

**TREASURER'S REPORT  
27 FEBRUARY 2025****COMMITTEE OF MANAGEMENT MEETING**

---

<b>REPORT/ITEM NO:</b>	7.2
<b>REPORT/ITEM TITLE:</b>	Treasurer's Report
<b>AUTHOR/SOURCE:</b>	Judy Schrever – Treasurer of MCMC, Sean O'Hara – Operations Manager
<b>DEPARTMENT:</b>	Operations
<b>FILE NO:</b>	N/A
<b>POLICY:</b>	N/A
<b>STRATEGIC OBJECTIVE:</b>	N/A
<b>ATTACHMENTS:</b>	N/A

---

## **Treasurer's Report FY24: Oct 23-Sept 24**

### **1. Meetings of the Finance Sub-Committee**

During FY24, the Merri Creek Management Committee's (MCMC) Finance Sub-committee met quarterly to consider financial reports including a list of payments, receivables & payables reports, cash flow projections, balance sheet, income and expenditure statements, and the updated forecast budget for the year. Minutes of the Finance Sub-committee meetings and the updated budget were provided to quarterly meetings of the Committee of Management along with the Treasurer's Report.

PAYG tax and GST were collected and accounted for through our BillQuick and MYOB accounting software and reconciled prior to payment to the Tax Office.

Each quarter the Finance Subcommittee monitored the Vested Benefit Index for the Vision Super Defined Benefit Plan and reviewed a list and the outcomes of MCMC's grant applications and contract bids.

MCMC's long standing auditor, Fred Geraldson, retired this year and a selection process was completed to appoint new auditors. The Finance Subcommittee endorsed the appointment of McBain, McCartin & Co as MCMC's new auditors. They completed the FY24 audit that this report references.

Attempts were made to attract a new member for the Finance Subcommittee however this continues to be a challenge.

### **2. Income**

MCMC's total income for FY24 was \$2,504,858. This was \$156,302 more than FY23 (not adjusted for CPI). The key sources for this increase were:

- An approximately \$250,000 increase in contracts
- An approximately \$30,000 increase in donations
- An approximately \$120,000 decrease in grants

Donations to the Merri Creek Environment Fund (MCEF) of \$70,807 were significantly more than the previous financial year (\$40,914). My thanks to the hard-working volunteer members of the MCEF Subcommittee, David Redfearn, Glennys Romanes, Ann Sanson, and Jo Connellan. As well as to

MCMC support staff, particularly the Communications and Engagement Coordinator, Bron Willis, who lead the very successful 2024 Annual Appeal.

Recurrent funding from member councils through Service Agreements & MOUs provided 32% of the total income. Grants from Melbourne Water, state government programs, federal government programs and philanthropic sources provided 6% of our income.

Contracts provided a higher percentage of income than last year (56% vs 47%). By value, over half of this income (52%) was from contracts with member Councils, an increase on last year's 48%. Most of these contracts were for Council ecological restoration works. This shows continued support from our Member Councils and recognition of the high-quality ecological restoration work that MCMC provides to councils.

Non-council clients provided (48%) of MCMC's contract work. Most of this was for ecological restoration works. Major non-Council clients were MetroTrains (for a range of biosites), Parks Victoria and DEECA.

Overall, 62% of MCMC's income came from its Council members. This was slightly higher than last year (58%), primarily due to an increase in Council Contracts.

