

MERRI CREEK MANAGEMENT COMMITTEE INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2010

MERRI CREEK MANAGEMENT COMMITTEE INC.

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FOR THE YEAR ENDED 30TH SEPTEMBER, 2010

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COLVILLE WILLIAMS & CO. P/L

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, 2010

SCOPE

I have audited the attached special purpose financial report comprising the Balance Sheet as at 30th September, 2010 and the Income and Expenditure Statement and Notes to the Accounts for the year then ended. The entity's Committee of Management is responsible for the preparation and presentation of the financial report and the information contained therein, and have determined that the accounting policies used are consistent with the financial reporting requirements of the entity's constitution and are appropriate to meet the needs of the members. I have conducted an independent audit of the financial report in order to express an opinion to the members of the entity on its preparation and presentation.

No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee of Management's financial reporting responsibilities under the entity's constitution. I 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.

My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial statements. (These policies do not require the application of all Statements of Accounting Concepts and Accounting Standards.)

The audit opinion expressed in this report has been formed on the above basis.

PARTNERS

FRED GERARDSON B.Ec C.A
DAVID HOOK B.Bus F.C.P.A
GREG CARPENTER B.Bus C.P.A

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MERRI CREEK MANAGEMENT COMMITTEE INC.
FOR THE YEAR ENDED 30TH SEPTEMBER, 2010 (cont'd)

QUALIFICATION

Nil.

AUDIT OPINION

In my opinion, subject to the qualification noted above, the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements the results of the operations of MERRI CREEK MANAGEMENT COMMITTEE INC. for the year ended 30th September, 2010.

Dated at Lower Plenty: 22nd November, 2010



FRED GERARDSON
Chartered Accountant
Registered Company Auditor

MERRI CREEK MANAGEMENT COMMITTEE INC.

BALANCE SHEET

AS AT 30TH SEPTEMBER, 2010

	NOTE	2010	2009
EQUITY:			
Retained Funds - Start		243,628	282,131
Add Surplus / (Deficit)		(81,981)	(38,503)
Retained Funds - End		<u>161,647</u>	<u>243,628</u>
Represented By:			
CURRENT ASSETS:			
Cash at Bank	2	454,894	719,247
Bonds		780	780
Sundry Debtors & Prepayments		<u>134,082</u>	<u>97,759</u>
		<u>589,756</u>	<u>817,786</u>
FIXED ASSETS:			
Computer Equipment - @ Cost	1(b)	18,794	16,602
Less Prov'n for Depreciation		(12,387)	(8,765)
Plant & Equipment - @ Cost		22,238	13,763
Less Prov'n for Depreciation		(14,610)	(13,763)
Buildings		14,180	14,180
Less Prov'n for Depreciation		(14,180)	(14,180)
Vehicles - @ Cost		231,237	223,032
Less Prov'n for Depreciation		<u>(57,276)</u>	<u>(53,168)</u>
		<u>187,996</u>	<u>177,701</u>
Total Assets:		<u>777,752</u>	<u>995,487</u>
Less:			
CURRENT LIABILITIES:			
Advanced Receipts		340,167	492,337
Trade & Sundry Creditors		116,176	108,531
Provisions for Leave	1(c)	<u>159,762</u>	<u>150,991</u>
Total Liabilities:		<u>616,105</u>	<u>751,859</u>
NET ASSETS:		<u>161,647</u>	<u>243,628</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF INCOME & EXPENDITURE

FOR THE TWELVE MONTHS ENDED 30TH SEPTEMBER, 2010

	NOTE	2010	2009
INCOME:			
Grants	1(e)		
Municipalities		575,665	526,849
Other Government		67,132	243,433
Non Government	4	73,818	35,447
Contracts		511,650	586,464
Interest Received		16,563	31,279
Profit on Sale of Fixed Assets		617	1,387
Sale of Publications		963	837
Environment Fund Donations		600	250
Sundry Income		14,332	19,051
Total Income:		<u>1,261,340</u>	<u>1,444,997</u>
LESS EXPENDITURE:			
Wages & Salaries		1,026,342	1,096,278
Salaries Oncosts	1(c)	112,297	126,237
Materials & Plant Hire		36,735	79,364
Vehicle Running		19,971	18,665
Admin, Project & General		117,581	118,530
Environment Fund Disbursements		-	-
Provisions			
Depreciation	1(b)	21,622	20,629
Annual & Long Service Leave	1(c)	8,773	23,797
Total Expenditure:		<u>1,343,321</u>	<u>1,483,500</u>
NET SURPLUS / (DEFICIT):		<u>(81,981)</u>	<u>(38,503)</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2010

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. 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 Balance Sheet and Income and Expenditure Statement 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 STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2010 (cont'd)

NOTE 1 - Significant Accounting Policies (cont'd)

(c) Employee Entitlements

Employee entitlements are accrued on a pro rata basis for annual 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 STATEMENTS (cont'd)

	<u>2010</u>	<u>2009</u>
NOTE 2 - STATEMENT OF CASH FLOWS		
Cash Flows from Operating Activities		
Receipts	1,072,230	1,465,832
Payments	<u>(1,305,281)</u>	<u>(1,432,677)</u>
Net cash from operating activities	<u>(233,051)</u>	<u>33,155</u>
Cash Flows from Investing Activities		
Proceeds from sale of vehicles and eqpt	20,000	36,423
Payments for vehicles and equipment	<u>51,302</u>	<u>113,600</u>
Net cash from investing activities	<u>(31,302)</u>	<u>(77,177)</u>
Net Increase / (Decrease) in Cash Held	(264,353)	(44,022)
Cash at beginning of the financial year	719,247	763,269
Cash at the end of the financial year	<u>454,894</u>	<u>719,247</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	359,206	644,253
Environment Fund Account	20,777	19,642
Term Deposit - Bendigo Bank	0	0
Cheque Account - Bendigo Bank	2,199	2,423
Long Service Leave Account	<u>72,712</u>	<u>52,929</u>
	<u>454,894</u>	<u>719,247</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	<u>2010</u>	<u>2009</u>
Reconciliation of Net Cash Used in Operating Activities to Operating Result		
Operating Result	(81,981)	(38,503)
Add back		
Provisions for Depreciation	21,622	20,629
Provisions for Doubtful Debts	-	-
Provisions for Leave	8,773	23,797
Increase in Advanced Receipts	(152,170)	15,739
Increase in Trade Creditors	7,645	6,397
Less		
Increase in Trade Debtors	(36,323)	6,483
Gains on sale of vehicles and eqpt	(617)	(1,387)
Net cash from operating activities	<u>(233,051)</u>	<u>33,155</u>

NOTE 3 - AUDITOR'S REMUNERATION

Audit Fees	5,200	5,380
Other Services	650	900
	<u>5,850</u>	<u>6,280</u>

NOTE 4 - GRANTS - NON GOVERNMENT

GVEHO	2,300	2,300
Other	64,832	33,147
	<u>67,132</u>	<u>35,447</u>