6,023,288	5,909,240

Maintained corpus represents funds that have been quarantined to preserve the assets of the foundation. The income produced from the assets can be used for grant payments, however the maintained corpus itself must remain intact.

12. Related Parties

Grant Irving, a Director of Mirboo North and District Community Foundation Inc., is a Director of Bluestone Management Accounting Pty Ltd, which provides accounting services to the Association at a market reduced fee. A declaration of interest has been provided by the Director.

Kate Buxton, a Director of Mirboo North and District Community Foundation Inc., is a Director of Tommy Gun Pty Ltd, which provides marketing consultancy services to the Association at a market reduced fee. A declaration of interest has been provided by the Director.

13. Contingent Liabilities

There are no contingent liabilities at reporting date (2016: nil).

14. Events After Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

15. Commitments

The Association has no commitments for expenditure as at 30 June 2017 (2016: \$nil)

16. Association Details

The registered office and principal place of business of the Association is: Mirboo North, Victoria.

The principal activity of the Mirboo North and District Community Foundation Inc. is the investment and distribution of funds for the future benefit of the community.

Statement By Members Of The Committee

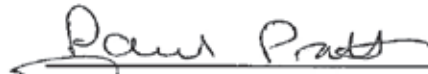
MIRBOO NORTH AND DISTRICT COMMUNITY FOUNDATION INC STATEMENT BY MEMBERS OF THE COMMITTEE

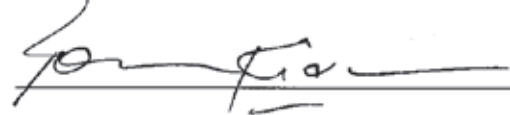
The members of the Committee have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

In the opinion of the members of the Committee the financial statements present a true and fair view of the financial position of Mirboo North and District Community Foundation Inc. as at 30 June 2017 and its performance for the year ended on that date. The members of the Committee declare that:

- 1 At the date of this statement, there are reasonable grounds to believe that the Mirboo North and District Community Foundation Inc. will be able to pay its debts as and when they become due and payable; and
- 2 The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013:





Dated this 9th day of October 2017



Crowe Horwath Vic
ABN 27 621 602 883

Member Crowe Horwath International

Audit and Assurance Services

3 Napier Street
Warragul VIC 3820
PO Box 346
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Australia

Tel 03 5622 7500
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Independent Auditor's Report to the Members of Mirboo North and District Community Foundation Inc.

Opinion

We have audited the financial report of Mirboo North and District Community Foundation Inc. (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the committee of management.

In our opinion, the accompanying financial report of the Association has been prepared in accordance with the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, the *Associations Incorporation Reform Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the financial reporting responsibilities of the committee of management under the *Associations Incorporation Reform Act 2012* and ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Other Information

The committee of management is responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Committee of Management for the Financial Report

The committee of management of the Association is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsibility of the committee of management also includes such internal control as the committee of 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, the committee of management is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

