

10 October 2017

Mr A Gulliver
Chairman
Peel-Harvey Catchment Council Inc
58 Sutton Street
MANDURAH WA 6210

Dear Andy

30 JUNE 2017 MANAGEMENT REPORT

Following completion of our 30 June 2017 audit, we provide our Management Report and audit recommendations.

1.0 Our Audit Approach

The Australian Auditing Standards are the professional Standards applicable to all audit engagements. Accordingly, our audit was conducted in accordance with Australian Auditing Standards, with testing designed solely to enable the expression of an opinion on the financial report of Peel – Harvey Catchment Council Inc . This involved us making an assessment of the risk of material misstatement, whether due to fraud or error, and then using our professional judgement, applying audit procedures to mitigate that risk.

To assist those responsible for governance in understanding our role as external auditor, we have previously detailed our audit responsibilities and scope of work to be performed to meet those responsibilities in our audit engagement letter.

Australian Auditing Standards require us to document and evaluate Peel – Harvey Catchment Council Inc 's system of internal control to establish the level of reliance on the internal control system in determining the nature, timing and extent of other auditing procedures necessary to enable us to complete our audit. This work is not primarily directed towards the discovery of weaknesses or the detection of fraud or other irregularities and should not, therefore, be taken to assume that no other weaknesses exist. Accordingly the comments within this letter refer only to those matters that have come to our attention during the course of our normal audit work and may not identify all possible improvements that an internal controls review may detect.

Our audit approach is based on a risk analysis methodology which relies upon our understanding of Peel – Harvey Catchment Council Inc 's operations, strategies and risks. We performed a review of applicable accounting systems and tested those during our audit. The level of testing performed by us is determined by the degree of reliance we place on the internal control systems in place which has a resulting impact on the amount of substantive testing required during our audit procedures. The level of testing performed is also aligned with what is required to form an overall opinion on the financial statements which may not coincide with what Peel – Harvey Catchment Council Inc perceives should be tested.

Our audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and judgements, as well as evaluating the overall presentation of the financial report. There were no areas of disagreement either in the accounting estimates or judgements or in the presentation and disclosures made in the financial report.

2.0 Segregation of Duties

Inevitably in the environment of an organisation with a limited number of employees available to undertake accounting and administration roles, it is impracticable to have good division of duties and internal checks in place in relation to invoicing and receipting, processing and preparation of payments, recording of transactions and payroll preparation. As a result, there is inherently an increased risk that errors or omissions may go undetected

3.0 Assessment of Fraud and Error

The primary responsibility for the prevention and detection of fraud is that of the Committee and management. As a result, it is important that management with the oversight of the Committee place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and resulting consequences.

In accordance with Australian Auditing Standards we are required to obtain reasonable assurance that the financial report taken as a whole is free from material misstatement, whether caused by fraud or error. While our procedures are designed to identify material weaknesses and misstatements from fraud and error, there is an unavoidable risk that even some material misstatements may remain undiscovered. This unavoidable risk is due to the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system.

We have confirmed that nothing has come to management's attention that may constitute an incident of fraud. In addition our audit procedures did not identify any instances of suspected or actual fraud. We take this opportunity to remind you that our audit is not designed to detect fraud and therefore our audit procedures are not designed for that purpose.

4.0 Significant Difficulties Encountered during the Audit

During the course of our audit, there were no areas where we experienced significant difficulties.

5.0 Audit Adjustments and Unadjusted Audit Differences

During the course of our audit, we did not identify misstatements considered to be material at a financial report level and therefore no adjustment was required to be reflected within the final audited financial report.

6.0 Going Concern

We have undertaken a review of the ability of Peel – Harvey Catchment Council Inc to continue as a going concern for twelve months from the date of signing our audit report and therefore whether the going concern basis for the preparation of the financial report is appropriate.

The assumption of going concern was concluded as appropriate following a review of operating budgets and information provided by management. As disclosed within notes to the financial statements, Peel Harvey Catchment Council Inc. is dependent upon continued financial support by way of grants and contributions. We have drawn attention to this within our audit report

7.0 Accounting Policies

We confirm to you that we are not aware of any changes to the accounting policies of Peel – Harvey Catchment Council Inc since 30 June 2016 in respect of the preparation of the 30 June 2017 financial report with the exception of the disclosed change in useful life of IT equipment assets disclosed within Note 7.

8.0 Commitments and Contingencies

On completion of our audit and subsequent discussions with management, we did not identify any additional commitments or contingencies that required disclosure within the financial report of Peel – Harvey Catchment Council Inc , apart from those already disclosed.

9.0 Subsequent Events

We did not identify any additional subsequent events up until the date of this report that required disclosure within the financial report of Peel – Harvey Catchment Council Inc , apart from those already disclosed.

10.0 Audit Report Qualification

As is common for organisations of this type, it is not practicable for Peel - Harvey Catchment Council Inc. to maintain an effective system of internal control over reimbursements, service receipts, donations, fund raising activities and cash receipts until their initial entry in the accounting records. Accordingly, our audit in relation to income was limited to amounts recorded in the financial records.

As in prior years, this is a standard qualification due to the nature of various cash income received by PHCC.

11.0 Other Matters

11.1 Audit Findings

In accordance with the terms of our engagement letter, we have a responsibility to provide an opinion in respect to the Peel – Harvey Catchment Council Inc’s annual financial report as to whether it is free from material misstatement. Our audit report for 30 June 2017 is unqualified with our opinion stating the financial report presents fairly the financial position of the Peel – Harvey Catchment Council Inc , as at and for the year ending 30 June 2017.

Our audit indicated procedures and controls in respect to the Peel – Harvey Catchment Council Inc,’s internal processes, procedures and financial reporting framework are adequately designed and maintained for an organisation of its size and nature.

We would like to thank Karen for providing accounting files and related documentation at the commencement of our audit electronically on a USB. We believe this reflects the diligence and pro-active approach taken by Karen and the team in respect to financial processes, procedures and maintenance of documentation. The team were helpful and attentive to our requests for information where required, which once again has enabled us to complete our audit efficiently.

Due to the high quality of the financial records and supporting reconciliations provided to us which correctly supported all year end balances, we are pleased to report there are no specific comments and recommendations arising from our audit.

Our management report is on the exceptions basis, and therefore we have not commented on the various internal controls in place within your accounting systems.

11.2 Associations Incorporation Act 2015

The Associations Incorporation Act 2015 came into effect on 1 July 2016 replacing the Associations Incorporation Act 1987. As part of the new requirements Peel-Harvey Catchment Council Inc are required to review and update the association rules to be in line with the new Act requirements. From discussions with management and a review of Peel-Harvey Catchment Council Inc Board minutes, we understand the constitution review is in progress.

