



COLVILLE WILLIAMS & CO. PTY LTD

ABN 55 007 250 231

A C C O U N T A N T S

A U D I T O R S

A D V I S E R S

10 December 2015

Ms L MacMillan
Merri Creek Management Committee Inc.
2 Lee Street
EAST BRUNSWICK VIC 3057

Dear Luisa

Please find enclosed the auditor's report and financial statements for the year ended 30 September 2015.

Please ensure the Annual Statement by Public Officer is forwarded to the Office of Fair Trading within 30 days of the Annual General Meeting. **Could you please forward a copy to me for my records.**

Once again I thank you and your staff for their co-operation in assisting with the completion of the audit and wish you well for the year ahead.

Yours faithfully

FRED GERARDSON
Chartered Accountant
Registered Company Auditor

PARTNERS
FRED GERARDSON B.Ec C A
GREG CARPENTER B.Bus FCPA
PAUL WHITE B.Comm C A

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Liability limited by a scheme approved under Professional Standards Legislation

Merri Creek Management Committee Inc.
2 Lee Street
East Brunswick VIC 3057

Mr Fred Gerardson
Registered Company Auditor
Colville Williams & Co. Pty Ltd
99 Main Road
LOWER PLENTY VIC 3093

6 November 2015

Re: **Merri Creek Management Committee Inc.**
Year Ended: 30 September 2015

Dear Fred,

This representation letter is provided in connection with your audit of the financial report of **Merri Creek Management Committee Inc.** for the year ended **30 September 2015**, for the purpose of your expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with the relevant Australian accounting standards (including Australian accounting interpretations) as disclosed in the financial report.

We acknowledge our responsibility for ensuring that the financial report is in accordance with relevant Australian accounting standards (including Australian accounting interpretations), as disclosed in the financial report and confirm that the financial report is free of material misstatements, including omissions and that we have approved the financial report.

We understand that your examination was made in accordance with Australian auditing standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial report of **Merri Creek Management Committee Inc.** taken as a whole, and that your tests of the accounting records and other auditing procedures were limited to those which you considered necessary for that purpose.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

General

- We have made available to you:

- (a) All financial records and related data, other information, explanations and assistance necessary for the conduct of the audit and

- (b) Minutes of all meetings of directors, and committees of directors.

- There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

- We confirm that there have been no changes to the accounting policies applied in the previous annual financial report or the methods used in applying them.

- We have no plans or intentions that may materially affect the carrying values or classification of assets and liabilities.
- We confirm the appropriateness of the measurement of accounting estimates, including related assumptions, used in the preparation of the financial report and the consistency in application of the processes.
- The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets nor have any assets been pledged as collateral that have not been disclosed in the financial report.
- We confirm the reasonableness of significant assumptions, including whether they appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the fair value measurement or disclosures.

Laws and regulations

- Other than as disclosed to you, there have been no:
 - (a) Irregularities involving management or employees who have significant roles in the system of internal control structure
 - (b) Irregularities involving other employees, that could have a material effect on the financial report
 - (c) Communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements or
 - (d) Known actual or possible non-compliance with laws and regulations whose effects have been considered in preparing the financial report.
- We have complied with all aspects of contractual agreements that would have a material effect on the financial report in the event of non-compliance.

Fraud

- We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect fraud and error and confirm we have disclosed to you:
 - (a) The results of our assessment of the risk that the financial report may be materially misstated as a result of fraud
 - (b) Our knowledge of fraud or suspected fraud affecting the entity involving:
 - i. Management
 - ii. Employees who have significant roles in internal controls or
 - iii. Others where the fraud could have a material effect in the financial report and
 - (c) Our knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial report communicated to us by employees, former employees, analysts, regulators or others.

Internal control

- We have established and maintained an adequate internal control structure to facilitate the preparation of a reliable financial report, and adequate financial records have been maintained. There are no material transactions that have not been properly recorded in the accounting records underlying the financial report.

Commitments

- There were no material commitments for goods or services at year end, other than those disclosed in the financial report.

