



# **Local Government Professionals Inc.**

## **2009 Annual Report**



**Local Government Professionals Inc.**

**Annual Report**

**For the Financial Year Ended December 2009**

Board .....	3
Annual Report 2008/2009.....	5
Statement by Members of the Committee of Local Government Professionals Inc. ....	10
Operating Statement.....	11
Balance Sheet.....	12
Cash Flow Statement .....	13
Statement of Changes in Equity .....	14
Notes To And Forming Part Of The Accounts.....	15
Auditors Report .....	27

**LGPro Board**



**President**  
 Nicholas Foa  
 Chief Executive Officer  
 Brimbank City Council  
 (Continuing Board Member)



**Vice President**  
 Kevin Hannagan  
 Chief Executive Officer  
 Strathbogie Shire Council  
 (Continuing Board Member)



**Executive**  
 John Bennie  
 Chief Executive Officer  
 Greater Dandenong City  
 Council  
 (Continuing Board Member)



Roma O'Callaghan  
 Manager People and Organisational  
 Development  
 Yarra City Council  
 (Continuing Board Member)



Marianne Di Giallonardo  
 Director Corporate &  
 Economic Development  
 Maroondah City Council  
 (Continuing Board Member)



Carolyn McClean  
 Director, Community Services  
 Monash City Council  
 (Continuing Board Member)



Richard Frazer  
 Human Resource Manager  
 Casey City Council  
 (Elected to Board December  
 2008)



Lidia Harding  
 Manager Governance  
 Nillumbik Shire Council  
 (Elected to Board December 2008)



Steve Burgess  
 Customer Service Coordinator  
 Wyndham City Council  
 (Elected to Board December  
 2008)



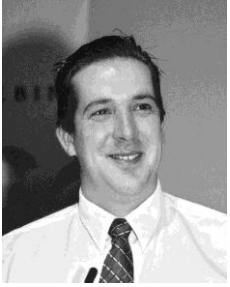
Janet Lawson  
 Manager Human Resources &  
 Organisation Development  
 Stonnington City Council  
 (Elected to Board December 2008)



June Dugina  
General Manager –  
Community Development  
Greater Dandenong City  
Council  
(Ended Board term December  
2008)



Peggy Stevenson  
Group Manager City Services  
Latrobe City Council  
(Ended Board term December 2008)



Rhys Thomas  
Manager, Business  
Improvement  
Darebin City Council  
(Ended Board term December  
2008)



Mike Whittaker  
Manager Customer Service  
Hume City Council  
(Ended Board term December 2008)

## Annual Report 2008/2009

### *Overview*

This year has been a very positive one. Last year we wrote that while we had experienced a decline in our membership and posted a deficit that these were results that were to be expected and that keeping those negative changes quite small was positive vindication for the direction and decisions the Board has taken. So it is particularly heartening that this year our membership has grown and we have posted a surplus.

Given the age profile of our membership we will continue to lose many to retirement. We are acutely aware of the need to ensure our relevance and value to people working in Local Government from the day that they commence all the way through to when they finish. In response to this we have implemented initiatives to make membership easier for younger staff, and with people seeking greater flexibility in their work arrangements, for those working part time. In 2007/8 we introduced full membership at half price for anyone working part time 0.6 or less and for people thirty years of age or under and expanded the free and discounted memberships associated with Council Membership. These initiatives are now starting to show the results we were seeking.

December 2008 saw the completion of the three year term of one Board and start of the term of office of a new Board. Both Boards have been strongly focused around clarity of vision, values and core business. This has allowed us to develop and grow while maintaining our integrity as the Local Government specific professional member association for those who work in the sector in Victoria.

Our professional development program continues to grow and evolve. With the Emerging Leaders Program going into its sixth year and Ignite going into its third, this year we added our Local Government Mentoring Program which has been very well received and which we intend to expand in the coming year. We undertook a major piece of research to examine the behaviours and attitudes of current and former Local Government CEOs and potential CEOs with a view to determining the skills, traits, knowledge and experience required to be a successful Local Government CEO and to assess their professional development needs to enable them to lead the sector over the next decade. Based on the substantial information we gathered we will introduce next year an executive leadership programs for CEOs and for Directors & aspiring CEOs. In addition to this suite of leadership capacity building programs we have been able to offer varied, high quality specialist professional development which is driven by the growing number and activity and of our Special Interest Groups.

