

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER, 2018**

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

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**FOR THE YEAR ENDED 30 SEPTEMBER, 2018**

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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

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
MERRI CREEK MANAGEMENT COMMITTEE INC.  
FOR THE YEAR ENDED 30TH SEPTEMBER, 2018**

**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, 2018, 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 C A  
**GREG CARPENTER** B.Bus FCPA  
**PAUL WHITE** B.Comm C A

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**FOR THE YEAR ENDED 30TH SEPTEMBER, 2018 (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 2018, 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: 18 January, 2019



**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, 2018

|                                               | NOTE | 2018                  | 2017                  |
|-----------------------------------------------|------|-----------------------|-----------------------|
| EQUITY:                                       |      |                       |                       |
| Retained Funds - Start                        |      | 87,045                | 63,215                |
| Transfer (to) / from Environment Fund Reserve | 5    | (4,837)               | (24,035)              |
| Add Surplus / (Deficit)                       |      | 59,949                | 47,865                |
|                                               |      | <u>142,157</u>        | <u>87,045</u>         |
| Environment Fund Reserve                      | 5    | <u>68,068</u>         | <u>63,231</u>         |
| Retained Funds - End                          |      | <u><u>210,225</u></u> | <u><u>150,276</u></u> |
| Represented By:                               |      |                       |                       |
| CURRENT ASSETS:                               |      |                       |                       |
| Cash at Bank                                  | 2    | 606,510               | 661,678               |
| Bonds                                         |      | 780                   | 780                   |
| Sundry Debtors & Prepayments                  |      | 167,435               | 88,931                |
|                                               |      | <u>774,725</u>        | <u>751,389</u>        |
| FIXED ASSETS:                                 |      |                       |                       |
|                                               | 1(b) |                       |                       |
| Computer Equipment - @ Cost                   |      | 16,243                | 12,800                |
| Less Prov'n for Depreciation                  |      | (8,685)               | (11,854)              |
| Plant & Equipment - @ Cost                    |      | 22,238                | 22,238                |
| Less Prov'n for Depreciation                  |      | (22,238)              | (22,238)              |
| Buildings                                     |      | 20,231                | 20,231                |
| Less Prov'n for Depreciation                  |      | (20,231)              | (20,231)              |
| Vehicles - @ Cost                             |      | 190,156               | 148,362               |
| Less Prov'n for Depreciation                  |      | (103,848)             | (93,251)              |
|                                               |      | <u>93,866</u>         | <u>56,057</u>         |
| Total Assets:                                 |      | <u>868,591</u>        | <u>807,446</u>        |
| Less:                                         |      |                       |                       |
| CURRENT LIABILITIES:                          |      |                       |                       |
| Advanced Receipts                             |      | 384,927               | 358,855               |
| Trade & Sundry Creditors                      |      | 71,612                | 72,397                |
| Provisions for Leave                          | 1(c) | 201,827               | 225,918               |
| Total Liabilities:                            |      | <u>658,366</u>        | <u>657,170</u>        |
| NET ASSETS:                                   |      | <u><u>210,225</u></u> | <u><u>150,276</u></u> |

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER, 2018

|                                | NOTE | 2018                 | 2017                 |
|--------------------------------|------|----------------------|----------------------|
| INCOME:                        |      |                      |                      |
| Grants                         | 1(e) |                      |                      |
| Municipalities                 |      | 639,180              | 655,444              |
| Other Government               |      | 69,828               | 81,456               |
| Non Government                 | 4    | 108,991              | 99,732               |
| Contracts                      |      | 525,474              | 390,133              |
| Interest Received              |      | 9,048                | 8,527                |
| Profit on Sale of Fixed Assets |      | -                    | -                    |
| Sale of Publications           |      | 4,104                | 552                  |
| Environment Fund Donations     |      | 15,972               | 34,466               |
| Sundry Income                  |      | 1,387                | 2,224                |
| Total Income:                  |      | <u>1,373,984</u>     | <u>1,272,534</u>     |
| LESS EXPENDITURE:              |      |                      |                      |
| Wages & Salaries               |      | 990,303              | 901,660              |
| Salaries Oncosts               | 1(c) | 134,013              | 110,624              |
| Materials & Plant Hire         |      | 77,648               | 74,257               |
| Vehicle Running                |      | 27,262               | 17,705               |
| Admin, Project & General       |      | 96,877               | 83,423               |
| Provisions                     |      |                      |                      |
| Depreciation                   | 1(b) | 12,023               | 11,374               |
| Annual & Long Service Leave    | 1(c) | (24,091)             | 25,626               |
| Total Expenditure:             |      | <u>1,314,035</u>     | <u>1,224,669</u>     |
| NET SURPLUS / (DEFICIT):       |      | <u><u>59,949</u></u> | <u><u>47,865</u></u> |