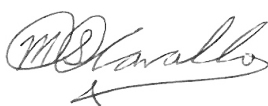
11.3 Other

We would like to take this opportunity to thank Jane and Karen for the assistance provided to us during our audit.

Should you have any questions concerning the above or would like to discuss any other aspect of our audit, please do not hesitate to contact me.

Yours sincerely

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

MARIA CAVALLO CA
Director



PEEL-HARVEY CATCHMENT COUNCIL INC
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Balance Sheet

June 2017

	2017	2016
	\$	\$
Assets		
ANZ 4942-31182 (Project Chq)	208,683	57,932
ANZ - 527285292 (Corp Online)	332,816	202,813
ANZ - 527285559 (Proj Online)	3,564,661	2,918,504
Westpac Term Deposit 23-9580	617,329	601,099
Merchandise Cash	50	50
Petty Cash	300	63
Prepayments	10,946	8,253
IT & Computer Assets		
IT Equipment	9,000	9,000
Less Accumulation Depn	<u>(7,200)</u>	<u>(2,404)</u>
Total IT & Computer Assets	<u>1,800</u>	<u>6,596</u>
PHCC Vehicle		
PHCC Vehicle at Cost	67,418	44,131
Less Accumulation Depreciation	<u>(41,000)</u>	<u>(28,250)</u>
Total PHCC Vehicle	<u>26,418</u>	<u>-</u>
HRRT Vehicle		
HRRT Vehicle at cost	24,428	-
Less Accumulation Depreciation	<u>(5,000)</u>	<u>-</u>
Total HRRT Vehicle	<u>19,428</u>	<u>-</u>
Total Assets	<u>4,782,431</u>	<u>3,811,191</u>
Liabilities		
Credit Cards		
VISA ANZ4564807000473072	1,800	3,364
Trade Creditors	47,005	155,928
Accrued Liabilities	383,237	6,760
Accrued Liabilities - Grants	204,548	-
GST Liabilities		
GST Collected	121,054	138,852
GST Paid	<u>(49,963)</u>	<u>(49,880)</u>
Total GST Liabilities	<u>71,091</u>	<u>88,972</u>

The accompanying notes form part of these financial statements.

Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Balance Sheet

June 2017

	2017	2016
	\$	\$
Employee Entitlements		
Provision for Annual Leave	59,929	54,107
Provision for Long Service Leave	67,135	51,718
Provision for Leave - Other	<u>1,461</u>	<u>1,553</u>
Total Employee Entitlements	<u>128,526</u>	<u>107,378</u>
Unspent Project Funding	2,988,036	2,564,765
Total Liabilities	<u>3,824,243</u>	<u>2,927,167</u>
Net Assets	<u>958,188</u>	<u>884,024</u>
Equity		
Corporate Funds		
PHCC Support	781,641	712,503
PHCC Publication Printing	14,251	14,251
PHCC WQIP	13,515	13,515
PHCC Member Remuneration	<u>7,500</u>	<u>-</u>
Total Corporate Funds	<u>816,907</u>	<u>740,269</u>
Provisions -Asset Replacement		
Replacement Vehicle	28,250	20,844
Replacement IT Equipment	2,404	1,603
Replacement Office Equipment	<u>36,463</u>	<u>28,777</u>
Total Provisions -Asset Replacement	<u>67,117</u>	<u>51,224</u>
Current Earnings	<u>74,164</u>	<u>92,532</u>
Total Equity	<u>958,188</u>	<u>884,024</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
Income		
PHCC Support		
PHCC- Proj Mgt Fees	411,143	385,676
PHCC - Bank Interest	18,052	18,401
PHCC - Other Income	490	2,206
PHCC - Organisation Mgt Fee	162,953	156,670
PHCC -MERI/Admin	28,000	21,000
PHCC Committed Proj Expenses	10,810	2,720
PHCC - Venue Hire	5,516	988
PHCC - Vehicle Lease	19,800	12,900
Total PHCC Support	<u>656,764</u>	<u>600,561</u>
PH NRM Region [Aust Govt]		
NRM Region [AG]- Unspent Funds	-	91,459
Total PH NRM Region [Aust Govt]	<u>-</u>	<u>91,459</u>
PHCC - Proj Officer Employment		
POE - Wages	918,233	963,587
POE - Employment On-costs	9,000	3,000
POE - Carryover Funds	(72,478)	(206,264)
Total PHCC - Proj Officer Employment	<u>854,756</u>	<u>760,324</u>
PHCC - Project Interest		
Project Interest 5272-85559	18,696	10,547
Proj Interest Carryover funds	(16,196)	(10,547)
Total PHCC - Project Interest	<u>2,500</u>	<u>-</u>
PHCC Merchandise		
PHCC Pubn: Unspent LCL funds	(1,180)	(1,464)
PHCC Merchandise Sales	1,070	795
Shorebird Publications	230	668
Total PHCC Merchandise	<u>120</u>	<u>-</u>
Lake Clifton Community Engagem		
LCCE - City of Mandurah	50,000	-
LCCE - Unspent Funds	(44,753)	-
Total Lake Clifton Community Engagem	<u>5,247</u>	<u>-</u>
Saltmarshes of Ramsar482		
Saltmarsh Ramsar482: PDC	20,000	-
Saltmarshes Ramsar482	(20,000)	-
Total Saltmarshes of Ramsar482	<u>-</u>	<u>-</u>
SAPPR Project		
SAPPR - Unspent funds	-	49,690
Total SAPPR Project	<u>-</u>	<u>49,690</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
Peel Legacy Projects		
PDC Legacy - PDC Funds	-	5,400
PDC Legacy Unspent Fund	-	17,480
Total Peel Legacy Projects	<u>-</u>	<u>22,880</u>
Regional Estuaries Initiative		
REI_2A_Mayfield Drain		
REI_2A_Dept of Water	150,000	700,000
REI_2A_Mayfield_Unspent Funds	(109,838)	(699,040)
REI_2A_Interest Accrued	4,424	-
Total REI_2A_Mayfield Drain	<u>44,586</u>	<u>960</u>
REI_2B_Peel Main Drain		
REI_2B_Dept of Water	900,000	100,000
REI_2B_Peel Main_Unspent Funds	(656,467)	(84,963)
REI_2B_Accrued Interest	1,123	-
Total REI_2B_Peel Main Drain	<u>244,655</u>	<u>15,037</u>
REI_3A_Fertilising the Farm		
REI_3A_Dept of Water	45,000	-
Total REI_3A_Fertilising the Farm	<u>45,000</u>	<u>-</u>
Total Regional Estuaries Initiative	<u>334,242</u>	<u>15,997</u>
Green Army		
GA_Grant Funding	4,923	-
Total Green Army	<u>4,923</u>	<u>-</u>
South32 Tunbridge Gully		
South32 Grant	13,332	29,363
South32_Unspent Funds	21,531	(28,635)
South32_Interest Accrued	235	-
Total South32 Tunbridge Gully	<u>35,098</u>	<u>728</u>
Local Govt Stormwater Strategy		
LGSS - City of Mandurah	-	40,000
LGSS - Unspent funds	(7,075)	(79,857)
LGSS - PHCC Stormwater	30,879	42,457
Total Local Govt Stormwater Strategy	<u>23,804</u>	<u>2,600</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
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Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
PHCC Science Advisor		
PHCC SS - Dept Regional Dev	100,000	100,000
PHCC SS - City of Mandurah	10,000	10,000
SS - Unspent funds	(198)	(1,704)
SS - Interest Earned	413	1,650
SS - PHCC Funding	27,920	19,633
Total PHCC Science Advisor	138,135	129,579
Murdoch ARC Linkage		
ARC - PHCC Contribution	-	15,000
ARC - Unspent Funding	5,000	(10,000)
Total Murdoch ARC Linkage	5,000	5,000
CCGL15489-Hotham Williams		
CCGL15489-HW-State NRM	65,000	-
CCGL15489_ Unspent funds	(40,358)	-
CCGL15489_HW_Partnership Fund	2,000	-
CCGL15489_ Interest Accrued	190	-
Total CCGL15489-Hotham Williams	26,831	-
CCGL15427 Wetlands		
CCGL15427_Wetlands_State NRM	70,000	-
CCGL 15427_WWP_Unspent Funding	(41,915)	-
CCGL15427_WWP_Other Funding	4,300	-
CCGL15427_WWP_Interest Accrued	78	-
Total CCGL15427 Wetlands	32,463	-