LGPro takes great pride in its uncompromised approach to representing and providing recognition and professional development to those who work in Local Government in Victoria. To that end, the LGPro Board undertook a review of our Rules (Constitution) to ensure that they reflect and support our role. As a result our Rules now include an eligibility requirement that LGPro Board members must be "council staff". On the face of it, this might appear to be a fairly minor change, but it is our view that it safeguards our ability and integrity to make decisions that will always put the needs of professionals working in the sector first without compromise or conflict.

Our independence and uncompromised focus on the needs of professionals working in the sector is key to our work in representation. This area of work is a great example of how we are able to speak with one voice while respecting and celebrating the diversity of our membership. LGPro representation is driven by and reflective of the work of a number of very proactive Special Interest Groups, as well as the LGPro CEO Advisory Group on Intergovernmental Relations (CEO AGoIR) which has established itself as an invaluable source of independent, non political, expert advice to their public service colleagues.

This year we received 89 nominations. At a time when Local Government has had increased media coverage, mostly for the wrong reasons, it is more important than ever that we balance the ledger for the community and demonstrate mutual support and appreciation of the terrific efforts of the people who work in the sector by promoting the high value work done in and with the community. Awards are open to all members of LGPro and seek to recognise excellence and to celebrate the success of individuals/teams working for or with councils. The Awards for Excellence Publication is now well established and provides a valuable record demonstrating outstanding service to the community. All winners and finalists *stories* and photos are included. The Publication is printed in hard copy and as a web document to allow all councils and State Government to use the stories to promote and better inform the community about the role of Local Government and the quality of its contribution to the life of the community.

The Awards for Excellence were in the following categories:

- Innovative Management Initiative
- Service Delivery Initiative
- Special Projects Initiative
- Community Partnerships Initiative
- Community Assets & Infrastructure Initiative
  - *Projects \$1M and under*
  - *Projects over \$1M*
- Sustainability Initiative
- Young Achiever

The quality of the nominations was excellent and as always they highlight the terrific work done by Local Governments. Our thanks go to all who nominated. We would also like to express our appreciation to the Selection Panel, Marianne Di Giallonardo (Maroondah), John Bennie (Greater Dandenong), Paul Younis (Corangamite), Clare McArdle (Local Government Victoria) and Chris Phoon (Department of Planning and Community Development). Each of the categories was assessed by a Category Panel consisting of four people with expertise in that particular area. There are too many people to name them all here but each and every one of them is owed our thanks for giving up their time and participating so positively and professionally.

### ***Membership***

Our Individual Membership increased this year by a little under 5%, or 43 members. While the growth in numbers is moderate we need to bear in mind that the number of Honorary members has decreased by 9 and Associate members by 18 and in terms of addressing the need to engage with less senior and younger people in the sector we have added 53 under 30's members and 8 part time members.

**As at 30 June 2009 membership of LGPro was a total of 977 members comprising:**

Fellow	209
Fellow Part Time	1
Member	554
Member Part Time	8
Associate	19
Retired/Student	15
Under 30 (Council Member)	57
Under 30 Half Price	53
Honorary	61
<b>TOTAL</b>	<b>977</b>

## ***Special Interest Groups***

Special Interest Groups (SIGs) are an integral and vital part of LGPro reflecting the rich diversity of Local Government and our membership. We have continued to place significant emphasis on the level of contact and support to the SIGs from the LGPro office. We recognise that our SIG Convenors are *volunteers* whose efforts provide excellent peer support, opportunities to knowledge share and professional development and that as far as possible the administrative and operational burden of the SIGs should be carried by the LGPro office. As a result the number of SIGs has grown yet again as has the level of activity of many of them.

This year saw the introduction of the Bushfire Recovery Network, Community Safety, Councillor Support and Risk SIGs. The Events Network had previously operated independently for some time.

This brings the number of SIGs in 2008/9 to 22. They are:

### LGPro Special Interest Groups 2008/9

1. Aged & Disability Services
2. Assessment Officers
3. Asset Management (Buildings)
4. Bushfire Recovery Network
5. Community Development
6. Community Safety
7. Consultation & Research
8. Corporate Services
9. Corporate Planners Network
10. Councillor Support
11. Customer Service
12. Engineering & Technical Services
13. Events Network
14. Family, Youth & Children's Services
15. Human Resources
16. Learning & Development
17. Office Professionals
18. Property Network
19. Public Relations
20. Risk
21. Transit Cities & Activity Centre Place Managers
22. Statutory Services

## ***Relationships***

An important element of our role as **The Leading Voice** and peak body for professionals in local government in Victoria is our ability to work with a range of organisations and agencies for the benefit of our members and the sector. We continue to work with the MAV and VLGA to improve the quality of governance and relationships that exist between professionals and elected representatives. The Department for Planning & Community Development, Local Government Victoria, the Australian Institute of Company Directors, VicRoads, FinPro, and the Victorian Municipal Building Surveyors amongst others are all organisations where we believe our members and the sector benefit from closer cooperation and shared ventures.