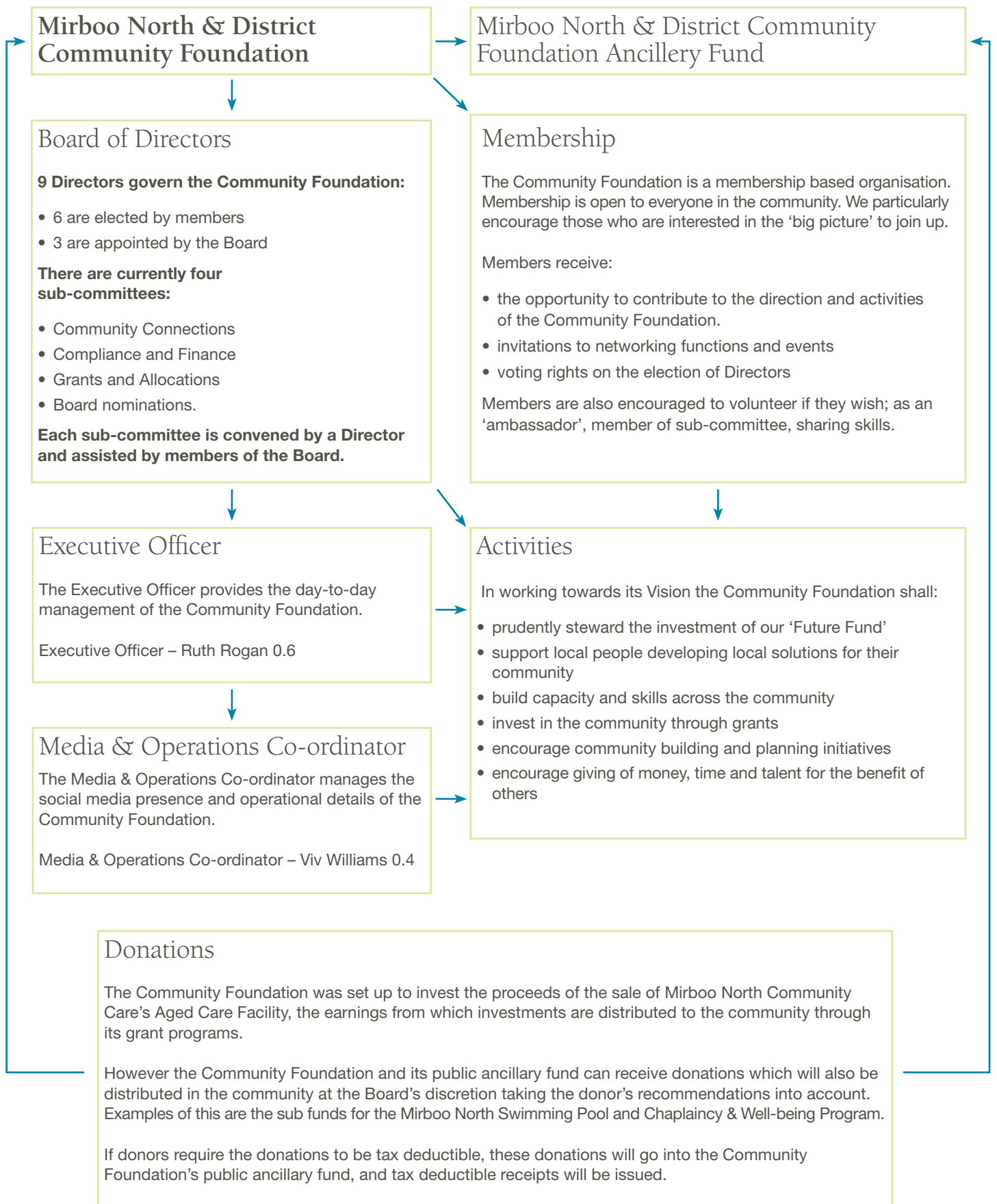
CROWE HORWATH VIC

GORDON ROBERTSON

Partner
Warragul

Date: 12 October 2017

Structure



Board of Directors

The Mirboo North & District Community Foundation is governed by a volunteer board of directors broadly drawn from the Mirboo North district.



Paul Pratt
Chair

Paul has been a member of this community since 1995, when he moved here with his wife Libby and three children. He has loved being actively involved in this community, as a member of Scope, an adult education provider, the Primary School Council, the Chaplaincy committee, St. Mary's parish council, the Mirboo North Junior Football Club and the former aged care board. He is currently the president of the Mirboo North Football Netball Club.

He is a solicitor specialising in civil litigation and has practiced for 30 years.



Robert Kiddell
Vice Chair

Robert is a local certified financial planner (CFP®), lawyer, notary and company director who has wide community and professional interests.

He is a former shire councillor; a Life Member of Apex; he was the inaugural president of the Mirboo Community Association; a former Secretary of the Gippsland Law Association; an original director of Strzelecki Brewing Company and Mirboo Tourism Pty Ltd; inaugural chair of the IAFP (Gippsland Chapter) now Financial Planning Association; managing director of Grand Ridge Agencies (Bendigo Bank Agency prior to the Community Bank) for 12 years; and a Fellow of the Gippsland Community Leadership Program.

Robert has an interest in encouraging philanthropy generally and currently is Chairperson of the Latrobe Regional Gallery Foundation and a director of the Francis Gregory Foundation (a tertiary scholarship fund).

Robert has qualifications in law, financial planning and also holds a company directors diploma from Australian Institute of Company Directors (AICD).



Kate Buxton

Born in the UK, Kate graduated from the London School of Economics in 1987. Before migrating to Australia, she worked at a senior level in the independent television production sector in the UK and is a former Executive Officer of Women and Film and Television (UK) and General Manager of Lifeline Gippsland.

She has worked closely with the Boards of several non-profit and membership based organisations and has extensive experience in the development of government and philanthropically funded projects for a wide range of community and mental health organisations. Kate is passionate about community foundations; she is the current Executive Officer of Australian Community Philanthropy, the peak organisation for community foundations in Australia, assisting them to establish, grow and achieve their objectives.

