

MERRI CREEK MANAGEMENT COMMITTEE INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2005

MERRI CREEK MANAGEMENT COMMITTEE INC.

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FOR THE YEAR ENDED 30TH SEPTEMBER, 2005

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MERRI CREEK MANAGEMENT COMMITTEE INC.
FOR THE YEAR ENDED 30TH SEPTEMBER, 2005

SCOPE

I have audited the attached special purpose financial report comprising the Balance Sheet as at 30th September, 2005 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, 2005 (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, 2005.

Dated at Lower Plenty: 11th November, 2005

**FRED GERARDSON
Chartered Accountant
Registered Company Auditor**

MERRI CREEK MANAGEMENT COMMITTEE INC.

BALANCE SHEET

AS AT 30TH SEPTEMBER, 2005

	<u>NOTE</u>	<u>2005</u>	<u>2004</u>
EQUITY:			
Retained Funds - Start		286,873	273,809
Add Surplus / (Deficit)		2,779	13,064
Retained Funds - End		<u>\$289,652</u>	<u>\$286,873</u>
Represented By:			
CURRENT ASSETS:			
Cash at Bank	2	290,529	343,133
Bonds		780	780
Sundry Debtors & Prepayments		135,269	67,280
		<u>426,578</u>	<u>411,193</u>
FIXED ASSETS:			
Computer Equipment - @ Cost	1(b)	12,978	12,978
Less Prov'n for Depreciation		(7,665)	(4,192)
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	143,508
Less Prov'n for Depreciation		(26,542)	(41,066)
		<u>157,095</u>	<u>111,228</u>
Total Assets:		<u>583,673</u>	<u>522,421</u>
Less:			
CURRENT LIABILITIES:			
Advanced Receipts		142,927	99,239
Trade & Sundry Creditors		91,701	66,496
Provisions for Leave	1(c)	59,393	69,813
Total Liabilities:		<u>294,021</u>	<u>235,548</u>
NET ASSETS:		<u>\$289,652</u>	<u>\$286,873</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF INCOME & EXPENDITURE

FOR THE TWELVE MONTHS ENDED 30TH SEPTEMBER, 2005

	<u>NOTE</u>	<u>2005</u>	<u>2004</u>
INCOME:			
Grants	1(e)		
Municipalities		371,602	370,500
Other Government		26,000	18,687
Non Government		162,391	37,250
Contracts		394,414	442,970
Interest Received		19,734	16,015
Profit on Sale of Fixed Assets		9,472	50
Sale of Publications		1,429	1,193
Environment Fund Donations		200	-
Sundry Income		1,450	6,002
Total Income:		<u>986,692</u>	<u>892,667</u>
LESS EXPENDITURE:			
Wages & Salaries		678,543	547,010
Salaries Oncosts	1(c)	80,737	68,468
Materials & Plant Hire		80,085	84,453
Vehicle Running		20,354	11,637
Admin, Project & General		116,773	140,207
Environment Fund Disbursements		-	-
Provisions			
Depreciation	1(b)	17,840	13,211
Annual & Long Service Leave	1(c)	(10,419)	14,617
Total Expenditure:		<u>983,913</u>	<u>879,603</u>
NET SURPLUS / (DEFICIT):		<u><u>\$2,779</u></u>	<u><u>\$13,064</u></u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER, 2005

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, 2005 (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>2005</u>	<u>2004</u>
NOTE 2 - STATEMENT OF CASH FLOWS		
Cash Flows from Operating Activities		
Receipts	952,919	911,543
Payments	(951,287)	(864,086)
Net cash from operating activities	<u>1,632</u>	<u>47,457</u>
Cash Flows from Investing Activities		
Proceeds from sale of vehicles and eqpt	40,057	50
Payments for vehicles and equipment	94,293	10,625
Net cash from investing activities	<u>(54,236)</u>	<u>(10,575)</u>
Net Increase / (Decrease) in Cash Held	(52,604)	36,882
Cash at beginning of the financial year	343,133	306,251
Cash at the end of the financial year	<u><u>290,529</u></u>	<u><u>343,133</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	234,119	273,511
Environment Fund Account	3,942	3,529
Term Deposit - Bendigo Bank	12,299	11,698
Cheque Account - Bendigo Bank	4,250	1,137
Long Service Leave Account	35,919	53,258
	<u><u>290,529</u></u>	<u><u>343,133</u></u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	<u>2005</u>	<u>2004</u>
Reconciliation of Net Cash Used in Operating Activities to Operating Result		
Operating Result	2,779	13,064
Add back		
Provisions for Depreciation	17,840	13,211
Provisions for Doubtful Debts	-	-
Provisions for Leave	(10,419)	14,617
Increase in Advanced Receipts	43,688	31,932
Increase in Trade Creditors	25,205	(12,311)
Less		
Increase in Trade Debtors	(67,989)	(13,006)
Gains on sale of vehicles and eqpt	(9,472)	(50)
Net cash from operating activities	<u>1,632</u>	<u>47,457</u>

NOTE 3 - AUDITOR'S REMUNERATION

Audit Fees	4,300	4,000
Other Services	600	600
	<u>4,900</u>	<u>4,600</u>