We value the importance of our relationships with our national affiliates LGMA and LGCDSAA.

The very strong relationships we have with our corporate sector colleagues are vital to our wellbeing. The number of Corporate Members continues to grow. This year we have 56 Corporate Members, a significant increase over the 37 we had in the previous year. We are very fortunate that our Corporate Members are actively involved and provide valuable support and assistance through making their expertise generously available to us in our professional development program as well as through their sponsorship. Collectively, our Corporate Members have added great depth to our capacity. It would be wrong for us to single any of them out, so we express our thanks to all of them:

## 2008/9 Corporate Members

AusSoft Solutions	Jo Fisher Executive Pty Ltd
Australasian Playgrounds	JOM Communications
Australia Post	Kernow Environmental Services Pty Ltd
Cambridge Integrated Services Victoria Pty Ltd	Leader Newspapers
Centre for Organisation Development	Lovegrove & Lord Lawyers
CityWide Service Solutions Pty Ltd	Macpherson & Kelley
Civic Mutual Plus	Maddocks Lawyers
Civica	Marketforce exPress
Collins Anderson Management/ CA Technology	McArthur
Commonwealth Bank of Australia	Mecwacare
Corporate Strategic Systems	Mercury Executive Search
Country Fire Authority	Metropolitan Fire and Emergency Services Board
Defence Reserves Support	National Australia Bank
Diversity@Work	Oracle Customer Management Solutions
Drake	Peter Wagner & Associates
Dun & Bradstreet	Quest Consulting
Frontier Software	Russell Kennedy Solicitors
Fulton Hogan	SACS Consulting Pty Ltd
Garland Hawthorne Brahe	Strategic Purchasing
GIO	Sustainability Victoria
Hays	Tanner Menzies
Horner Recruitment	Tenix Solutions
Ibis Information Systems Pty Ltd	Urban Maintenance Systems
Indigo Training	VicTrack
Infor Public Sector	VicUrban
Information Outlook	Vision Super
Jardine Lloyd Thompson Ltd	Visy Recycling
JayThom	Zurich Financial Services Australia Ltd

### ***Financial Position***

It is particularly pleasing to be able to state that we have posted a surplus of \$89,819. Our financial position overall has improved and we continue to be in a strong and secure position.

The financial position in 2008/2009 has been detailed in the Accounts, see pages **11 to 26**.

### ***Acknowledgement***

December 2008 saw the end of the three year term of the Board. Following six years of outstanding contribution to the LGPro Board, June Dugina did not nominate, nor did Peggy Stevenson due to ill health. Very sadly Peggy passed away after a long battle with cancer. She was a positive, enthusiastic and intelligent contributor whose generosity and respectful way of dealing with people and issues had to be admired. She is greatly missed.

All elections have casualties. Rhys Thomas and Mike Whittaker were welcome late additions to the Board, as a result of casual vacancies, and in the limited time they had they took a lead role in refreshing our thinking with a strong future focused approach.

Six members of the previous Board were re-elected; John Bennie, Marianne Di Giallonardo, Nick Foa, Kevin Hannagan, Carolyn McClean and Roma O'Callaghan. They were joined in December 2008 by newly elected Board members; Steve Burgess, Richard Frazer, Lidia Harding and Jan Lawson.

We place on record our special thanks to our staff who continue to deliver outstanding performance across a broad and complex range of tasks and consistently provide a high level of value to members and the sector.

Special thanks also to all those members whose energy and involvement makes our work enjoyable and worthwhile. Thank you to all who have been part of the various committees to develop and implement our Conferences, Awards for Excellence, Emerging Leaders Program, Ignite program, Mentoring program and the many seminars and training activities we have been able to present.



**NICK FOA**  
President



**DAVID PREISS**  
Chief Executive Officer

## STATEMENT BY MEMBERS OF THE COMMITTEE OF LOCAL GOVERNMENT PROFESSIONALS INC.

In the opinion of the committee the financial report:

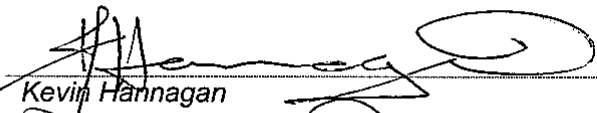
- 1 Presents a true and fair view of the financial position of Local Government Professionals Inc. as at 30 June 2009 and its performance and cash flows for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- 2 At the date of this statement, there are reasonable grounds to believe that Local Government Professionals will be able to pay its debts as and when they fall due.

