



COLVILLE WILLIAMS & CO. PTY LTD  
ACCOUNTANTS & AUDITORS

A C C O U N T A N T S

A U D I T O R S

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<u>AL0175</u>
<b>MERRICREEK MANAGEMENT COMMITTEE INC</b>

Ms L MacMillan  
Merri Creek Management Committee Inc.  
2 Lee Street  
**EAST BRUNSWICK VIC 3057**

18 December 2013

Dear Luisa

Please find enclosed the auditor's report and financial statements for the year ended 30 September 2013.

We note the continuing trend of losses and the erosion of the retained funds. If this were to continue at the current rate there may be issues of going concern to address within the next one to two years. We ask that you bring this to the attention of the Committee of Management.

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.**

We trust that our comments are helpful and request that you ensure that the discussions and actions are duly minuted at the relevant meeting.

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**  
Chartered Accountant  
Registered Company Auditor

MEMBERS: FRED GERARDSON B.Ec. C.A.  
DAVID HOOK B.Bus. F.CPA  
GREG CARPENTER B.Bus. CPA

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MERRI CREEK MANAGEMENT COMMITTEES INC.

BALANCE SHEET

AS AT 30TH SEPTEMBER, 2013

NOTE	2013	2012	2011	2010	2009	2008	2007	2006
EQUITY:								
Retained Funds - Start	87,482	391,723	161,647	243,628	287,229	296,665	301,349	294,750
Transfer to/from Environment Fund Reserve	(2,194)	(29,358)		(81,981)	(38,503)	(7,436)		
Add Surplus / (Deficit)	(56,721)	(76,893)	32,076				(6,684)	6,989
	30,567	87,482						
Environment Fund Reserve	31,852	29,358						
Retained Funds - End	62,119	116,840	193,723	161,647	248,726	\$207,229	\$254,665	\$301,339
Represented by:								
CURRENT ASSETS:								
Cash at Bank	401,746	432,677	440,180	454,894	719,247	763,269	681,695	482,798
Bonds	780	780	780	780	780	780	780	780
Sundry Debtors & Prepayments	113,195	113,995	110,876	134,082	97,759	104,262	231,368	89,760
	513,721	547,652	551,836	589,756	817,786	868,291	833,723	573,338
FIXED ASSETS:								
Computer Equipment - @ Cost	25,615	21,020	21,020	16,794	16,692	27,228	12,978	12,978
Less Prov'n for Depreciation	(20,118)	(18,767)	(15,675)	(12,387)	(8,755)	(14,403)	(11,935)	(9,790)
Plant & Equipment - @ Cost	22,238	22,238	22,238	22,238	13,753	13,763	13,763	13,763
Less Prov'n for Depreciation	(19,695)	(18,000)	(16,305)	(14,610)	(13,763)	(13,763)	(13,763)	(12,763)
Buildings	20,231	20,231	20,231	14,180	14,180	14,180	14,180	14,180
Less Prov'n for Depreciation	(19,425)	(17,188)	(15,644)	(14,280)	(14,280)	(14,180)	(14,180)	(14,180)
Vehicles - @ Cost	191,095	191,095	191,095	231,237	222,052	178,324	178,324	178,324
Less Prov'n for Depreciation	(82,648)	(68,571)	(54,494)	(57,376)	(53,166)	(71,302)	(56,436)	(41,489)
	117,601	132,138	136,601	187,996	177,701	119,766	122,981	140,023
Total Assets:	631,322	679,791	704,302	777,752	995,487	988,957	956,974	713,361
Less:								
CURRENT LIABILITIES:								
Advanced Receipts	247,612	232,529	235,426	340,167	492,337	476,598	434,389	286,059
Trade & Sundry Creditors	104,701	139,840	104,631	116,176	108,631	102,134	113,007	84,184
Provisions for Leave	216,990	190,582	170,522	159,762	150,991	127,194	120,033	64,877
Total Liabilities:	569,303	562,951	510,579	616,105	751,959	705,926	667,427	417,120
NET ASSETS:	62,119	116,840	193,723	161,647	243,726	\$207,229	\$289,547	\$296,241

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

**MERRI CREEK MANAGEMENT COMMITTEE INC.**  
**STATEMENT OF INCOME & EXPENDITURE**  
**FOR THE TWELVE MONTHS ENDED 30TH SEPTEMBER, 2013**