Subsequent events

- No events, other than those disclosed in the financial report, have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial report or amendments to significant assumptions used in the preparation of the accounting estimates.

Going concern

- Nothing has come to our attention that would indicate that Merri Creek Management Committee Inc. will not be able to continue as a going concern.

Contingencies

- We are not aware of any pending litigation involving this association, other than the matters disclosed in the financial report.
- All contingent liabilities have been provided for or noted in the financial report.

Receivables

- Adequate allowance has been made for adjustments and losses in relation to receivables.
- All receivables disclosed as having their terms renegotiated, rather than being disclosed as past due but not impaired, have been formally renegotiated with customers.

Liabilities

- We have disclosed the existence of any loans approved but not drawn down at the reporting date.
- No asset of the association has been pledged as security for any liability, except as disclosed in the financial report.
- All amounts of capital repayment and interest due to be paid to lenders during the reporting period were made on time, in accordance with provisions of the loan agreement, except as disclosed in the financial report.
- There are no financial guarantee contracts in place to third parties which could be called upon in the event of a default, other than those disclosed in the financial report.

Covenants

- We have complied with all covenants in contractual agreements that could have a material effect on the financial report in the event of non-compliance.

Property, plant and equipment

- Rates of depreciation, applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the association.
- Allowances for depreciation have been adjusted for all significant items of property, plant and equipment that have been abandoned or are otherwise unusable.

Taxation

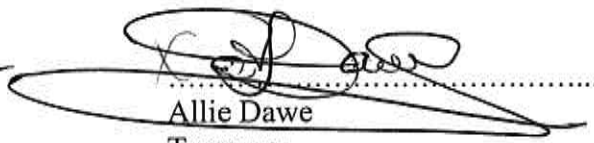
- Adequate amounts have been accrued for all local taxes on income including amounts applicable to prior years not finally settled and paid.

Electronic publication of financial report

- With respect to publication of the financial report on our website, we acknowledge that:
 - (a) We are responsible for the electronic presentation of the financial report
 - (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version
 - (c) We will clearly differentiate between audited and unaudited information in the construction of the entity's website as we understand the risk of potential misrepresentation
 - (d) We have assessed the controls over the security and integrity of the data on the website and confirmed that adequate procedures are in place to ensure the integrity of the information published and
 - (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely,


Luisa MacMillan
Manager


Allie Dawe
Treasurer

On behalf of Merri Creek Management Committee Inc.

Date: 6 November 2015

MERRI CREEK MANAGEMENT COMMITTEE INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER, 2015

MERRI CREEK MANAGEMENT COMMITTEE INC.

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FOR THE YEAR ENDED 30 SEPTEMBER, 2015

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COLVILLE WILLIAMS & CO. PTY LTD

ABN 53 007 250 331
INDEPENDENT AUDITOR'S REPORT

A C C O U N T A N T S

A U D I T O R S

A D V I S E R S

TO THE MEMBERS OF

MERRI CREEK MANAGEMENT COMMITTEE INC.

FOR THE YEAR ENDED 30TH SEPTEMBER, 2015

Scope

We have audited the accompanying financial report, being a special purpose financial report, of Merri Creek Management Committee Inc, which comprises the Statement of Financial Position as at 30 September, 2015, the Statement of Comprehensive Income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the officers' assertion statement.

Officers' Responsibility for the Financial Report

The officers of Merri Creek Management Committee Inc. are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 and is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

PARTNERS	FRED GERARDSON	B.Ec	CA
	GREG CARPENTER	B.Bus	FCPA
	PAUL WHITE	B.Comm	CA

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MERRI CREEK MANAGEMENT COMMITTEE INC.
FOR THE YEAR ENDED 30TH SEPTEMBER, 2015 (cont'd)

Qualification

Nil.

Audit Opinion

In our opinion, subject to the qualification noted above, the financial report presents fairly, in all material respects, the financial position of Merri Creek Management Committee Inc. as at 30 September 2015, and its financial performance and its cash flows for the year then ended in accordance with the reporting requirements of the Associations Incorporation Reform Act 2012.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Merri Creek Management Committee Inc. to meet the requirements of the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose.