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

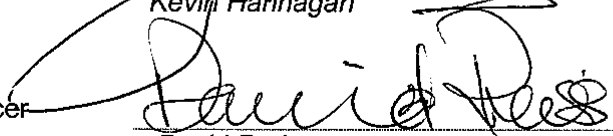
President

  
\_\_\_\_\_  
Nicholas Foa

Vice President

  
\_\_\_\_\_  
Kevin Harragan

Chief Executive Officer

  
\_\_\_\_\_  
David Preiss

Dated this

10<sup>th</sup>

day of

November

2009

**LOCAL GOVERNMENT PROFESSIONALS INC.**

**INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
Revenues from ordinary activities	2	<u>1,471,763</u>	<u>1,495,369</u>
Expenses from ordinary activities			
Conference and seminar expenses		656,462	736,997
Consultants and contractors expenses		56,363	75,423
Depreciation and amortisation expenses	3 (i)	19,872	21,948
Employee benefits expenses	3 (ii)	420,672	489,030
National body levies		14,685	25,015
Supplies and services expenses		<u>213,890</u>	<u>182,439</u>
		<u>1,381,944</u>	<u>1,530,852</u>
Profit/ (Loss) from ordinary activities before income tax expense		89,819	(35,483)
Income tax expense	4	-	-
Net profit/ (Loss) from ordinary activities after income tax expense attributable to the association		<u>89,819</u>	<u>(35,483)</u>

**AS AT 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	569,909	568,024
Prepayments		37,432	23,325
Receivables	6	427,234	418,393
<b>TOTAL CURRENT ASSETS</b>		<u>1,034,575</u>	<u>1,009,742</u>
<b>NON-CURRENT ASSETS</b>			
Land and buildings		482,960	491,480
Plant and equipment		28,377	16,047
Motor vehicles		16,946	25,658
Works in Progress - New Computer System		78,560	-
<b>TOTAL NON-CURRENT ASSETS</b>	7	<u>606,843</u>	<u>533,185</u>
<b>TOTAL ASSETS</b>		<u><b>1,641,418</b></u>	<u><b>1,542,927</b></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	8	708,434	660,387
Provisions	9	30,120	39,659
<b>TOTAL CURRENT LIABILITIES</b>		<u>738,554</u>	<u>700,046</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9	23,953	53,789
		<u><b>762,507</b></u>	<u><b>753,835</b></u>
<b>NET ASSETS</b>		<u><b>878,911</b></u>	<u><b>789,092</b></u>
<b>EQUITY</b>			
Retained profits	10	651,911	562,092
Asset revaluation reserve	11	227,000	227,000
<b>TOTAL EQUITY</b>		<u><b>878,911</b></u>	<u><b>789,092</b></u>

The Balance Sheet is to be read in conjunction with the accompanying notes.

**LOCAL GOVERNMENT PROFESSIONALS INC.**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		1,605,007	1,689,532
Payments to suppliers and employees		(1,535,695)	(1,709,636)
Interest received		26,103	29,260
		<hr/>	<hr/>
Net cash flows from operating activities	13	95,415	9,156
		<hr/>	<hr/>
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	7	93,530	-
Proceeds from disposal of property, plant and equipment		-	-
		<hr/>	<hr/>
Net cash flows used in investing activities		93,530	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		1,885	9,156
Cash and cash equivalents at the beginning of the financial year		568,024	558,868
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	5	<u>569,909</u>	<u>568,024</u>

**LOCAL GOVERNMENT PROFESSIONALS INC.**  
**STATEMENT OF RECOGNISED INCOME AND EXPENSE**  
**FOR THE YEAR ENDING 30 JUNE 2009**

	NOTE	ACCUMULATED FUNDS \$	RESERVES \$	TOTAL EQUITY \$
Balance at 30th June 2007		597,575	227,000	824,575
Net profit attributable to the association for 2007/08	<b>10</b>	<u>(35,483)</u>	<u>-</u>	<u>(35,483)</u>
Balance at 30th June 2008		562,092	227,000	789,092
Net profit/ (Loss) attributable to the association for 2008/09	<b>10</b>	<u>89,819</u>	<u>-</u>	<u>89,819</u>
Balance at 30th June 2009		<u><u>651,911</u></u>	<u><u>227,000</u></u>	<u><u>878,911</u></u>

**FOR THE YEAR ENDED 30 JUNE 2009**

**Note**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(e) Property, Plant and Equipment**

Acquisitions

Items of property, plant and equipment are recorded at cost and depreciated as outlined below. The carrying amount of fixed assets is reviewed annually by board members and is not in excess of the recoverable amount of the assets. Land and buildings are measured on a fair value basis. At each balance date, the values are reviewed to ensure that it does not differ materially from the asset's fair value at that date. Where necessary, the asset is revalued to reflect its fair value. (A Revaluation of Land & Buildings was undertaken as at 30 June 2007).

