

MERRI CREEK MANAGEMENT COMMITTEE INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2006

MERRI CREEK MANAGEMENT COMMITTEE INC.

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FOR THE YEAR ENDED 30TH SEPTEMBER, 2006

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

MERRI CREEK MANAGEMENT COMMITTEE INC.

FOR THE YEAR ENDED 30TH SEPTEMBER, 2006

SCOPE

I have audited the attached special purpose financial report comprising the Balance Sheet as at 30th September, 2006 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MERRI CREEK MANAGEMENT COMMITTEE INC.
FOR THE YEAR ENDED 30TH SEPTEMBER, 2006 (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, 2006.

Dated at Lower Plenty: 17th November, 2006

FRED GERARDSON
Chartered Accountant
Registered Company Auditor

MERRI CREEK MANAGEMENT COMMITTEE INC.

BALANCE SHEET

AS AT 30TH SEPTEMBER, 2006

	NOTE	<u>2006</u>	<u>2005</u>
EQUITY:			
Retained Funds - Start		289,652	286,873
Add Surplus / (Deficit)		6,589	2,779
Retained Funds - End		<u>\$296,241</u>	<u>\$289,652</u>
Represented By:			
CURRENT ASSETS:			
Cash at Bank	2	482,798	290,529
Bonds		780	780
Sundry Debtors & Prepayments		<u>89,760</u>	<u>135,269</u>
		<u>573,338</u>	<u>426,578</u>
FIXED ASSETS:			
Computer Equipment - @ Cost	1(b)	12,978	12,978
Less Prov'n for Depreciation		(9,790)	(7,665)
Plant & Equipment - @ Cost		13,763	13,763
Less Prov'n for Depreciation		(13,763)	(13,763)
Buildings		14,180	14,180
Less Prov'n for Depreciation		(14,180)	(14,180)
Vehicles - @ Cost		178,324	178,324
Less Prov'n for Depreciation		<u>(41,489)</u>	<u>(26,542)</u>
		<u>140,023</u>	<u>157,095</u>
Total Assets:		<u>713,361</u>	<u>583,673</u>
Less:			
CURRENT LIABILITIES:			
Advanced Receipts		268,059	142,927
Trade & Sundry Creditors		84,184	91,701
Provisions for Leave	1(c)	<u>64,877</u>	<u>59,393</u>
Total Liabilities:		<u>417,120</u>	<u>294,021</u>
NET ASSETS:		<u>\$296,241</u>	<u>\$289,652</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF INCOME & EXPENDITURE

FOR THE TWELVE MONTHS ENDED 30TH SEPTEMBER, 2006

	<u>NOTE</u>	<u>2006</u>	<u>2005</u>
INCOME:			
Grants	1(e)		
Municipalities		405,117	371,602
Other Government		64,791	26,000
Non Government	4	44,669	162,391
Contracts		425,719	394,414
Interest Received		18,704	19,734
Profit on Sale of Fixed Assets		-	9,472
Sale of Publications		811	1,429
Environment Fund Donations		1,560	200
Sundry Income		1,421	1,450
Total Income:		<u>962,792</u>	<u>986,692</u>
LESS EXPENDITURE:			
Wages & Salaries		679,915	678,543
Salaries Oncosts	1(c)	84,852	80,737
Materials & Plant Hire		52,061	80,085
Vehicle Running		14,784	20,354
Admin, Project & General		102,036	116,773
Environment Fund Disbursements		-	-
Provisions			
Depreciation	1(b)	17,072	17,840
Annual & Long Service Leave	1(c)	5,483	(10,419)
Total Expenditure:		<u>956,203</u>	<u>983,913</u>
NET SURPLUS / (DEFICIT):		<u>\$6,589</u>	<u>\$2,779</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2006

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, 2006 (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>2006</u>	<u>2005</u>
NOTE 2 - STATEMENT OF CASH FLOWS		
Cash Flows from Operating Activities		
Receipts	1,133,433	952,919
Payments	<u>(941,164)</u>	<u>(951,287)</u>
Net cash from operating activities	<u>192,269</u>	<u>1,632</u>
Cash Flows from Investing Activities		
Proceeds from sale of vehicles and eqpt	-	40,057
Payments for vehicles and equipment	-	<u>94,293</u>
Net cash from investing activities	<u>-</u>	<u>(54,236)</u>
Net Increase / (Decrease) in Cash Held	192,269	(52,604)
Cash at beginning of the financial year	290,529	343,133
Cash at the end of the financial year	<u><u>482,798</u></u>	<u><u>290,529</u></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	416,954	234,119
Environment Fund Account	5,703	3,942
Term Deposit - Bendigo Bank	12,954	12,299
Cheque Account - Bendigo Bank	1,709	4,250
Long Service Leave Account	<u>45,478</u>	<u>35,919</u>
	<u><u>482,798</u></u>	<u><u>290,529</u></u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	<u>2006</u>	<u>2005</u>
Reconciliation of Net Cash Used in Operating Activities to Operating Result		
Operating Result	6,589	2,779
Add back		
Provisions for Depreciation	17,072	17,840
Provisions for Doubtful Debts	-	-
Provisions for Leave	5,483	(10,419)
Increase in Advanced Receipts	125,132	43,688
Increase in Trade Creditors	(7,516)	25,205
Less		
Increase in Trade Debtors	45,509	(67,989)
Gains on sale of vehicles and eqpt	-	(9,472)
Net cash from operating activities	<u>192,269</u>	<u>1,632</u>

NOTE 3 - AUDITOR'S REMUNERATION

Audit Fees	4,300	4,300
Other Services	600	600
	<u>4,900</u>	<u>4,900</u>

NOTE 4 - GRANTS - NON GOVERNMENT

GVEHO	5,000	5,000
NHT	39,669	157,391
	<u>44,669</u>	<u>162,391</u>