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Peel-Harvey Catchment Council Inc

58 Sutton Street
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Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
CCGL15401_Waroona NRM		
CCGL15401_Waroona-StateNRM	80,000	-
CCGL 15401_Unspent funds	(41,556)	-
CCGL15401_Interest Accrued	182	-
Total CCGL15401_Waroona NRM	<u>38,626</u>	<u>-</u>
Transform Peel - PIWI Planning		
Transform Peel PIWI - DoW	23,810	-
Transform Peel - PHCC Contrib	431	-
Total Transform Peel - PIWI Planning	<u>24,241</u>	<u>-</u>
Future Partnership Funding		
FPF - Unspent Funds	(1,500)	11,780
FPF - Other Funding	-	220
FPF - Hotham Williams NRMO	10,000	10,000
Total Future Partnership Funding	<u>8,500</u>	<u>22,000</u>
HRRT-NACE16_9200_HRRT		
HRRT_NACE16_Grant Funding	30,000	-
HRRT_NACE16_Unspent Funds	(23,187)	-
Total HRRT-NACE16_9200_HRRT	<u>6,813</u>	<u>-</u>
HRRT - Saving the Marron in HR		
HRRT CCGL15488 - State NRM	30,000	-
HRRT CCGL15488_Unspent Funds	(15,912)	-
HRRT CCGL15488_Interest Accrue	149	-
Total HRRT - Saving the Marron in HR	<u>14,238</u>	<u>-</u>
HRRT		
HRRT - Other funding	17,014	21,811
HRRT - Interest earned	785	1,569
HRRT - Carryover funds	(825)	8,140
Vehicle Funding	12,500	-
Total HRRT	<u>29,474</u>	<u>31,519</u>
HRRT - Blackberry A15151		
A15151 - State NRM	17,898	19,058
A15151 - Unspent Funds	361	(18,791)
A15151 - Interest earned	106	50
Total HRRT - Blackberry A15151	<u>18,365</u>	<u>317</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
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Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
HRRT Rivers2Ramsar Project		
HRRT R2R - PHCC Funding	107,441	201,000
HRRT R2R - Unspent Funds	78,735	(18,162)
Total HRRT Rivers2Ramsar Project	<u>186,176</u>	<u>182,838</u>
HRRT CEG2015_001_HRRT_BB		
CEG2015_001_HRRT_BB - Grant	8,000	2,000
HRRT CEG2015_001_HRRT_BB - Unspent Funds	2,000	-
Total HRRT CEG2015_001_HRRT_BB	<u>10,000</u>	<u>2,000</u>
HRRT CEG2015_002_HRRT_LHR		
CEG2015_002_HRRT_LHR Grant	31,220	15,800
CEG2015_002_HRRT_LHR Unspent	(5,508)	(4,652)
Total HRRT CEG2015_002_HRRT_LHR	<u>25,712</u>	<u>11,148</u>
Peel-Harvey Rivers 2 Ramsar		
R2R - Grant Funding	388,696	1,338,581
R2R - Unspent Funds	363,199	(140,280)
R2R - Interest earned	1,000	6,370
R2R - Other Income	11,000	14,500
Total Peel-Harvey Rivers 2 Ramsar	<u>763,895</u>	<u>1,219,171</u>
NLP_PHCC Regional Funding		
NLP_RI17_MERI_Admin		
NLP_RI17 - MERI/Admin	155,972	165,664
NLP_RI17 - Interest	2,242	4,590
NLP-RI17 Unspent funds	4,590	36,584
Total NLP_RI17_MERI_Admin	<u>162,804</u>	<u>206,838</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
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Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
PH Region - Biodiversity MNES		
NLP_RI17-S1- NHT Funding	212,644	220,438
NLP_RI17_S1_Unspent funds	71,031	(37,273)
Total PH Region - Biodiversity MNES	<u>283,675</u>	<u>183,165</u>
PHCC Region - Sus Ag - RLF		
NLP_RI17 - S2- NHT Funding	257,782	263,371
NLP_RI17_S2 Unspent Funds	50,180	(27,498)
NLP_S2_Event Registrations	55	-
Total PHCC Region - Sus Ag - RLF	<u>308,017</u>	<u>235,873</u>
PHCC Region-CE & Participation		
NLP_RI17 -S3-NHT Funding	188,466	208,156
NLP_S3_Unspent Funds	11,596	(314)
Total PHCC Region-CE & Participation	<u>200,062</u>	<u>207,842</u>
Restore & Rehab of Environment		
NLP_RI17 - S4-NHT Funding	296,826	253,431
NLP_RI17_S4 Unspent Funds	63,151	(53,830)
Total Restore & Rehab of Environment	<u>359,977</u>	
Total NLP_PHCC Regional Funding	<u>1,314,534</u>	<u>1,033,319</u>
Total Income	<u>4,560,457</u>	<u>4,179,129</u>
Expenses		
PHCC Support		
Employment		
PHCC - Administration Salary	343,947	325,390
PHCC - Salary Oncosts	4,197	2,589
PHCC - Leave Liability	35,868	32,843
PHCC -Professional Development	20,740	1,621
Employment - Uniforms	368	-
Total Employment	<u>405,121</u>	<u>362,443</u>
Consultants & Contractors		
PHCC - Accounting	5,803	5,588
PHCC - Consultants	5,810	10,434
PHCC - C&C NRMWA	9,000	-
PHCC - Governance	5,085	3,464
PHCC-C&C-NRM Regional Grps	3,000	-
Total Consultants & Contractors	<u>28,698</u>	<u>19,486</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
Operational Expenses		
PHCC - Vehicle	-	974
PHCC - Insurance	3,370	3,411
PHCC - IT & Communications	40,496	40,300
PHCC - OHS	3,058	2,156
PHCC - Stipends	24,500	13,500
PHCC - Meeting Expenses	4,874	2,739
PHCC - Bank Charges	50	145
PHCC - Stationery & Consumable	2,960	2,572
PHCC - Project Expenses	10,640	1,800
PHCC - Rent & Housing	1,820	-
PHCC- Mtg Exp - Travel	1,929	1,634
PHCC - Mtg Expense - Other	1,220	1,372
PHCC - Op - Market & Promotion	4,235	10,803
PHCC - Op - Vehicle R&R	6,044	2,227
PHCC - Op - Printing Costs	2,502	2,762
PHCC - Media	2,443	353
PHCC - Website	-	308
Total Operational Expenses	<u>110,141</u>	<u>87,055</u>
PHCC - Corporate Expense		
PHCC-Accom- Cleaning	4,173	3,900
PHCC Accom - Consumables	354	334
PHCC - Accom - Electricity	2,031	1,454
PHCC-Accom-Ground Maintenance	4,572	4,143
PHCC - Accom - Lease	864	847
PHCC Accom - Water & Rubbish	2,169	1,438
PHCC- Accom-Telephone	2,938	2,837
PHCC - Accom - Water	324	256
PHCC - Accom -Security	1,318	1,246
PHCC - Accom Internet	1,451	1,472
PHCC -Accom Ground Improvement	1,461	-
Total PHCC - Corporate Expense	<u>21,653</u>	<u>17,928</u>
PHCC - Assets		
PHCC Asset Purchases	5,619	18,664
PHCC - Depreciation	4,796	801
PHCC Asset Replacement	6,571	1,650
Total PHCC - Assets	<u>16,986</u>	<u>21,115</u>
Total PHCC Support	<u>582,599</u>	<u>508,029</u>

