

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**FINANCIAL STATEMENTS**

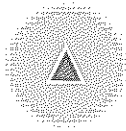
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2011**

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**INDEX TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER, 2011**

1.	Auditor's Report	Page 2 - 3
2.	Balance Sheet	Page 4
3.	Statement of Income & Expenditure	Page 5
4.	Notes to the Financial Statements	Page 6 - 9



COLVILLE WILLIAMS & CO. P/L  
ACCOUNTANTS

A C C O U N T A N T S

A U D I T O R S

A D V I S E R S

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**MERRI CREEK MANAGEMENT COMMITTEE INC.**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2011**

**SCOPE**

I have audited the attached special purpose financial report comprising the Balance Sheet as at 30th September, 2011 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.

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

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**MERRI CREEK MANAGEMENT COMMITTEE INC.**  
**FOR THE YEAR ENDED 30TH SEPTEMBER, 2011 (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, 2011.

Dated at Lower Plenty:                    5<sup>th</sup> December, 2011



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

MERRI CREEK MANAGEMENT COMMITTEE INC.

BALANCE SHEET

AS AT 30TH SEPTEMBER, 2011

	NOTE	2011	2010
<b>EQUITY:</b>			
Retained Funds - Start		161,647	243,628
Add Surplus / (Deficit)		32,076	(81,981)
Retained Funds - End		<u>193,723</u>	<u>161,647</u>
Represented By:			
<b>CURRENT ASSETS:</b>			
Cash at Bank	2	440,180	454,894
Bonds		780	780
Sundry Debtors & Prepayments		<u>110,875</u>	<u>134,082</u>
		<u>551,835</u>	<u>589,756</u>
<b>FIXED ASSETS:</b>			
Computer Equipment - @ Cost	1(b)	21,020	18,794
Less Prov'n for Depreciation		(15,675)	(12,387)
Plant & Equipment - @ Cost		22,238	22,238
Less Prov'n for Depreciation		(16,305)	(14,610)
Buildings		20,231	14,180
Less Prov'n for Depreciation		(15,644)	(14,180)
Vehicles - @ Cost		191,095	231,237
Less Prov'n for Depreciation		<u>(54,494)</u>	<u>(57,276)</u>
		<u>152,466</u>	<u>187,996</u>
Total Assets:		<u>704,301</u>	<u>777,752</u>
Less:			
<b>CURRENT LIABILITIES:</b>			
Advanced Receipts		235,425	340,167
Trade & Sundry Creditors		104,631	116,176
Provisions for Leave	1(c)	<u>170,522</u>	<u>159,762</u>
Total Liabilities:		<u>510,578</u>	<u>616,105</u>
NET ASSETS:		<u>193,723</u>	<u>161,647</u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

STATEMENT OF INCOME & EXPENDITURE

FOR THE TWELVE MONTHS ENDED 30TH SEPTEMBER, 2011

	NOTE	2011	2010
INCOME:			
Grants	1(e)		
Municipalities		540,460	575,665
Other Government		158,179	67,132
Non Government	4	56,370	73,818
Contracts		611,089	511,650
Interest Received		21,770	16,563
Profit on Sale of Fixed Assets		4,228	617
Sale of Publications		741	963
Environment Fund Donations		1,777	600
Sundry Income		17,508	14,332
Total Income:		<u>1,412,122</u>	<u>1,261,340</u>
LESS EXPENDITURE:			
Wages & Salaries		1,048,521	1,026,342
Salaries Oncosts	1(c)	125,075	112,297
Materials & Plant Hire		61,940	36,735
Vehicle Running		20,137	19,971
Admin, Project & General Provisions		92,852	117,581
Depreciation	1(b)	20,762	21,622
Annual & Long Service Leave	1(c)	10,759	8,773
Total Expenditure:		<u>1,380,046</u>	<u>1,343,321</u>
NET SURPLUS / (DEFICIT):		<u>32,076</u>	<u>(81,981)</u>

**MERRI CREEK MANAGEMENT COMMITTEE INC.**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH SEPTEMBER, 2011**

**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, 2011 (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>2011</u>	<u>2010</u>
<b>NOTE 2 - STATEMENT OF CASH FLOWS</b>		
<b>Cash Flows from Operating Activities</b>		
Receipts	1,326,359	1,072,230
Payments	<u>(1,360,070)</u>	<u>(1,305,281)</u>
Net cash from operating activities	<u>(33,711)</u>	<u>(233,051)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of vehicles and eqpt	27,272	20,000
Payments for vehicles and equipment	<u>8,275</u>	<u>51,302</u>
Net cash from investing activities	<u>18,997</u>	<u>(31,302)</u>
Net Increase / (Decrease) in Cash Held	(14,714)	(264,353)
Cash at beginning of the financial year	454,894	719,247
<b>Cash at the end of the financial year</b>	<u><u>440,180</u></u>	<u><u>454,894</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	135,313	359,206
Environment Fund Account	23,360	20,777
Term Deposit - Bendigo Bank	204,575	0
Cheque Account - Bendigo Bank	596	2,199
Long Service Leave Account	<u>76,336</u>	<u>72,712</u>
	<u><u>440,180</u></u>	<u><u>454,894</u></u>

MERRI CREEK MANAGEMENT COMMITTEE INC.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	<u>2011</u>	<u>2010</u>
<b>Reconciliation of Net Cash Used in Operating Activities to Operating Result</b>		
Operating Result	32,076	(81,981)
Add back		
Provisions for Depreciation	20,762	21,622
Provisions for Doubtful Debts	-	-
Provisions for Leave	10,759	8,773
Increase in Advanced Receipts	(104,742)	(152,170)
Increase in Trade Creditors	(11,545)	7,645
Less		
Increase in Trade Debtors	23,207	(36,323)
Gains on sale of vehicles and eqpt	(4,228)	(617)
Net cash from operating activities	<u>(33,711)</u>	<u>(233,051)</u>

NOTE 3 - AUDITOR'S REMUNERATION

Audit Fees	5,400	5,200
Other Services	1,400	650
	<u>6,800</u>	<u>5,850</u>

NOTE 4 - GRANTS - NON GOVERNMENT

GVEHO	2,300	2,300
Other	54,070	64,832
	<u>56,370</u>	<u>67,132</u>