

MERRI CREEK MANAGEMENT COMMITTEE INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER, 2021

MERRI CREEK MANAGEMENT COMMITTEE INC.

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FOR THE YEAR ENDED 30 SEPTEMBER, 2021

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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, 2021**

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, 2021, 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 entity is not a reporting entity and that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012 and the Australian Charities and Not for Profits Commission 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.

The officers' responsibility also includes assessing the entity's ability to continue as a going concern, disclosing as applicable matters relating to going concern, and using the going concern basis for accounting unless the officers intend to liquidate the entity or to cease operations or have no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MERRI CREEK MANAGEMENT COMMITTEE INC.

FOR THE YEAR ENDED 30TH SEPTEMBER, 2021 (cont'd)

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.

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 2021, 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 and the Australian Charities and Not for Profits Commission 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 and the Australian Charities and Not for Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

Dated at Lower Plenty: 3 February, 2022



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, 2021

	NOTE	2021	2020
EQUITY:			
Retained Funds - Start		388,911	202,100
Transfer (to) / from Environment Fund Reserve	5	(23,322)	(2,832)
Add Surplus / (Deficit)		62,097	189,643
		<u>427,687</u>	<u>388,911</u>
Environment Fund Reserve	5	100,495	77,173
		<u>528,181</u>	<u>466,084</u>
Retained Funds - End			
Represented By:			
CURRENT ASSETS:			
Cash at Bank	2	1,343,361	961,881
Bonds		780	780
Sundry Debtors & Prepayments		120,806	179,256
		<u>1,464,947</u>	<u>1,141,917</u>
FIXED ASSETS:			
	1(b)		
Computer Equipment - @ Cost		14,001	14,001
Less Prov'n for Depreciation		(11,314)	(8,952)
Plant & Equipment - @ Cost		38,694	31,943
Less Prov'n for Depreciation		(24,484)	(22,543)
Buildings		20,231	20,231
Less Prov'n for Depreciation		(20,231)	(20,231)
Vehicles - @ Cost		232,415	232,417
Less Prov'n for Depreciation		(145,808)	(130,909)
		<u>103,505</u>	<u>115,957</u>
Total Assets:		<u>1,568,452</u>	<u>1,257,874</u>
Less:			
CURRENT LIABILITIES:			
Advanced Receipts		634,005	428,061
Trade & Sundry Creditors		125,329	107,522
Provisions for Leave	1(c)	280,937	256,207
Total Liabilities:		<u>1,040,271</u>	<u>791,790</u>
NET ASSETS:		<u>528,181</u>	<u>466,084</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER, 2021

	NOTE	2021	2020
INCOME:			
Grants	1(e)		
Municipalities		711,349	747,939
Other Government		59,579	65,023
Non Government	4	75,246	48,449
Contracts		764,574	714,135
Interest Received		1,870	6,862
Profit on Sale of Fixed Assets		-	-
Sale of Publications		1,804	7,402
Environment Fund Donations		39,619	28,224
ATO PAYGW Cash Flow Boost		12,500	87,500
Sundry Income		1,116	492
Total Income:		<u>1,667,657</u>	<u>1,706,028</u>
LESS EXPENDITURE:			
Wages & Salaries		1,143,539	1,073,239
Salaries Oncosts	1(c)	142,686	140,466
Materials, Plant Hire & Consultants		126,107	90,242
Vehicle Running		29,732	27,966
Admin, Project & General		119,563	120,582
Provisions			
Depreciation	1(b)	19,202	18,219
Annual & Long Service Leave	1(c)	24,731	45,673
Total Expenditure:		<u>1,605,560</u>	<u>1,516,386</u>
NET SURPLUS / (DEFICIT):		<u>62,097</u>	<u>189,643</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER, 2021

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 and the Australian Charities and Not for Profits Commission 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) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits at call with banks and other short term highly liquid investments with maturities of twelve months or less.

(c) 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 \$3,500 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, 2021 (cont'd)

NOTE 1 - Significant Accounting Policies (cont'd)

(d) 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.

(e) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity.

(f) Advanced Receipts

Monies received from member entities as advances for services to be performed in the following financial year are included in the accounts as current liabilities at amounts which reflect the future value of the services still outstanding as at balance date.

(g) 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.

NOTES TO THE FINANCIAL REPORT (cont'd)

	2021	2020
NOTE 2 - STATEMENT OF CASH FLOWS		
Cash Flows from Operating Activities		
Receipts	1,932,052	1,832,891
Payments	(1,543,821)	(1,435,962)
Net cash from operating activities	388,231	396,929
Cash Flows from Investing Activities		
Proceeds from sale of vehicles and eqpt	-	-
Payments for vehicles and equipment	6,751	55,735
Net cash from investing activities	(6,751)	(55,735)
Net Increase / (Decrease) in Cash Held	381,480	341,194
Cash at beginning of the financial year	961,881	620,687
Cash at the end of the financial year	1,343,361	961,881
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	669,484	315,165
Environment Fund Account	100,778	77,455
Term Deposit - Bendigo Bank	439,568	438,536
Cheque Account - Bendigo Bank	3,223	4,937
Long Service Leave Account	130,308	125,788
	1,343,361	961,881

NOTES TO THE FINANCIAL REPORT (cont'd)

	2021	2020
Reconciliation of Net Cash Used in Operating Activities to Operating Result		
Operating Result	62,097	189,643
Add back		
Provisions for Depreciation	19,202	18,219
Provisions for Doubtful Debts	-	-
Provisions for Leave	24,731	45,673
Increase in Advanced Receipts	205,944	5,063
Increase in Trade Creditors	17,807	16,532
Less		
Increase in Trade Debtors	58,450	121,799
Gains on sale of vehicles and eqpt	-	-
Net cash from operating activities	<u>388,231</u>	<u>396,929</u>

NOTE 3 - AUDITOR'S REMUNERATION

Audit Fees	6,400	6,400
Other Services	900	900
	<u>7,300</u>	<u>7,300</u>

NOTE 4 - GRANTS - NON GOVERNMENT

Philanthropic entities	17,333	8,611
Other	57,913	39,838
	<u>75,246</u>	<u>48,449</u>

NOTE 5 - ENVIRONMENT FUND RESERVE

Opening Balance	<u>77173</u>	<u>74341</u>
Add Transfer from Retained Earnings		
- Interest Received	43	90
- Donations Received	39618	28224
- Additional amount transferred in	0	0
	<u>39661</u>	<u>28314</u>
Less Transfer to Retained Earnings		
- Project Expenditure	16339	25482
- Additional amount transferred out	0	0
	<u>16339</u>	<u>25482</u>
Closing Balance	<u>100495</u>	<u>77173</u>

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 2021 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: 24/3/2022



Treasurer

Date: 29/03/2022