**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**NOTES TO THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER, 2018**

**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, 2018 (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)

|                                                                                                                                                                                                                                                                                            | 2018           | 2017           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| NOTE 2 - STATEMENT OF CASH FLOWS                                                                                                                                                                                                                                                           |                |                |
| <b>Cash Flows from Operating Activities</b>                                                                                                                                                                                                                                                |                |                |
| Receipts                                                                                                                                                                                                                                                                                   | 1,321,552      | 1,244,976      |
| Payments                                                                                                                                                                                                                                                                                   | (1,326,888)    | (1,182,972)    |
| Net cash from operating activities                                                                                                                                                                                                                                                         | (5,336)        | 62,004         |
| <b>Cash Flows from Investing Activities</b>                                                                                                                                                                                                                                                |                |                |
| Proceeds from sale of vehicles and eqpt                                                                                                                                                                                                                                                    | -              | -              |
| Payments for vehicles and equipment                                                                                                                                                                                                                                                        | 49,832         | -              |
| Net cash from investing activities                                                                                                                                                                                                                                                         | (49,832)       | -              |
| Net Increase / (Decrease) in Cash Held                                                                                                                                                                                                                                                     | (55,168)       | 62,004         |
| Cash at beginning of the financial year                                                                                                                                                                                                                                                    | 661,678        | 599,674        |
| <b>Cash at the end of the financial year</b>                                                                                                                                                                                                                                               | <b>606,510</b> | <b>661,678</b> |
| <b>Reconciliation of Cash</b>                                                                                                                                                                                                                                                              |                |                |
| 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                                                                                                                                                                                                                                                                         | 162,831        | 255,241        |
| Environment Fund Account                                                                                                                                                                                                                                                                   | 68,351         | 63,231         |
| Term Deposit - Bendigo Bank                                                                                                                                                                                                                                                                | 230,020        | 214,916        |
| Cheque Account - Bendigo Bank                                                                                                                                                                                                                                                              | 192            | 126            |
| Long Service Leave Account                                                                                                                                                                                                                                                                 | 145,117        | 128,164        |
|                                                                                                                                                                                                                                                                                            | <u>606,510</u> | <u>661,678</u> |

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL REPORT (cont'd)

|                                                                                    | 2018     | 2017     |
|------------------------------------------------------------------------------------|----------|----------|
| <b>Reconciliation of Net Cash Used in Operating Activities to Operating Result</b> |          |          |
| Operating Result                                                                   | 59,949   | 47,865   |
| Add back                                                                           |          |          |
| Provisions for Depreciation                                                        | 12,023   | 11,374   |
| Provisions for Doubtful Debts                                                      | -        | -        |
| Provisions for Leave                                                               | (24,091) | 25,626   |
| Increase in Advanced Receipts                                                      | 26,072   | (2,380)  |
| Increase in Trade Creditors                                                        | (785)    | 4,697    |
| Less                                                                               |          |          |
| Increase in Trade Debtors                                                          | (78,504) | (25,178) |
| Gains on sale of vehicles and eqpt                                                 | -        | -        |
| Net cash from operating activities                                                 | (5,336)  | 62,004   |

NOTE 3 - AUDITOR'S REMUNERATION

|                |       |       |
|----------------|-------|-------|
| Audit Fees     | 6,300 | 6,300 |
| Other Services | 1,050 | 1,200 |
|                | 7,350 | 7,500 |

NOTE 4 - GRANTS - NON GOVERNMENT

|                        |   |        |
|------------------------|---|--------|
| Philanthropic entities | - | 88,995 |
|                        | - | 88,995 |

NOTE 5 - ENVIRONMENT FUND RESERVE

|                                     |       |       |
|-------------------------------------|-------|-------|
| Opening Balance                     | 63231 | 39196 |
| Add Transfer from Retained Earnings |       |       |
| - Interest Received                 | 162   | 77    |
| - Donations Received                | 15972 | 34466 |
| - Additional amount transferred in  | 0     | 0     |
|                                     | 16134 | 34543 |
| Less Transfer to Retained Earnings  |       |       |
| - Project Expenditure               | 11297 | 10508 |
| - Additional amount transferred out | 0     | 0     |
|                                     | 11297 | 10508 |
| Closing Balance                     | 68068 | 63231 |

**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 2018 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:

President

Date: \_\_\_\_\_

✓  
\_\_\_\_\_  
Treasurer

Date: \_\_\_\_\_