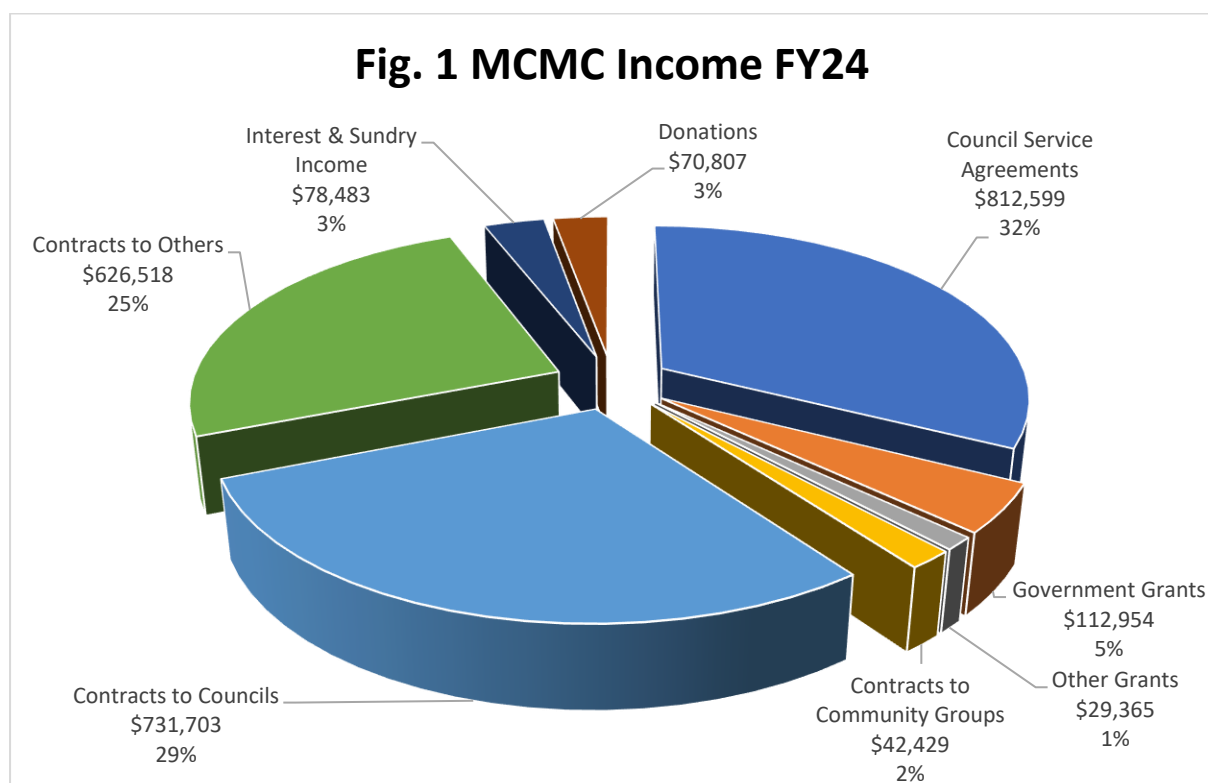


Figure 1. Summary of Merri Creek Management Committee's income for the 2023/24 financial year

### 3. Cost Centre Income – Grants and Partnerships Contribution

#### *Ecological Restoration Program*

19% of the Ecological Restoration Program's income came from ongoing funding agreements with four of our member Councils: Darebin, Hume, Moreland and Yarra (exclusive of contracts).

MCMC leveraged significant additional funds from grants that brought ecological benefits and provided community involvement in ecological restoration. In total, **for each \$1.00 received through**

**member-Councils' recurrent funding** (total \$378,655), **MCMC's Ecological Restoration Program raised an additional \$0.33 from grants** (a total of \$124,865). This includes grants received by Friends of Merri Creek and its sub-groups, for projects which were designed by MCMC in consultation with the groups, and in which MCMC had a significant delivery role. This is slightly higher than last year (\$0.31 for each \$1.00).

#### ***Catchment Program***

71% of the Catchment Program's income came from ongoing funding agreements with four of our member Councils: Darebin, Moreland, Whittlesea and Yarra.

MCMC leveraged additional funding from grants (from a range of organisations including two member councils) and from partnership funding from Melbourne Water for the Waterwatch program. In total, **for each \$1.00 received through member-Councils' recurrent funding** (total \$149,930), **MCMC's Catchment Program raised an additional \$0.21 from grants and external partnership agreements** (a total of \$31,340), expanding our ability to offer diverse activities and enriching events for local communities.

#### **4. Expenses**

MCMC's total expenditure for the year was \$2,423,420. This was \$77,000 higher than last year's expenditure and reflects a small increase in spending required to deliver specific projects, both grant-funded and contract work.

Figure 2 (below) shows the breakdown of our major areas of expenditure. As in previous years, by far the largest expense area was Employee Salaries and Benefits (including leave provisions). These represent 84% of MCMC's total expenses.

Expenditure on project delivery was 3% of total expenditure. And the expenditure on consultants, depreciation and other miscellaneous items was 6%.