Dated at Lower Plenty: 10 December, 2015



FRED GERARDSON
Chartered Accountant
Registered Company Auditor
Partner
Colville Williams & Co. Pty Ltd
99 Main Road
Lower Plenty VIC 3093

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER, 2015

	NOTE	2015	2014
EQUITY:			
Retained Funds - Start		42,093	30,567
Transfer to/from Environment Fund Reserve	6	(159)	(7,455)
Add Surplus / (Deficit)		23,166	18,981
		<u>65,100</u>	<u>42,093</u>
Environment Fund Reserve	6	39,166	39,007
Retained Funds - End		<u>104,266</u>	<u>81,100</u>
Represented By:			
CURRENT ASSETS:			
Cash at Bank	2	480,783	595,101
Bonds		780	780
Sundry Debtors & Prepayments		79,990	132,610
		<u>561,553</u>	<u>728,491</u>
FIXED ASSETS:			
Computer Equipment - @ Cost	1(b)	12,800	23,263
Less Prov'n for Depreciation		(8,168)	(19,918)
Plant & Equipment - @ Cost		22,238	22,238
Less Prov'n for Depreciation		(22,238)	(21,390)
Buildings		20,231	20,231
Less Prov'n for Depreciation		(20,231)	(20,231)
Vehicles - @ Cost		187,514	153,844
Less Prov'n for Depreciation		(91,817)	(79,590)
		<u>100,329</u>	<u>78,447</u>
Total Assets:		<u>661,882</u>	<u>806,938</u>
Less:			
CURRENT LIABILITIES:			
Advanced Receipts		291,671	437,153
Trade & Sundry Creditors		88,165	108,756
Provisions for Leave	1(c)	177,780	179,929
Total Liabilities:		<u>557,616</u>	<u>725,838</u>
NET ASSETS:		<u>104,266</u>	<u>81,100</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER, 2015

	NOTE	2015	2014
INCOME:			
Grants	1(e)		
Municipalities		645,901	598,684
Other Government	5	253,530	127,929
Non Government	4	49,899	15,942
Contracts		560,526	538,335
Interest Received		11,331	10,873
Profit on Sale of Fixed Assets			2,195
Sale of Publications		221	435
Environment Fund Donations		8,979	7,165
Sundry Income		2,351	3,098
Total Income:		1,532,738	1,304,656
LESS EXPENDITURE:			
Wages & Salaries		1,049,969	1,027,046
Salaries Oncosts	1(c)	125,121	124,017
Materials & Plant Hire		206,514	46,523
Vehicle Running		24,912	22,742
Admin, Project & General		89,630	85,604
Provisions			
Depreciation	1(b)	15,575	16,804
Annual & Long Service Leave	1(c)	(2,149)	(37,061)
Total Expenditure:		1,509,572	1,285,675
NET SURPLUS / (DEFICIT):		23,166	18,981

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

This special purpose financial report has been prepared for distribution to the members to fulfil the Committee of Management's financial reporting requirements under the entity's constitution and the Associations Incorporation Reform Act 2012. The accounting policies are consistent with those provided in previous years unless otherwise stated and are, in the opinion of the Committee of Management, appropriate to meet the needs of members.

(a) Basis of Accounting

The Statement of Financial Position and Statement of Comprehensive Income have been prepared on an accruals basis under the convention of historical cost accounting.

(b) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Minor Assets:

Assets with a purchase price under \$2,000 are expensed in the year of purchase.

Computers:

Depreciated 40% of purchase price in first year followed by straight line to Nil over the next three years.

Motor Vehicles:

Depreciated straight line over their useful life to the entity (usually 5 years) after allowing for the estimated residual value at the end of that useful life.

This statement is to be read in conjunction with the attached auditor's report.

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER, 2015 (cont'd)

NOTE 1 - Significant Accounting Policies (cont'd)

(c) Employee Entitlements

Employee entitlements are accrued on a pro rata basis for annual leave, sick leave and long service leave in respect of services provided by employees up to the reporting date. Such accruals are assessed as at each reporting date, having regard to current awards, rates of pay and other factors including employee departures and their periods of service.

