COLVILLE WILLIAMS & CO. PTY LTD
ABN 55 007 250 231
ACCOUNTANTS | AUDITORS | ADVISERS

7 December 2016

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 2016.

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.**

During the course of the audit it was noted that cost control of projects has been improved considerably over the past three years with the successful implementation of the Bill Quick Express software. This has reduced the concerns previously expressed in regards to the going concern viability of the entity and accordingly reduced the pressure to maintain larger retained earnings reserves.

However, it would still be prudent to review the level of those reserves required to provide continuity of operations of the entity in future years.

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

FRED GERARDSON
Chartered Accountant
Registered Company Auditor

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

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MERRI CREEK MANAGEMENT COMMITTEE INC.

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER, 2016

MERRI CREEK MANAGEMENT COMMITTEE INC.

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FOR THE YEAR ENDED 30 SEPTEMBER, 2016

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MERRI CREEK MANAGEMENT COMMITTEE INC.

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016

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, 2016, 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
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GREG CARPENTER B.Bus FCPA
PAUL WHITE B.Comm CA

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MERRI CREEK MANAGEMENT COMMITTEE INC.

FOR THE YEAR ENDED 30TH SEPTEMBER, 2016 (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 2016, 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: 7 December, 2016

Fred Gerardson

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, 2016

	NOTE	2016	2015
EQUITY:			
Retained Funds - Start		65,100	42,093
Transfer to/from Environment Fund Reserve	6	(469)	(159)
Add Surplus / (Deficit)		(1,416)	23,166
		63,215	65,100
Environment Fund Reserve	6	39,196	39,166
Retained Funds - End		102,411	104,266
Represented By:			
CURRENT ASSETS:			
Cash at Bank	2	599,674	480,783
Bonds		780	780
Sundry Debtors & Prepayments		63,753	79,990
		664,207	561,553
FIXED ASSETS:	1(b)		
Computer Equipment - @ Cost		12,800	12,800
Less Prov'n for Depreciation		(10,408)	(8,168)
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		148,362	187,514
Less Prov'n for Depreciation		(83,323)	(91,817)
		67,431	100,329
Total Assets:		731,638	661,882
Less:			
CURRENT LIABILITIES:			
Advanced Receipts		361,235	291,671
Trade & Sundry Creditors		67,700	88,165
Provisions for Leave	1(c)	200,292	177,780
Total Liabilities:		629,227	557,616
NET ASSETS:		102,411	104,266

This statement is to be read in conjunction with the attached Auditor's Report

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER, 2016

	NOTE	2016	2015
INCOME:			
Grants	1(e)		
Municipalities		630,679	645,901
Other Government	5	89,296	253,530
Non Government	4	80,224	49,899
Contracts		430,640	560,526
Interest Received		7,304	11,331
Profit on Sale of Fixed Assets		6,769	-
Sale of Publications		341	221
Environment Fund Donations		13,426	8,979
Sundry Income		1,819	2,351
Total Income:		1,260,498	1,532,738
LESS EXPENDITURE:			
Wages & Salaries		931,599	1,049,969
Salaries Oncosts	1(c)	113,779	125,121
Materials & Plant Hire		71,110	206,514
Vehicle Running		21,996	24,912
Admin, Project & General		84,888	89,630
Provisions			
Depreciation	1(b)	16,031	15,575
Annual & Long Service Leave	1(c)	22,511	(2,149)
Total Expenditure:		1,261,914	1,509,572
NET SURPLUS / (DEFICIT):		(1,416)	23,166

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, 2016

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 expended 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.

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.

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL REPORT (cont'd)

	2016	2015
NOTE 2 - STATEMENT OF CASH FLOWS		
Cash Flows from Operating Activities		
Receipts	1,339,530	1,439,876
Payments	(1,244,276)	(1,516,737)
Net cash from operating activities	95,254	(76,861)
Cash Flows from Investing Activities		
Proceeds from sale of vehicles and eqpt	23,637	-
Payments for vehicles and equipment	-	37,457
Net cash from investing activities	23,637	(37,457)
Net Increase / (Decrease) in Cash Held	118,891	(114,318)
Cash at beginning of the financial year	480,783	595,101
Cash at the end of the financial year	599,674	480,783

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:

	2016	2015
Operating Accounts	125,166	162,322
Environment Fund Account	39,196	46,185
Term Deposit - Bendigo Bank	310,078	121,712
Cheque Account - Bendigo Bank	118	238
Long Service Leave Account	125,116	150,326
	599,674	480,783

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)

	2016	2015
Reconciliation of Net Cash Used in Operating Activities to Operating Result		
Operating Result	(1,416)	23,166
Add back		
Provisions for Depreciation	16,031	15,575
Provisions for Doubtful Debts	-	-
Provisions for Leave	22,511	(2,149)
Increase in Advanced Receipts	69,564	(145,482)
Increase in Trade Creditors	(20,465)	(20,591)
Less		
Increase in Trade Debtors	16,237	52,620
Gains on sale of vehicles and eqpt	(6,769)	-
Net cash from operating activities	95,693	(76,861)

NOTE 3 - AUDITOR'S REMUNERATION

	2016	2015
Audit Fees	6,300	6,300
Other Services	1,200	1,200
	7,500	7,500

NOTE 4 - GRANTS - NON GOVERNMENT

	2016	2015
Philanthropic entities	50,006	49,899
	50,006	49,899

NOTE 5 - GRANTS - OTHER GOVERNMENT

	2016	2015
Office of Living Victoria	-	156,545
Other	16,568	96,985
	16,568	253,530

NOTE 6 - ENVIRONMENT FUND RESERVE

	2016	2015
Opening Balance	39166	39007
Add Transfer from Retained Earnings	0	0
Add Interest Received	120	235
Add Donations Received	13426	8979
	13546	9214
Less Transfer to Retained Earnings	469	0
Less Project Expenditure	13047	9055
	13516	9055
Closing Balance	39196	39166

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 2016 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 Treasurer

Date: ________________ Date: ________________