General administration expenses include those shared across MCMC (rent, utilities and so on) and expenses within cost centres for shared general equipment not allocated to specific projects. At 7% this made up a slightly lower proportion of expenses than last financial year (8%).

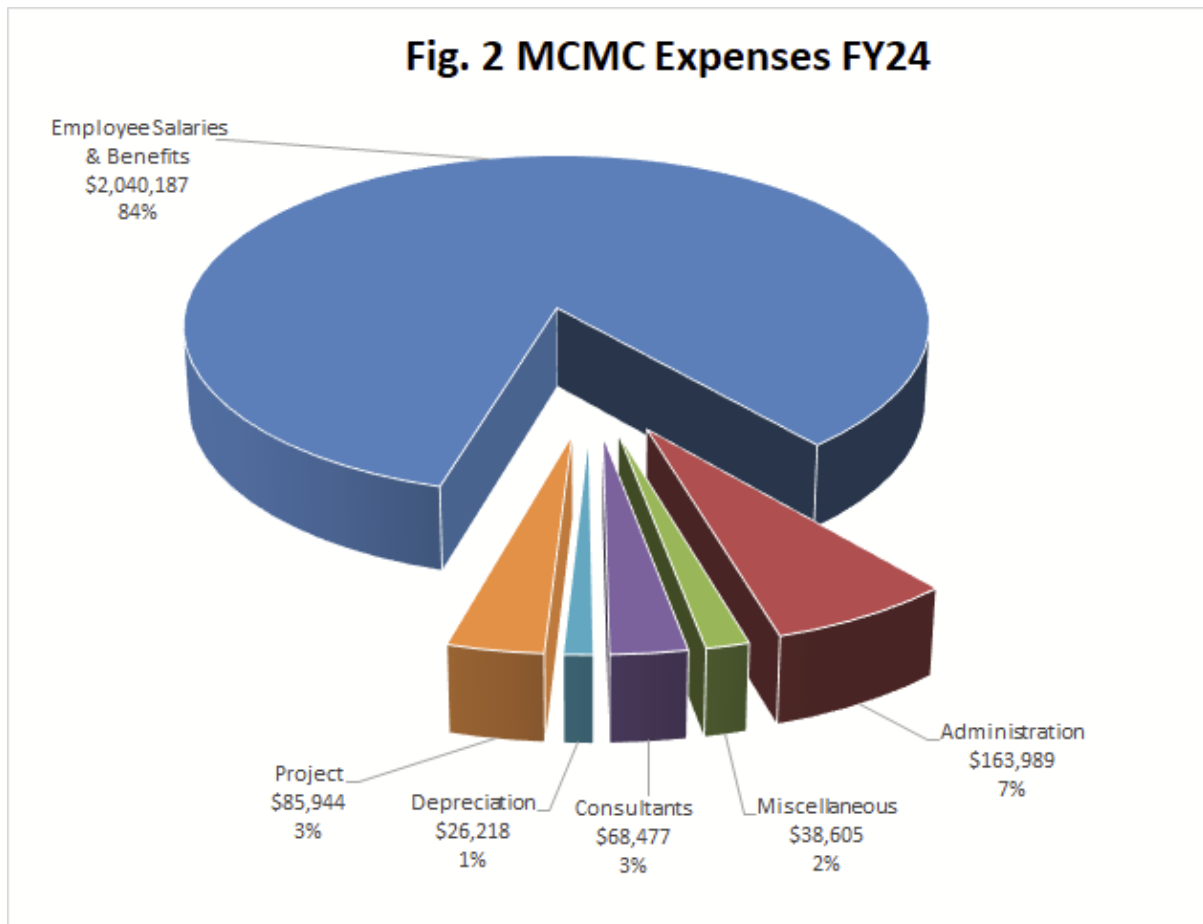


Figure 2. Summary of Merri Creek Management Committee's expenses for the 2023/24 financial year

## 5. Cost Centre Expenditure

Figure 3 illustrates the relative expenditure for each of MCMC's cost centres. As in previous years, the Ecological Restoration Program generated the largest proportion of MCMC's expenditure. This directly reflects the proportion of project income earned through delivery of projects by the Ecological Restoration Program.