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Peel-Harvey Catchment Council Inc

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Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
PH NRM Region [Aust Govt]		
PH Region - MERI	-	2,690
PH Region -Project Admin	-	5,707
PH Region - NRM Strategy	-	23,935
PH Region - Governance	-	36,897
PH Region - Commun & Com Aware	-	22,230
Total PH NRM Region [Aust Govt]	<u>-</u>	<u>91,459</u>
PHCC - Proj Officer Employment		
POE - Wages - CoM Payroll	711,283	649,466
POE- Superannuation	76,092	60,771
POE - On-Costs	8,869	6,321
POE -Accum Leave Liability	5,515	28,938
POE Wages - SoWaroona	38,502	6,378
POE Training	4,187	771
POE - Conferences	1,159	765
POE - Induction	-	190
POE - Recruitment	6,118	5,513
POE - Staff Amenities	1,380	1,211
POE - Uniforms	1,650	0
Total PHCC - Proj Officer Employment	<u>854,756</u>	<u>760,324</u>
PHCC - Project Interest		
Project Expenses	2,500	-
Total PHCC - Project Interest	<u>2,500</u>	<u>-</u>
PHCC Publications		
PHCC Merchandise	120	-
Total PHCC Publications	<u>120</u>	<u>-</u>
Lake Clifton Community Engagem		
LCCE - Employment		
LCCE - Emp- Salary	5,247	-
Total LCCE - Employment	<u>5,247</u>	<u>-</u>
Total Lake Clifton Community Engagement	<u>5,247</u>	<u>-</u>
SAPPR		
SAPPR - Employment		
SAPPR-Emp-Salary	-	43,948
Total SAPPR - Employment	<u>-</u>	<u>43,948</u>
SAPPR-Consultants &Contractors		
SAPPR-C&C-Consultants	-	3,640
Total SAPPR-Consultants &Contractors	<u>-</u>	<u>3,640</u>

The accompanying notes form part of these financial statements.

Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
SAPPR- Operations		
SAPPR-Op - Meeting Expenses	-	555
SAPPR - Op - Travel	-	347
SAPPR - OMO	-	1,200
Total SAPPR- Operations	<u>-</u>	<u>2,102</u>
Total SAPPR	<u>-</u>	<u>49,690</u>
PDC Legacy Projects		
PDC Legacy - Employment		
PDC Legacy-Empl-Salary	-	7,940
Total PDC Legacy - Employment	<u>-</u>	<u>7,940</u>
Consultants & Contractors		
PDC Legacy - Consultants	-	13,740
PDC Legacy-Overheads-OMO	-	1,200
Total Consultants & Contractors	<u>-</u>	<u>14,940</u>
Total PDC Legacy Projects	<u>-</u>	<u>22,880</u>
REI_2A_Mayfield Drain		
REI_2A_Project Delivery		
REI_2A_PD_Employment	12,907	-
REI_2A_PD_Vehicle	2,916	-
Total REI_2A_Project Delivery	<u>15,823</u>	<u>-</u>
REI_2A_Consultants_Contractors		
REI_2A_C&C_Consultants	13,233	960
Total REI_2A_Consultants_Contractors	<u>13,233</u>	<u>960</u>
REI_2A_Ongrounds		
REI_2A_Ongrounds_Miller	9,517	-
REI_2A_Mayfield_OMO_Proj Mgt	1,513	-
REI_2A_Mayfield_OMO_Corp	4,500	-
Total REI_2A_Ongrounds	<u>15,530</u>	<u>-</u>
Total REI_2A_Mayfield Drain	<u>44,586</u>	<u>960</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
REI_2B_Peel Main Drain		
REI_2B_Project Delivery		
REI_2B_PD_Employment	117,734	-
REI_2B_PD_Vehicle	11,664	480
REI_2B_PD_Recruitment	3,000	-
Total REI_2B_Project Delivery	<u>132,399</u>	<u>480</u>
REI_2B_C&C_Design & Engineerin		
REI_2B_D&E_Consultants	14,976	13,590
REI_2B_D&E_Contractors	1,851	551
Total REI_2B_C&C_Design & Engineerin	<u>16,826</u>	<u>14,141</u>
REI_2B_Operations		
REI_2B_Op_Water Sampling	160	416
REI_2B_Op_Events	1,484	-
REI_2B_Op-Meetings	781	-
Total REI_2B_Operations	<u>2,425</u>	<u>416</u>
REI_2B_Ongrounds		
REI_2B_Onground-Flora Survey	13,750	-
REI_2B_Onground_Fauna Survey	12,188	-
REI_2B_Onground_Acid Sulfate	33,700	-
Total REI_2B_Ongrounds	<u>59,638</u>	<u>-</u>
REI_2B_Administration		
REI_2B_Admin_Proj Mgt	12,390	-
REI_2B_Admin_Printing	344	-
REI_2B_Admin_PPE	134	-
REI_2B_Admin_Corporate	20,500	-
Total REI_2B_Administration	<u>33,368</u>	<u>-</u>
Total REI_2B_Peel Main Drain	<u>244,655</u>	<u>15,037</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
REI_3A_Fertilising the Farm		
REI_3A_Project Delivery		
REI_3A_PD_Employment	45,000	-
Total REI_3A_Project Delivery	<u>45,000</u>	<u>-</u>
Total REI_3A_Fertilising the Farm	<u>45,000</u>	<u>-</u>
Green Army		
GA_Equipment	622	-
GA_M&E	557	-
GA_Reference Material	407	-
GA_Revegetation	1,632	-
GA_Weed Control	1,596	-
GA_Debris Mgt	109	-
Total Green Army	<u>4,923</u>	<u>-</u>
South32 Tunbridge Gully		
Tunbridge Gully - Stage 1		
TG -Cultural Engage & Consult	1,485	-
TG - Revegetation	1,322	728
TG - Weed Control	31,500	-
TG - Training	20	-
TG - Ecological Monitoring	228	-
TG - Equipment	544	-
Total Tunbridge Gully - Stage 1	<u>35,098</u>	<u>728</u>
Total South32 Tunbridge Gully	<u>35,098</u>	<u>728</u>