Depreciation

Items of property, plant and equipment are depreciated over their estimated useful life. The straight-line method of depreciation is used.

Classes of Assets

Buildings	2.5%
Plant & Equipment	10 – 33.3%
Motor vehicles	22.50%

Depreciation rates have not changed since the end of the previous financial year.

Impairment

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 value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the operating statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(f) Income Tax**

The association is a non-profit organisation and is assessable to income tax only on non-member income sources

**(g) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(h) Cash and cash equivalents**

For the purpose of the statement of cash flows, cash includes cash on hand, deposits held at call with banks and investments at call, net of bank overdrafts.

**(i) Revenue**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the sale of goods is recognised upon the delivery of goods to customers.

**(j) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST, as are receipts and payments in the Cash Flow Statement.

**LOCAL GOVERNMENT PROFESSIONALS INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**FOR THE YEAR ENDED 30 JUNE 2009**

**Note**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**(k) Financial Instruments**

Recognised Financial Instrument	Note	Accounting Policy	Terms and Conditions
	<b>Financial Assets</b>		
Cash	5	Valued at Face Value. Interest is recognised as it accrues.	The operating bank accounts returned floating interest rate returns of between 0.01% and 6.10%.
Receivables	6	Receivables are carried at the nominal amounts due.	Receivables are unsecured and are usually settled within 60 days.
<b>Financial Liabilities</b>			
Payables	8	Liabilities are recognised for amounts to be paid in the future for goods or services received as at balance date, whether or not invoices have been received.	Trade creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

## LOCAL GOVERNMENT PROFESSIONALS INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS

#### FOR THE YEAR ENDED 30 JUNE 2009

#### Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### (I) New standards and interpretations not yet adopted

Certain new Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2009 reporting period. The Organisation has not, and does not intend to, adopt the following standards early:

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on financial statements</i>
AASB 101 Presentation of Financial Statements (Revised 2007) .AASB2007-8 Amendments to Australian Accounting Standards and Interpretations and AASB 2007-10 Further Amendments to AASBs arising from AASB 101	The revised standard affects the presentation of changes in equity and comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other AASB standards. The amending standard updates references in various other pronouncements.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038].	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	An accompanying amending standard, also introduced consequential amendments into other Standards.	Beginning 1 Jan 2009	Impact expected to be insignificant.
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038]	A suite of amendments to existing standards following issuance of IASB Standard Improvements to IFRSs in May 2008. Some amendments result in accounting changes for presentation, recognition and measurement purposes.	Beginning 1 Jan 2009	Impact is being evaluated.
AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]	The amendments to AASB 4, AASB 1023 and AASB 1038 comprise editorial changes resulting from the amendments to AASB 7. The amendments to AASB 7 require enhanced disclosures about fair value measurements and liquidity risk.	Beginning 1 Jan 2009	Impact is expected to be insignificant.

In addition to those Accounting Standards listed above, the AASB has also released a number of other Accounting Standards and Australian Interpretations. The application of these Accounting Standards and Australian Interpretations are also not expected to have any significant impact on the Organisation's financial statements. Consequently, they have not been specifically identified above.

## LOCAL GOVERNMENT PROFESSIONALS INC.

### NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
<b>Note 2. REVENUE FROM OPERATING ACTIVITIES</b>		
Membership fees	447,963	305,866
Conference fees	542,131	582,011
Project fees	312,654	312,769
Seminars	130,997	244,963
Interest	26,103	29,260
Other income	11,915	20,500
<b>Total Revenue from Ordinary Activities</b>	<b>1,471,763</b>	<b>1,495,369</b>
<b>Note 3. PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit/ (Loss) from ordinary activities before income tax expense has been determined after:		
i) <u>Depreciation &amp; Amortisation</u>		
Depreciation of property	8,520	8,520
Depreciation of plant and equipment	2,640	4,716
Depreciation of vehicle	8,712	8,712
	<u>19,872</u>	<u>21,948</u>
ii) <u>Employee Benefits</u>		
Movement in provision for employee benefits	-39,375	28,739
Fringe benefits tax	7,800	7,884
Permanent staff pay	319,912	365,931
Staff training	2,731	1,246
Superannuation	124,608	79,513
Workcover	4,996	5,717
	<u>420,672</u>	<u>489,030</u>
<b>Note 4. INCOME TAX EXPENSE</b>		
Prima facie tax expense/(benefit) on profit from ordinary activities before income tax at 30% (2008: 30%)	26,946	(10,645)
Less tax effect of :		
Non taxable member income/losses arising from the principle of mutuality	(26,946)	10,645
Income tax expense/(benefit)	<u>-</u>	<u>-</u>