Board of Directors



Ned Dennis

Ned is the Community Strengthening Co-ordinator at South Gippsland Shire and is a well-known resident of Mirboo North. Ned has over a number of years provided extensive service and benefits to many communities in South Gippsland. He serves on many Community organisations in the district and is actively involved in the arts community. Ned's extensive community service experience and contacts are of considerable benefit to the Foundation.



Diana Mueller

Diana works for the Department of Education and Training (DET). She has lived in Mirboo North district for many years, currently living on a farm at Allambee South.

Diana has worked at Regional Office for over 7 years, taught for more than 20 years and has a wide range of experience in the Education sector. Diana is active in a number of community organisations including the Allambee South Community Centre, Mirboo North Football Netball Club and the Mirboo North Community Energy Hub.

Her knowledge and practical experience in the Education field is invaluable to the Mirboo North & District Foundation and the community in supporting the Foundation's focus on Health & Wellbeing and Youth.



Grant Irving

Grant is a long standing resident and well know accountant in the Mirboo North district. As the accountant for the Mirboo North Aged Care facility over many years, Grant provided the facility with prudent and well founded financial advice. He is a major contributor to the Compliance and Finance sub-committee and his wealth of financial and regulatory experience is a major asset to the Foundation.

Board of Directors



Jodie Pincini

Jodie has 20 + years' experience as a Chartered Accountant, is a member of the Institute of Chartered Accountants of Australia, gained her Bachelor of Economics degree from Monash University in 1991 and is a Graduate of the Australian Institute of Company Directors.

She is a Director of KRED Enterprises Charitable Trust – an Aboriginal owned trust to promote economic and business development opportunities to Aboriginal people in the Kimberley region of WA.

Jodie is active in a number of community organisations in Mirboo North including the Friends of Mirboo North Swimming Pool, Mirboo North Netball Club and St. Mary's Anglican Parish. As a parent of school age children, Jodie sees first hand some of the challenges facing young people today and is keen to support and encourage them to be active in the community. Jodie has lived most of her life in remote and regional communities and feels strongly about bridging the gap of access to services when compared with city counterparts.

Jodie's governance skills and record of enthusiasm for serving the community have, and will continue to be, of major benefit to the Foundation and the community.



Walter Aich

Walter Aich joined the Mirboo North and District Community Foundation Board in March 2014 and has since been actively involved with the Board, the Community Connections and Grants and Allocations Committee. Walter has an extensive background in education with a Bachelor of Science (Education) and post graduate Bachelor of Education degrees.

After more than 20 years as a secondary science and maths teacher Walter moved on to hold senior positions with the Gippsland Regional Council of Adult, Community and Further Education (ACFE Gippsland); within the Departments of Education and Early Childhood Development (DEECD) and Planning and Community Development (DPCD).

Walter's role as executive officer to ACFE Gippsland, a statutory entity within the State Government, was to ensure that the Regional Council met its contractual, governance and strategic targets and assist up to 50 community governed organisations to deliver foundation level adult learning programs across Gippsland.

Walter continues to be very active with a number of community organisations including the South Gippsland CFA and Dumbalk & District Progress Association.



Wendy Major

Wendy moved to Mirboo North several years ago from East Gippsland, and has become actively involved in the Mirboo North & District community.

She is currently Executive Officer of the South Gippsland Bass Coast Local Learning and Employment Network (LLEN) which puts her in a great position to understand the needs of Youth in education and employment. Wendy has served on a number of Boards and School Councils over many years and is a member of the LLEN Network.

Wendy was an independent volunteer team member of the 2012 Community Grants program leading to her joining the Board. She is a very active member of the Foundations Grants and Community Connections committee.

Wendy has extensive experience in serving on a number of Community organisations and Boards, particularly in Education, and has made a valuable contribution to the Foundation and the Mirboo North District.

Professional Service Providers

Audit
Crowe Howarth Vic

Accounting
Bluestone Management Accounting

Banking
Mirboo North & District Community Bank Branch-Bendigo Bank

Investment Advisors
Hewison Private Wealth

Legal
Herbert Smith Freehills

Graphic Design
tommy gun

Photography
buxtonography and the local community


Memberships

Philanthropy Australia
Australian Community Philanthropy
Our Community (www.ourcommunity.com.au)

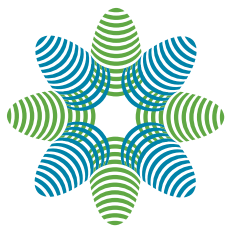
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www.mirboodistrictfoundation.org.au
ABN 49 954 324 242



Together the community
and the Community
Foundation can make
the whole community
more prosperous, adaptive
and resilient; together we
can make a difference.



Mirboo North & District
community foundation

Strong Foundation, Strong Communities
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