The Administration category consists of general overheads shared across the organisation and includes salary and on costs for the Operations & Communications Support Officer, Finance Officer and Operations Manager; and rent, utilities, equipment, insurances, audit fees, IT support, webhosting etc. It was 14% of total expenditure in FY24, which was unchanged from FY23.

**Fig. 3 MCMC Cost Centre Expenses FY24**

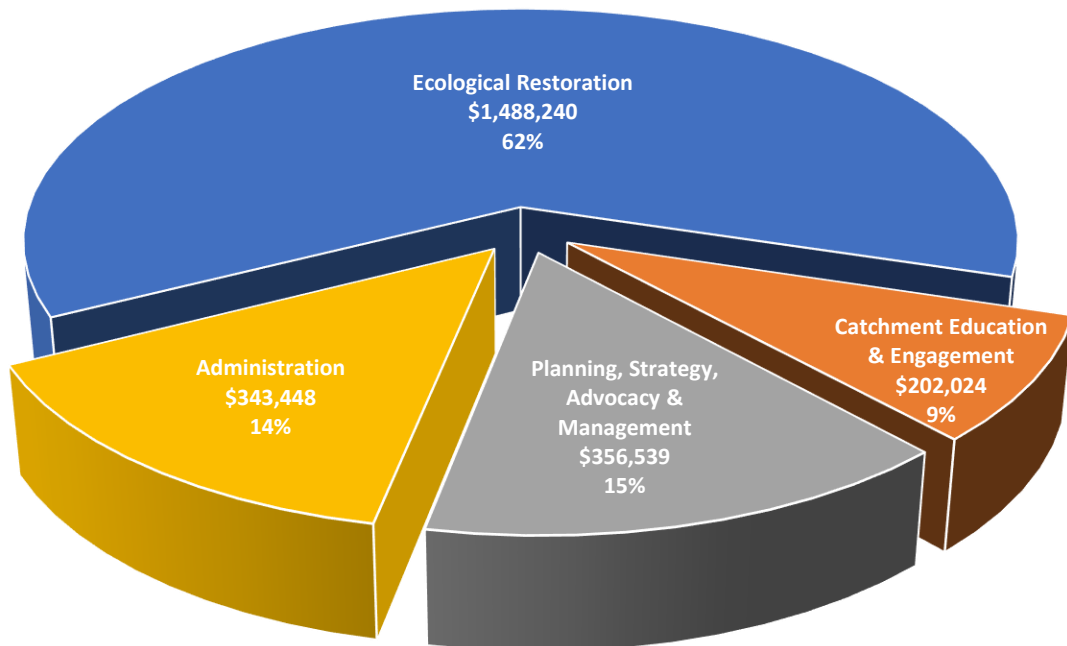


Figure 3. Relative expenditure of each cost centre for the Merri Creek Management Committee in the 2023/24 financial year

## 6. Surplus/Deficit

MCMC ended the year with a large surplus of \$81,438, compared to a small surplus of \$1,830 in FY23. This was primarily due to the significant increase in income from contracts without needing a similar increase in expenses to deliver those contracts.

Congratulations are due to MCMC staff for effective budgeting and cost management during the year and for the very effective pursuit of additional project funding.

## 7. Balance Sheet

The details of the balance sheet are shown in the Auditor's Report.

In summary, at 30 September 2024 MCMC's Retained Funds/Net Assets stood at \$714,676. This is an increase of \$81,438 from the year before.

Accumulated public donations of \$146,259 to the Merri Creek Environment Fund make up 20% of the Retained Funds. The disbursement of these donations is made for specific MCMC projects, on advice from MCMC staff, by the Merri Creek Environment Fund Sub-committee.

MCMC has continued to carefully track and manage a possible major financial risk to the balance sheet, which is a liability call for Vision Super's Defined Benefits Fund. To reduce and manage this risk, MCMC maintains a healthy accumulated Retained Funds balance as a buffer for any future calls on the Defined Benefits Fund.

Lastly, I would like to express my thanks to staff and Executive for their contribution to maintaining MCMC's strong financial position for FY24 through a period of significant change in both personnel and operations. It is good to know that MCMC's strong financial position is continuing and that the future is positive for our operations.

**Judy Schrever | Treasurer**  
**February 2025**