**Note 5. CASH AND CASH EQUIVALENTS**

Cash on hand	150	150
Cash at bank	569,759	567,874
<b>Total Cash Assets</b>	<u>569,909</u>	<u>568,024</u>
	<b>2009</b>	<b>2008</b>
	\$	\$

**Note 6. TRADE AND OTHER RECEIVABLES**

Trade membership debtors	422,824	413,943
Accrued revenue	23,631	12,070
Less provision for doubtful debts	(19,221)	(7,620)
<b>Total Receivables</b>	<u>427,234</u>	<u>418,393</u>

**Note 7. PROPERTY, PLANT AND EQUIPMENT**

Land - Valuation 2007	160,000	160,000
Buildings - Valuation 2007	340,000	340,000
	(17,040)	
Less: Accumulated depreciation		(8,520)
	<u>482,960</u>	<u>491,480</u>
Plant and equipment - at cost	83,654	118,322
Less: Accumulated depreciation	(55,277)	(102,275)
	<u>28,377</u>	<u>16,047</u>
Motor vehicles -at cost	38,727	38,727
Less: Accumulated depreciation	(21,781)	(13,069)
	<u>16,946</u>	<u>25,658</u>
Works in Progress (Upgrade of Membership & Registration System)	78,560	-
<b>Total Property, Plant and Equipment</b>	<u>606,843</u>	<u>533,185</u>

**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.

	<b>Land &amp; Buildings</b>	<b>Plant</b>	<b>Motor Vehicle</b>	<b>Works in Progress</b>	<b>Total</b>
Balance at the beginning of year	491,480	16,047	25,658	-	533,185
Additions	-	14,970	-	78,560	93,530
Revaluations	-	-	-	-	-
Assets disposed during year	-	49,638	-	-	49,638
Assets disposed - Accum' Deprec'	-	(49,638)	-	-	(49,638)
Depreciation and amortisation	(8,520)	(2,640)	(8,712)	-	(19,872)
Carrying amount at the end of year	<u>482,960</u>	<u>28,377</u>	<u>16,946</u>	<u>78,560</u>	<u>606,843</u>

## Valuations

An independent land and buildings valuation was carried out as at 30 June 2007 by D. R. Lane, Certified Practising Valuer, Charter Keck Cramer. The valuation was based on an assessment of the property's current market value.

	2009 \$	2008 \$
<b>Note 8. TRADE CREDITORS AND OTHER PAYABLES</b>		
Trade creditors	63,039	61,087
FBT payable	482	-
		45,930
GST payable (receivable)	38,093	
Salaries holding account	5,368	7,856
Deferred income	601,452	545,514
<b>Total Payables</b>	<u>708,434</u>	<u>660,387</u>
<b>Note 9. PROVISIONS</b>		
<b>Provisions - Current</b>		
Employee benefits - annual leave	30,120	39,659
<b>Provisions - Non-Current</b>		
Employee benefits - long service leave	23,953	53,789
	<u>54,073</u>	<u>93,448</u>
<b>(a) Employee benefits</b>		
<b>Current employee benefits that:</b>		
Are expected to be utilised within 12 months after the end of the reporting period	6,444	8,485
Are expected to be utilised more than 12 months after the end of the reporting period	23,676	31,174
	30,120	39,659
<b>Non-current</b>		
Conditional long service leave entitlements	23,953	53,789
<b>Total employee benefits</b>	<u>54,073</u>	<u>93,448</u>
<b>Note 10. RETAINED PROFITS</b>		
Retained profits at the beginning of the financial year	562,092	597,575
		(35,483)
Net profit/ (Loss) attributable to the association	<u>89,819</u>	
Retained profits at the end of the financial year	<u>651,911</u>	<u>562,092</u>

**Note**

**11. RESERVES**

**ASSET REVALUATION RESERVE**

Asset Revaluation Reserve at beginning of the financial year	227,000	227,000
Increase in reserve for the year	<u>-</u>	<u>-</u>
Asset Revaluation Reserve at the end of the financial year	<u>227,000</u>	<u>227,000</u>
<b>Total Reserves</b>	<u><u>227,000</u></u>	<u><u>227,000</u></u>

**Note**

**12. SEGMENT REPORTING**

The Association operates predominantly in one business and geographical segment, being a professional association focused on Victorian Local Government, supporting the needs of local government professionals.