The accompanying notes form part of these financial statements.

Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
Local Govt Stormwater Strategy		
LGSS -Employment		
LGSS-Emp-Salary	20,736	-
Total LGSS -Employment	<u>20,736</u>	<u>-</u>
LGSS- Contractor & Consultants		
LGSS-C&C - Consultant	-	2,600
Total LGSS- Contractor & Consultants	<u>-</u>	<u>2,600</u>
LGSS- Overheads		
LGSS- Ovehead - OMO	3,069	-
Total LGSS- Overheads	<u>3,069</u>	<u>-</u>
Total Local Govt Stormwater Strategy	<u>23,804</u>	<u>2,600</u>
PHCC Science Advisor		
Science Advisor - Employment		
Science Advisor - Emp - Salary	91,367	87,150
Science Advisor-Emp-Oncosts	25,787	24,550
Total Science Advisor - Employment	<u>117,154</u>	<u>111,700</u>
Science Advisor - Operational		
Science Advisor - Audit	650	1,000
SA_Operation_ECU Research Part	2,500	-
Total Science Advisor - Operational	<u>3,150</u>	<u>1,000</u>
PHCC Science Advis - Overheads		
Science Advisor- O/Heads- Corp	12,375	11,650
Science Advisor-O/Heads-OMO	5,456	5,229
Total PHCC Science Advis - Overheads	<u>17,831</u>	<u>16,879</u>
Total PHCC Science Advisor	<u>138,135</u>	<u>129,579</u>
Murdoch ARC Linkage		
ARC - Grant	5,000	5,000
Total Murdoch ARC Linkage	<u>5,000</u>	<u>5,000</u>
CCGL15489_Hotham-Williams NRM		
HW NRM_Project Delivery		
HW NRM_PD_Employment	22,590	-
HW NRM_PD_Vehicle	1,205	-
Total HW NRM_Project Delivery	<u>23,795</u>	<u>-</u>
HW NRM_Overheads		
HW NRM_Overheads_Admin	3,037	-
Total CCGL15489_Hotham-Williams NRM	<u>26,831</u>	<u>-</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
CCGL15427 Wetlands & Peoples		
WPP_Project Delivery		
WPP_PD_Employment	25,663	-
WPP_PD_Recruitment	3,000	-
WPP_Proj Deliverable_Cultural	47	-
WPP_Proj Deliverable_Arts	5	-
Total WPP_Project Delivery	<u>28,715</u>	<u>-</u>
WPP_Overheads		
WPP_Overheads_Administration	3,748	-
Total WPP_Overheads	<u>3,748</u>	<u>-</u>
Total CCGL15427 Wetlands & Peoples	<u>32,463</u>	<u>-</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
CCGL15401 Waroona NRM		
Waroona NRM & Fire_PD		
Waroona NRM_PD_Employment	30,537	-
Waroona NRM_PD_Vehicle	794	-
Waroona NRM-PD-Recruitment	3,000	-
Total Waroona NRM & Fire_PD	<u>34,331</u>	<u>-</u>
Waroona NRM & Fire_Overheads		
Waroona NRM_Overheads_OMO	4,295	-
Total Waroona NRM & Fire_Overheads	<u>4,295</u>	<u>-</u>
Total CCGL15401 Waroona NRM	<u>38,626</u>	<u>-</u>
Transform Peel -PIWI Planning		
TP_PIWI_Project Delivery		
TP_PIWI_PD_Salary	2,911	-
Total TP_PIWI_Project Delivery	<u>2,911</u>	<u>-</u>
TP_PIWI_Consultants & Contract		
TP-PIWI-Consultants	20,130	-
Total TP_PIWI_Consultants & Contract	<u>20,130</u>	<u>-</u>
TP_PIWI_Overheads		
TP_PIWI_Overheads_Admin	1,200	-
Total TP_PIWI_Overheads	<u>1,200</u>	<u>-</u>
Total Transform Peel -PIWI Planning	<u>24,241</u>	<u>-</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
Future Partnership Funding		
FPF - Water Quality Projects	2,500	4,211
FPF - Riparian Projects	-	789
FPF - Shire of Waroona	1,000	2,000
FPF - Lane Projects	5,000	-
FPF - Alcoa NRM	-	15,000
Total Future Partnership Funding	<u>8,500</u>	<u>22,000</u>
HRRT_NACE16_9200_HRRT		
Project Delivery	2,896	-
NACE16_CE Workshops	283	-
HRRT_NACE16_Equipment	1,825	-
HRRT_NACE16_Governance	1,808	-
Total HRRT_NACE16_9200_HRRT	<u>6,813</u>	<u>-</u>
HRRT_Saving the Marron in HR		
CCGL15488__Project Delivery	14,238	-
Total HRRT_Saving the Marron in HR	<u>14,238</u>	<u>-</u>
HRRT		
HRRT - Employment	-	10,903
HRRT - Oncosts	-	1,035
HRRT - Operations	17,341	8,153
HRRT - Vehicle	537	-
HRRT - Merredith Landcare Fund	-	2,000
HRRT- Asset Depreciation	5,000	-
HRRT Support Officer	-	7,413
HRRT - HRLCDC	6,597	2,015
Total HRRT	<u>29,474</u>	<u>31,519</u>
HRRT - Blackberry A15151		
State NRM - Weed Treatment	16,030	-
State NRM-Weed Mapping	1,580	-
State NRM - Administration	755	317
Total HRRT - Blackberry A15151	<u>18,365</u>	<u>317</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
HRRT - Rivers2Ramsar Project		
R2R-CE-Workshops	1,200	2,329
R2R-CE-Events	-	1,106
R2R-CE-Onground Activities	1,187	3,096
R2R-CA-Consultation	-	1,150
HRRT-R2R- Cultural Training	1,600	804
R2R-Onground-Fencing [ha]	29,135	17,456
R2R-Onground-Feral Animal Cont	15,000	144
R2R-Onground-Weed Control [ha]	9,937	36,899
R2R-Onground-Revegetation	5,074	33,582
R2R-Onground-Bank Stabilisatio	32,369	4,857
R2R - M&E: Carnaby Workshop	-	1,365
R2R - M&E-Carnaby Count	800	800
R2R-M&E: Carnaby Consultat	8,000	-
R2R-Signage-Project Signage	2,120	-
R2R - Employment Costs	79,754	79,251
Total HRRT - Rivers2Ramsar Project	<u>186,176</u>	<u>182,838</u>
HRRT_CEG2015_001_HRRT_Watsonia		
CEG2015_001_Weed Treatment	9,120	-
CEG2015_001_WEED MONITORING	880	-
Total HRRT_CEG2015_001_HRRT_Watsonia	<u>10,000</u>	<u>-</u>
CEG2015_002_HRRT_LHR		
CEG2015_002 - Site Preparation	-	8,000
CEG2015_002_HRRT_LHR-Weed Cont	23,292	2,268
CEG2015_002_Weed Mapping	2,420	880
Total CEG2015_002_HRRT_LHR	<u>25,712</u>	<u>11,148</u>
Peel-Harvey Rivers 2 Ramsar		
R2R Employment		
R2R - Emp - Salary	311,823	299,300
R2R - Emp - Salary Oncosts	58,816	55,400
RSR-Emp - Vehicle	19,708	16,631
Total R2R Employment	<u>390,346</u>	<u>371,331</u>
NRM Plan		
R2R-NRM-Stakeholder Consultati	-	908
R2R NRM Plan - Print Plan	-	3,510
Total NRM Plan	<u>-</u>	<u>4,418</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
Community/Stakeholder Engagemt		
R2R-CE - Workshops	1,200	6,199
R2R - CE - Field Days	-	(38)
R2R-CE-Events	2,256	4,943
R2R - CE - Training	-	189
R2R-CE-Meetings	-	124
R2R - CE - Ongoing Activities	1,200	1,200
R2R_CE_Comms & Media	1,092	-
Total Community/Stakeholder Engagemt	<u>5,748</u>	<u>12,617</u>
Cultural Aware/Engage & Capaci		
R2R - CA - Consultation	1,550	2,355
R2R - CA - Communication	-	53
R2R - CA - Engagement	8,624	5,145
R2R - CA -Workshops	-	2,600
R2R - CA -Events	-	149
R2R-CA - Training	5,378	5,853
Total Cultural Aware/Engage & Capacity	<u>15,552</u>	<u>16,156</u>
Ongoing Works		
R2R - Fencing [kms]	98,283	175,385
R2R - Ongoing - Feral Animal	4,000	18,256
R2R- Weed Control [ha]	13,697	103,468
R2R-Ongoing - Revegetation	65,854	256,963
R2R - Rubbish Removal	-	1,623
R2R - Bank Stabilisation [ha]	50,020	45,961
R2R - Stock Crossings	20,000	(10,000)
R2R - Phytophthera Control	-	20,000
R2R - Seed Collection	599	600
Total Ongoing Works	<u>252,452</u>	<u>612,255</u>
M&E -Carnabys Workshop & Count		
R2R - M&E- Workshops	5,597	3,836
R2R - M&E - Count	800	800
R2R-M&E - Consultants	32,000	16,000
Total M&E -Carnabys Workshop & Count	<u>38,397</u>	<u>20,636</u>
Project Signage		
R2R-Signage-Project Signage	700	4,550
R2R-Signage - Cultural	-	1,520
Total Project Signage	<u>700</u>	<u>6,070</u>
River Action Plan Review		
R2R-Review Existing RAP	-	1,092
Total River Action Plan Review	<u>-</u>	<u>1,092</u>