The superannuation for the reporting period is made up of the statutory contribution the Committee makes in accordance with local government regulations to the superannuation plan which provides benefits to its employees.

(d) Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

(e) Grants, donations and other contributions

Grants, donations and other contributions are recognised as cash in hand when the Committee obtains control over the assets comprising the contributions and as income in the period in which the related expenditure is to take place.

Control over granted receipts is normally obtained upon their receipt or upon notification that a grant has been secured.

Unrealised contributions over which the Committee has control are recognised as receivables.

Contributions received in advance and which are to be wholly or partly expended in the following period are accrued as advanced receipts.

This statement is to be read in conjunction with the attached auditor's report.

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL REPORT (cont'd)

	2015	2014
NOTE 2 - STATEMENT OF CASH FLOWS		
Cash Flows from Operating Activities		
Receipts	1,439,876	1,470,687
Payments	(1,516,737)	(1,301,877)
Net cash from operating activities	<u>(76,861)</u>	<u>168,810</u>
Cash Flows from Investing Activities		
Proceeds from sale of vehicles and eqpt	-	24,545
Payments for vehicles and equipment	37,457	-
Net cash from investing activities	<u>(37,457)</u>	<u>24,545</u>
Net Increase / (Decrease) in Cash Held	(114,318)	193,355
Cash at beginning of the financial year	595,101	401,746
Cash at the end of the financial year	<u>480,783</u>	<u>595,101</u>
Reconciliation of Cash		
For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at banks and investments in money market institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:		
Operating Accounts	162,322	193,458
Environment Fund Account	46,185	38,413
Term Deposit - Bendigo Bank	121,712	167,149
Cheque Account - Bendigo Bank	238	562
Long Service Leave Account	150,326	195,519
	<u>480,783</u>	<u>595,101</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL REPORT (cont'd)

	2015	2014
Reconciliation of Net Cash Used in Operating Activities to Operating Result		
Operating Result	23,166	18,981
Add back		
Provisions for Depreciation	15,575	16,804
Provisions for Doubtful Debts	-	-
Provisions for Leave	(2,149)	(37,061)
Increase in Advanced Receipts	(145,482)	189,641
Increase in Trade Creditors	(20,591)	4,055
Less		
Increase in Trade Debtors	52,620	(21,415)
Gains on sale of vehicles and eqpt	-	(2,195)
Net cash from operating activities	(76,861)	168,810
NOTE 3 - AUDITOR'S REMUNERATION		
Audit Fees	6,300	6,000
Other Services	1,200	1,100
	7,500	7,100
NOTE 4 - GRANTS - NON GOVERNMENT		
Office of Living Victoria	-	-
Other	49,899	15,942
	49,899	15,942
NOTE 5 - GRANTS - OTHER GOVERNMENT		
Office of Living Victoria	156,545	-
Other	96,985	127,929
	253,530	127,929
NOTE 6 - ENVIRONMENT FUND RESERVE		
Opening Balance	39007	31552
Add Transfer from Retained Earnings	0	0
Add Interest Received	235	290
Add Donations Received	8979	7165
	9214	7455
Less Transfer to Retained Earnings	0	0
Less Project Expenditure	9055	0
	9055	0
Closing Balance	39166	39007

MERRI CREEK MANAGEMENT COMMITTEE INC.

Statement by Members of the Committee of Management

The members of the Committee of Management have determined that the Merri Creek Management Committee Inc. is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outline in Note 1 to the financial report.

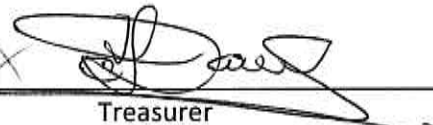
In the opinion of the members of the Committee of Management of the association the financial report:

1. Presents a true and fair view of the financial position of the Merri Creek Management Committee Inc. as at 30 September 2015 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that Merri Creek Management committee Inc. will be able to pay its debts as and when they fall due.

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

X 

President

X 

Treasurer

Date: 18/2/2016

Date: 18.2.2016