<b>2009</b>	<b>2008</b>
\$	\$

**Note**

**13. CASH FLOW INFORMATION**

**a. Reconciliation of Cash**

Cash on hand	150	150
Cash at bank	<u>569,759</u>	<u>567,874</u>
	<u><u>569,909</u></u>	<u><u>568,024</u></u>

**b. Reconciliation of Net Cash provided by Operating Activities to Profit/ (Loss) from Ordinary Activities after Income Tax**

Profit/ (Loss) from ordinary activities after income tax	89,819	(35,483)
Non-cash flows in operating activities:		
Depreciation	19,872	21,948
Provision for doubtful debts	11,601	(42,644)
Net loss on disposal of fixed assets	<u>-</u>	<u>-</u>
	121,292	(56,179)
Changes in asset and liabilities:		
Decrease/(Increase) receivables	(20,442)	(3,047)
Decrease/(Increase) prepayments	(14,107)	(10,989)
Increase /(Decrease) in creditors and accruals	48,047	50,632
Increase /(Decrease) in provisions	<u>(39,375)</u>	<u>28,739</u>
Net cash flow from operations	<u><u>95,415</u></u>	<u><u>9,156</u></u>

**c. Finance Facilities**

The extent of unused finance facilities at the end of the year is as follows:

Available:

Credit Cards	8,000	8,000
	<u>8,000</u>	<u>8,000</u>
Used	5,219	5,451
Unused	<u>2,781</u>	<u>2,549</u>
<b>Total finance facilities</b>	<u><u>8,000</u></u>	<u><u>8,000</u></u>

d. There were no non-cash financing or investing activities during the period.

**Note**

**14. REMUNERATION OF AUDITORS**

Amounts received or due and receivable  
by the auditors for:

Auditing of the accounts	9,000	8,500
Other services	520	1,600
	<u>9,520</u>	<u>10,100</u>

**Note**

**15. COMMITMENTS FOR EXPENDITURE**

**Operating Lease Commitments**

Being for rent of photocopier / printer

No later than one year	6,900	6,900
Later than one year but not later than five years	6,900	13,800
	<u>13,800</u>	<u>20,700</u>

**LOCAL GOVERNMENT PROFESSIONALS INC.**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**FOR THE YEAR ENDED 30 JUNE 2009**

Note

**16. FINANCIAL INSTRUMENTS**

**a) Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instruments are disclosed in Note 1 to the financial statements.

**b) Categorisation of financial instruments**

	Note	Category	Carrying amount 2009	Carrying amount 2008
<b>Financial Assets</b>				
Cash and cash equivalents	5	N/A	569,909	568,024
Receivables	6	Loans and receivables	446,455	426,013
			<u>1,016,364</u>	<u>994,037</u>
<b>Financial Liabilities</b>				
Payables	8	Financial liabilities	106,982	114,873

**c) Credit risk exposure**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. LGPro's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

***Financial assets that are either past due or impaired***

Currently LGPro does not hold any collateral as security nor credit enhancements relating to any of its financial assets. As at the reporting date, there is no indication that the financial assets have been impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired.

**Interest rate exposure and ageing analysis of financial assets**

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		Past due by			
			Fixed interest rate	Variable interest rate	Non - interest bearing	Less than 1 month	1-3 months	3 months - 1 year
<b>2009 Financial Assets</b>								

Cash assets	3.5	569,909	569,909				
Receivables		446,455		153,922	110,480	11,639	31,803

**2008**

**Financial Assets**

Cash assets	5.5	568,024	568,024				
Receivables		426,013		426,013	413,081	5,836	7,096

**Note**

**16. FINANCIAL INSTRUMENTS (cont)**

**d) Liquidity risk**

Liquidity risk arises when LGPro is unable to meet its financial obligations as they fall due. LGPro operates under the policy of setting financial obligations within 30 days and in the event of a dispute, make payments within 30 days of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in high liquid markets.