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Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
Administration		
R2R - Admin - Finance & Audit	6,770	8,620
R2R - Admin - Hosting	20,440	25,437
R2R - Admin - IT Equipment	-	11,000
R2R- Admin - Stationery & Cons	638	3,282
R2R-Admin-Training	284	3,691
R2R - Admin-Telephone	1,409	1,318
R2R-Admin-Printing	-	2,081
R2R - Admin - Proj Mgt	12,445	56,290
R2R-Admin- Protective Equipmen	134	885
R2R - Admin - Proj Equipment	467	798
R2R- Admin - Travel	1,213	2,826
R2R-Admin-Media	-	169
Total Administration	<u>43,800</u>	<u>116,398</u>
R2R MERI		
R2R - MERI - Project Mgt	9,400	38,440
R2R - MERI- Waroona Landcare	5,091	16,775
R2R- MERI - Monitoring	2,409	2,983
Total R2R MERI	<u>16,900</u>	<u>58,198</u>
Total Peel-Harvey Rivers 2 Ramsar	<u>763,895</u>	<u>1,219,171</u>
NLP PHCC Regional Funding		
NLP_RI17_MERI_Admin		
NLP RI17 -Meri/Admin - Audit	750	760
NLP_RI17_Administration	162,054	194,312
NLP_RI17_MERI	-	11,766
Total NLP_RI17_MERI_Admin	<u>162,804</u>	<u>206,838</u>
Total NLP PHCC Regional Funding	<u>162,804</u>	<u>206,838</u>
NLP - Biodiversity MNES		
S1- Project Delivery		
S1 - PD - Employment	92,644	135,829
Total S1- Project Delivery	<u>92,644</u>	<u>135,829</u>

The accompanying notes form part of these financial statements.

Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
S1-PD- PHCC Activities		
S1 - PHCC Activities - Media	425	668
S1 - Training & Skills Engage	-	1,485
S1 - Meeting Expenses	926	259
S1 - Mgt, Planning & Develop	251	7,710
S1 - Monitor& Evaluation	7,868	-
Total S1-PD- PHCC Activities	<u>9,470</u>	<u>10,121</u>
S1-PD-Community20%		
S1_Community Direct	-	2,748
S1_Grants: Community Environ	126,460	34,467
S1_Grants: Small Local Action	5,135	-
S1_Grants_Community_TEC	49,967	-
Total S1-PD-Community20%	<u>181,562</u>	<u>37,215</u>
Total NLP - Biodiversity MNES	<u>283,675</u>	<u>183,165</u>
NLP - Sustainable Ag & RLF		
S2 - Project Delivery		
S2-PD-Employment	172,782	210,679
S2-PD-Recruitment	-	3,000
S2-PD-Vehicle	14,412	11,266
Total S2 - Project Delivery	<u>187,194</u>	<u>224,945</u>
S2 - PHCC Activities		
S2-PHCC Act-Horticulture	-	664
S2-PHCC Act -Meetings	7	1,766
S2 - Conferences	1,265	1,627
S2 - PHCC Act- Events	0	1,025
Total S2 - PHCC Activities	<u>1,272</u>	<u>5,082</u>
S2 - Community20%		
S2 - Com-Equine Property Plan	2,540	5,847
S2_Com_Landcare Train & Capaci	2,153	-
S2_Com_Training Events	12,739	-
S2_Com_Landcare Cap Investment	56,373	-
S2_Comm_Grants_Sus Agriculture	26,276	-
S2-Com_Grants_Weed_Lwr Catchme	13,150	-
S2_Com_Weed_Upper Catchment	5,438	-
S2_Com_Biosecurity Strategy	65	-
S2_Com_Project Administration	817	-
Total S2 - Community20%	<u>119,551</u>	<u>5,847</u>
Total NLP - Sustainable Ag & RLF	<u>308,017</u>	<u>235,873</u>

The accompanying notes form part of these financial statements.

Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Profit & Loss

July 2016 To June 2017

	2017	2016
	\$	\$
NLP - Comm Engage & Partipation		
S3 - Project Delivery		
S3_PD_Employment	126,966	171,230
S3 - PHCC Activity		
S3 - CE&P - Events	4,886	2,508
S3 - Science	395	20,028
S3 - Meetings	24	559
S3- Cultural	3,803	-
S3 -Participation & Engagement	2,356	1,818
Total NLP - Comm Engage & Partipation	<u>11,465</u>	<u>24,913</u>
S3 - Community20%		
S3-Community-Direct Investment	61,631	11,699
Total S3 - Community20%	<u>61,631</u>	<u>11,699</u>
Total NLP - Comm Engage & Partipatio	<u>200,062</u>	<u>207,842</u>
NLP_RI17 S4		
S4-Project Delivery		
S4_PD_Employment	191,826	178,888
Total S4_Project Delivery	<u>191,826</u>	<u>178,888</u>
S4_PHCC Activity		
S4 - PHCC Act-Onground Works	9,816	5,047
S4 PHCC Act - Mgt,Plan & Devel	139,359	7,450
S4-PHCC Act - Training & Skill	1,806	-
S4 PHCC Act- Cultural Engage	500	-
S4 PHCC Act - Protect Mech Yal	3,200	-
S4- PHCC Act - M&E	575	-
Total S4_PHCC Activity	<u>155,255</u>	<u>12,497</u>
S4_Community20%		
S4- Community20%-Direct Invest	910	2,365
S4 - Community20%-Grants	1,785	5,850
S4_Community-Small Action	10,201	-
Total S4_Community20%	<u>12,895</u>	<u>8,215</u>
Total NLP_RI17 S4	<u>359,977</u>	<u>199,601</u>
Total Expenses	<u>4,486,293</u>	<u>4,086,597</u>
Net Surplus	<u>74,164</u>	<u>92,532</u>

The accompanying notes form part of these financial statements.

Peel-Harvey Catchment Council Inc

58 Sutton Street
MANDURAH WA 6210

Statement of Cash Flows For the year ended 30 June 2017

	2017	2016
	\$	\$
Cash Flows from Operating Activities		
Funding and other sources of income	3,111,734	3,518,280
Payments to suppliers and employees	(2,168,285)	(2,115,190)
Interest received	47,644	28,948
Net Cash provided by Operating Activities	<u>991,093</u>	<u>1,432,038</u>
Cash Flows from Financing Activities		
Purchases of plant and Equipment	(47,715)	-
Net Cash from Financing Activities	<u>(47,515)</u>	<u>-</u>
Net increase in cash held	943,378	1,432,038
Cash at beginning of financial year	3,780,461	2,348,423
Cash at end of Financial Year	<u>4,723,839</u>	<u>3,780,461</u>
A. Reconciliation of net cashflow from operations with net surplus from		
Surplus from ordinary activities	74,164	92,532
Adjustments for:		
Depreciation	22,545	8,551
Change in operating assets and liabilities:		
Accounts receivable and other accruals	(2,693)	25,088
Other assets	-	-
Accounts payable and other accruals	452,658	57,650
Provisions	21,148	38,077
Unspent funds liability	423,271	1,210,140
	<u>991,093</u>	<u>1,432,038</u>

The accompanying notes form part of these financials.

Peel-Harvey Catchment Council Inc

*58 Sutton Street
MANDURAH WA 6210*

Statement of Changes in Equity

as at 30 June 2017

	\$
Retained Earnings 1 July 2015	791,492
Surplus for the year	92,532
Closing Retained Earnings 30 June 2016	<u>884,024</u>
Opening Retained Earnings 1 July 2016	884,024
Surplus for the year	74,164
Closing Retained Earnings 30 June 2017	<u>958,188</u>

The accompanying notes form part of these financial statements.

PEEL-HARVEY CATCHMENT COUNCIL INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Constitution and the Australian Charities and Not-for-profits Commission Act 2012. The Committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date.

Revenue from grant funding, provided under contractual arrangements is taken up on a proportionate basis net of GST, over the period to which the funding relates. Funds received in advance at balance date are recognised as a liability within the balance sheet and carried forward to the next accounting period. Refer Note 2 for further details.

The following income accounts include internal charges raised against specific projects undertaken throughout the year, with corresponding expense charges levied to individual projects to recoup organisational management costs and other costs incurred by Peel- Harvey Catchment Council, in accordance with individual project budgets:

	\$
Sub Regional Project Management Fees	411,143
PHCC – Organisation Mgt Fee	162,953
PHCC – MERI / Admin	28,000
PHCC Committed Project Expenses	10,810
PHCC Venue hire	5,516
PHCC Vehicle Lease	19,800
POE Wages and on-costs	918,223
POE – Employment & On costs	9,000
LGSS – PHCC Stormwater	30,879
SS – PHCC Funding	27,920
HRRT – NACE16 – Grant	30,000
Transform Peel – PHCC Contribution	431
HRRT – Other Funding	17,014
HRRT R2R PHCC Funding	107,441
CEG2015 – 001 – HRRT – BB - Grant	8,000
CEG2015 – 002 – HRRT – LHR Grant	31,220
R2R – Other Income	6,000
CCGL15427_WWO_Other Funding	4,300
Vehicle Funding HRRT	2,500
	<u>1,831,150</u>

PEEL-HARVEY CATCHMENT COUNCIL INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Non Current Assets

Freehold land and buildings are brought to account at cost or at independent or directors' valuation.