NOTE	2013	2012	2011	2010	2009	2008	2007	2006
<b>INCOME:</b>								
Grants								
Municipalities	556,127	588,230	540,460	575,665	526,849	459,472	450,930	465,117
Other Government	135,440	106,453	158,179	167,132	243,433	168,147	232,109	84,751
Non Government	162,750	166,357	56,370	73,838	35,447	66,066	40,887	44,669
Contracts	476,304	409,187	631,089	511,650	586,464	535,091	443,590	425,719
Interest Received	17,626	23,174	21,776	16,563	31,279	39,585	26,230	18,704
Profit on Sale of Fixed Assets	-	-	4,228	617	1,357	-	-	-
Sale of Publications	864	2,027	743	563	837	922	678	511
Environment Fund Donations	1,828	5,150	1,777	600	230	11,150	865	1,560
Sundry Income	5,634	5,450	17,508	14,332	19,051	3,349	2,125	1,421
Total Income:	<u>1,355,993</u>	<u>1,316,018</u>	<u>1,432,122</u>	<u>1,261,348</u>	<u>1,444,957</u>	<u>1,283,783</u>	<u>1,217,354</u>	<u>942,752</u>
<b>LESS EXPENDITURE:</b>								
Wages & Salaries								
Salaries Oncosts	1,062,076	1,036,853	1,048,521	1,026,342	1,096,278	926,566	839,366	679,515
Materials & Plant Hire	131,328	128,460	125,075	112,297	126,237	103,427	104,726	94,852
Vehicle Running	51,629	56,289	61,940	36,735	75,364	90,362	75,825	52,061
Admin, Project & General Provisions	20,771	25,244	20,137	19,971	18,465	17,428	15,236	14,784
Depreciation	79,370	105,628	92,852	117,581	118,430	328,739	125,114	102,036
Annual & Long Service Leave	19,132	20,328	20,762	21,622	20,629	17,435	17,072	17,072
Total Expenditure:	1,410,714	1,392,901	1,380,046	1,345,321	1,483,500	1,221,119	1,224,088	956,203
NET SURPLUS / (DEFICIT):	<u>(54,721)</u>	<u>(76,883)</u>	<u>32,076</u>	<u>(81,981)</u>	<u>(38,543)</u>	<u>(37,436)</u>	<u>(6,734)</u>	<u>(13,451)</u>

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER, 2013**

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**MERRI CREEK MANAGEMENT COMMITTEE INC.**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2012 (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, 2013.

Dated at Lower Plenty:                      18<sup>th</sup> December, 2013



**FRED GERARDSON**  
**Chartered Accountant**  
**Registered Company Auditor**

MERRI CREEK MANAGEMENT COMMITTEE INC.

BALANCE SHEET

AS AT 30TH SEPTEMBER, 2013

	NOTE	2013	2012
EQUITY:			
Retained Funds - Start		87,482	193,723
Transfer to/from Environment Fund Reserve	5	(2,194)	(29,358)
Add Surplus / (Deficit)		<u>(54,721)</u>	<u>(76,883)</u>
Environment Fund Reserve	5	<u>30,567</u>	<u>87,482</u>
Retained Funds - End		<u>31,552</u>	<u>29,358</u>
		<u>62,119</u>	<u>116,840</u>
Represented By:			
CURRENT ASSETS:			
Cash at Bank	2	401,746	432,877
Bonds		780	780
Sundry Debtors & Prepayments		<u>111,195</u>	<u>113,996</u>
		<u>513,721</u>	<u>547,653</u>
FIXED ASSETS:			
Computer Equipment - @ Cost	1(b)	25,615	21,020
Less Prov'n for Depreciation		(20,110)	(18,767)
Plant & Equipment - @ Cost		22,238	22,238
Less Prov'n for Depreciation		(19,695)	(18,000)
Buildings		20,231	20,231
Less Prov'n for Depreciation		(19,125)	(17,108)
Vehicles - @ Cost		191,095	191,095
Less Prov'n for Depreciation		<u>(82,648)</u>	<u>(68,571)</u>
		<u>117,601</u>	<u>132,138</u>
Total Assets:		<u>631,322</u>	<u>679,791</u>
Less:			
CURRENT LIABILITIES:			
Advanced Receipts		247,512	232,529
Trade & Sundry Creditors		104,701	139,840
Provisions for Leave	1(c)	<u>216,990</u>	<u>190,582</u>
Total Liabilities:		<u>569,203</u>	<u>562,951</u>
NET ASSETS:		<u>62,119</u>	<u>116,840</u>



MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF INCOME & EXPENDITURE

FOR THE TWELVE MONTHS ENDED 30TH SEPTEMBER, 2013

	NOTE	2013	2012
INCOME:			
Grants	1(e)		
Municipalities		556,127	598,230
Other Government		135,440	106,453
Non Government	4	162,750	166,397
Contracts		476,304	409,187
Interest Received		17,626	23,174
Profit on Sale of Fixed Assets		-	-
Sale of Publications		884	2,027
Environment Fund Donations		1,828	5,150
Sundry Income		5,034	5,400
Total Income:		<u>1,355,993</u>	<u>1,316,018</u>
LESS EXPENDITURE:			
Wages & Salaries		1,082,076	1,036,893
Salaries Oncosts	1(c)	131,328	128,460
Materials & Plant Hire		51,629	56,288
Vehicle Running		20,771	25,244
Admin, Project & General		79,370	105,628
Provisions			
Depreciation	1(b)	19,132	20,328
Annual & Long Service Leave	1(c)	26,408	20,060
Total Expenditure:		<u>1,410,714</u>	<u>1,392,901</u>
NET SURPLUS / (DEFICIT):		<u>(54,721)</u>	<u>(76,883)</u>

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER, 2013**

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, 2013 (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>2013</u>	<u>2012</u>
NOTE 2 - STATEMENT OF CASH FLOWS		
<b>Cash Flows from Operating Activities</b>		
Receipts	1,373,777	1,310,001
Payments	<u>(1,400,313)</u>	<u>(1,317,304)</u>
Net cash from operating activities	<u>(26,536)</u>	<u>(7,303)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of vehicles and eqpt	-	-
Payments for vehicles and equipment	<u>4,595</u>	<u>-</u>
Net cash from investing activities	<u>(4,595)</u>	<u>-</u>
Net Increase / (Decrease) in Cash Held	(31,131)	(7,303)
Cash at beginning of the financial year	432,877	440,180
<b>Cash at the end of the financial year</b>	<u><u>401,746</u></u>	<u><u>432,877</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	165,706	134,400
Environment Fund Account	31,552	29,358
Term Deposit - Bendigo Bank	95,130	175,196
Cheque Account - Bendigo Bank	406	202
Long Service Leave Account	<u>108,952</u>	<u>93,721</u>
	<u><u>401,746</u></u>	<u><u>432,877</u></u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	<u>2013</u>	<u>2012</u>
<b>Reconciliation of Net Cash Used in Operating Activities to Operating Result</b>		
Operating Result	(54,721)	(76,883)
Add back		
Provisions for Depreciation	19,132	20,328
Provisions for Doubtful Debts	-	-
Provisions for Leave	26,408	20,060
Increase in Advanced Receipts	14,983	(2,897)
Increase in Trade Creditors	(35,139)	35,209
Less		
Increase in Trade Debtors	2,801	(3,120)
Gains on sale of vehicles and eqpt	-	-
Net cash from operating activities	<u>(26,536)</u>	<u>(7,303)</u>

NOTE 3 - AUDITOR'S REMUNERATION

Audit Fees	6,700	6,900
Other Services	700	700
	<u>7,400</u>	<u>7,600</u>

NOTE 4 - GRANTS - NON GOVERNMENT

GVEHO	-	4,000
Other	162,750	162,397
	<u>162,750</u>	<u>166,397</u>

NOTE 5 - ENVIRONMENT FUND RESERVE

Opening Balance	<u>29358</u>	<u>0</u>
Add Transfer from Retained Earnings	0	23360
Add Interest Received	366	848
Add Donations Received	1828	5150
	<u>2194</u>	<u>29358</u>
Less Transfer to Retained Earnings	0	0
Less Project Expenditure	0	0
	<u>0</u>	<u>0</u>
Closing Balance	<u>31552</u>	<u>29358</u>