LGPro's exposure to liquid risk is deemed insignificant based on prior periods' data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

**Interest rate exposure and maturity analysis of financial liabilities**

	Weighted average effective interest rate %	Carrying amount	Fixed interest rate	Interest rate exposure		Past due by		
				Variable interest rate	Non - interest bearing	Less than 1 month	1-3 months	3 months - 1 year
<b>2009</b>								
<b>Financial Liabilities</b>								
Payables		106,982			106,982	106,982	-	-
<b>2008</b>								
<b>Financial Liabilities</b>								
Payables		114,873			114,873	114,873	-	-

**e) Market risk**

LGPro's exposure to market risk is primarily through interest rate risk with currently no exposure to other price risk or foreign currency risk. Objectives, policies and processes used to manage these risks are disclosed in the paragraph below.

Interest rate risk.

Exposure to interest rate risk might arise primarily through LGPro's cash and deposits. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

Sensitivity disclosure analysis

Taking into account past performances, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, LGPro believes the movements in the table below are 'reasonable possible' over the next 12 months. The table discloses the impact on net operating result and equity for each category of financial instrument held by LGPro at year-end as presented to key management personnel, if the below movements were to occur.

**Market risk exposure**

		Interest rate risk			
		-1%	(100 basis points)	+1% (100 basis points)	
		Profit	Equity	Profit	Equity
<b>2009</b>	Carrying amount				
<b>Financial assets:</b>					
Cash assets	569,909	(5,699)	(5,699)	5,699	5,699
<b>2008</b>					
<b>Financial assets:</b>					
Cash assets	568,024	(5,680)	(5,680)	5,680	5,680

Note 16.

**FINANCIAL INSTRUMENTS (cont)**

f) **Fair value**

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- ° the fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices: and
- ° the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

LGPro considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the availability of accurate market prices or their short-term nature and the expectation that they will be paid in full.

**LOCAL GOVERNMENT PROFESSIONALS INC.**  
**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**Note 17. ASSOCIATION DETAILS**

The principal place of business of the association is:

Local Government Professionals Inc.  
Suite 4, 27-33 Raglan St  
South Melbourne, VIC 3205

**Note 18. RELATED PARTIES**

The following were key management personnel of the Association at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

**Key management personnel**

Nicholas Foa - President  
Kevin Hannagan - Vice President  
John Bennie - Secretary  
Marianne Di Giallonardo - Treasurer  
Carolyn McClean  
Roma O'Callaghan  
Jan Lawson from December 2008  
Richard Frazer from December 2008  
Lidia Harding from December 2008  
Steve Burgess from December 2008  
David Preiss (Chief Executive)

**Key management personnel compensation**

	<b>2009</b>	<b>2008</b>
Compensation paid or payable, or otherwise made available, to key management personnel of the Association, are included in "employee benefits expense" as follows:	<b>\$</b>	<b>\$</b>
Short term employee benefits	142,779	136,500
Post employment benefits	<u>14,121</u>	<u>13,500</u>
	<u><u>156,900</u></u>	<u><u>150,000</u></u>

**Note 19. SUBSEQUENT EVENTS**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board of the Association, to affect significantly the operation of the Association, the result of those Association, or the state of affairs of the Association, in future years.

## Auditors Report



Level 5, 30 Collins Street  
Melbourne Victoria 3000  
TELEPHONE +61 3 9654 0100  
FACSIMILE +61 3 9654 0122  
www.dfkcollins.com.au

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOCAL GOVERNMENT PROFESSIONALS INC.**

#### **Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of Local Government Professionals Inc. which comprises the balance sheet as at 30 June 2009, income statement, cash flow statement, statement of recognised income and expense, a summary of significant accounting policies, other explanatory notes and the statement by the committee.

#### **Committee's Responsibility for the Financial Report**

The committee of the association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the *Associations Incorporation Act 1981* and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the *Associations Incorporation Act 1981*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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



Level 5, 30 Collins Street  
Melbourne Victoria 3000  
TELEPHONE +61 3 9654 0100  
FACSIMILE +61 3 9654 0122  
[www.dfkcollins.com.au](http://www.dfkcollins.com.au)

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
LOCAL GOVERNMENT PROFESSIONALS INC.  
(CONTINUED)**

**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**Auditor's Opinion**

In our opinion, the financial report of Local Government Professionals Inc. presents fairly, in all material respects the financial position of Local Government Professionals Inc. as of 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

*DFK Collins*

DFK Collins  
Chartered Accountants

*Stephen O'Kane*

Stephen O'Kane  
Partner

Dated this 23<sup>rd</sup> day of November 2009  
At 30 Collins Street, Melbourne.



Local Government Professionals Inc.  
Suite 4, 27-33 Raglan Street  
South Melbourne 3205

Ph: (03) 9686 3833

Fax: (03) 9690 4217

Email: [info@lgpro.com](mailto:info@lgpro.com)

Website: [www.lgpro.com](http://www.lgpro.com)