Effective from 1 July 2012, the Committee determined assets costing \$5,000 or greater are capitalised in the balance sheet. All other assets costing less than \$5,000 are expensed when incurred.

The depreciable amount of plant and equipment, IT equipment, computer assets and furniture and fittings are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements on buildings not owned by the association are expensed at the time of being incurred.

(c) Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements have been measured at their nominal amount (excluding any on-costs).

(d) Committed Grant

Peel-Harvey Catchment Council Inc. utilises funding to pay land holders, and other suppliers/third parties for successful grant applications. Where grant money has been committed at balance date however not paid to these grant applicants, the committed grant money is recognised as a current liability.

(e) Grant Acquitted

For the purpose of acquitting grants provided by funding bodies, the association has adopted the following policies:

Grant income is acquitted after allowing for the following costs:

-) Cost including labour and on costs directly associated with a specific grant;
-) Administration and other related overhead costs (after excluding costs which are abnormal both in nature and value and therefore not representative of an appropriate level of costs that would be expected to be incurred) not related to a specific grant are allocated over the relevant grants, based on a proportion of the level of each grant and related income compared to total income.

Representations of management and internal documentation are used in determining to which grants a cost may be directly or indirectly attributed.

(e) Income Tax Exemption

Peel-Harvey Catchment Council is exempt from income tax under S50-145 of the Income Tax Assessment Act, 1997.

PEEL-HARVEY CATCHMENT COUNCIL INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 2 UNSPENT FUNDING AT 30 JUNE 2017

The Peel Harvey Catchment Council Inc has provided for funding received during the year which is yet to be spent in accordance with the funding agreements. The balance of these funds at 30 June 2017 is \$2,988,036. This consists of the following projects:

	\$
1. POE	450,772
2. Project Interest	87,126
3. PHCC Merchandise	5,067
4. Lake Clifton Community Engagement	50,000
5. Local Govt Water Strategy	137,921
6. Senior Scientist	49,220
7. Future Partnership Funding	151,267
8. HRRT Funds	124,746
9. Nrm Capacity	40,358
10. People and Wetlands	41,915
11. NLP Peel Harvey Region_R17	157,987
12. South 32	7,104
13. ARC Linkage	5,000
14. HRRT – Blackberry	18,430
15. Mayfield Drain	808,877
16. Peel Main Drain	741,430
17. CEG HRRT LHR	10,161
18. Waroona NRM and Fire Recovery	41,556
19. HRRT – NACE16_9200_HRRT	23,187
20. CCCGL15488- Saving the Marron	15,912
21. Saltmarshes of Ramsar 482	20,000
	<u>2,988,036</u>

It is expected that these funds will be spent within the 30 June 2018 year.

NOTE 3 FINANCIAL SUPPORT

The ongoing operation of the services provided by the Peel Harvey Catchment Council Inc is dependent upon the continued receipt of grant funds.

NOTE 4 CREDIT CARD FACILITY

Peel-Harvey Catchment Council Inc. has business credit cards with a total facility limit of \$10,000.

NOTE 5. LEASING COMMITMENTS

Property Lease

On the 4 February 2013 Peel-Harvey Catchment Council Inc. entered into a Lease Agreement to occupy 111 Sutton Street, Mandurah for a term of five years commencing 20 May 2013. The rental obligation in respect to this lease is \$880 per annum including GST payable annually in advance.

PEEL-HARVEY CATCHMENT COUNCIL INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 6. EQUITY RESERVES

Peel – Harvey Catchment Council Inc. provides for equity reserves from accumulated surplus funds for future operations. As at 30 June 2017, the following equity reserve balances are recorded:

1. PHCC Support	\$781,641	(2016: \$712,503)
2. PHCC Publication Printing	\$14,251	(2016: \$14,251)
3. PHCC WQIP	\$13,515	(2016: \$13,515)
4. PHCC Member Remuneration	\$7,500	(2016: \$0)
5. Asset Replacement – Vehicle	\$28,250	(2016: \$20,844)
6. Replacement IT Equipment	\$2,404	(2016: \$1,603)
7. Replacement Office Equipment	\$36,463	(2016: \$28,777)
	<u>\$884,024</u>	

NOTE 7. CHANGE IN ACCOUNTING ESTIMATE

During the year ending 30 June 2017, Peel – Harvey Catchment Council Inc. has changed the useful life of IT equipment from 10 years to 5 years. PHCC have adjusted prior year's accumulated depreciation expense to reflect this change.

PEEL-HARVEY CATCHMENT COUNCIL INC.

STATEMENT BY MEMBERS OF THE COMMITTEE

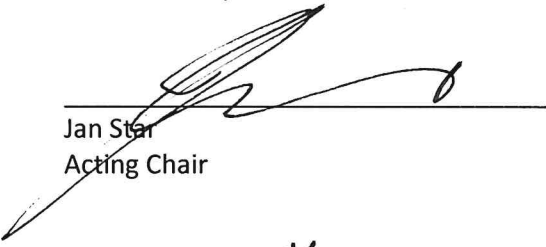
The Committee have determined that the association is not a reporting entity.

The Committee have determined that this special purpose financial report should be prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the accounting policies outlined in Note 1 to the financial report.

In the opinion of the Committee the attached financial statement:

1. Presents fairly the financial position of Peel-Harvey Catchment Council Inc. as at 30 June 2017 and its performance and cashflow statement for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that of Peel-Harvey Catchment Council Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



Jan Star
Acting Chair

Dated this 9th day of October 2017



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PEEL – HARVEY CATCHMENT COUNCIL INC.**

Report on the Audit of the Financial Report

We have audited the financial report of Peel - Harvey Catchment Council Inc. which comprises the balance sheet as at 30 June 2017, the profit and loss statement, statement of cash flows, statement of changes in Equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Committee.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commissions Act 2012*, including:

- i) giving a true and fair view, in all material aspects, of the financial position of Peel - Harvey Catchment Council Inc. as at 30 June 2017, and of its financial performance and its cash flows for the year then ended; and
- ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for Harvey Catchment Council Inc. to maintain an effective system of internal control over reimbursements, service receipts, donations, fund raising activities and cash receipts until their initial entry in the accounting records. Accordingly, our audit in relation to income was limited to amounts recorded in the financial records.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Peel - Harvey Catchment Council Inc. in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter- Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Peel - Harvey Catchment Council Inc. to meet the requirements of the *Australian Charities and Not-for-profits Commissions Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commissions Act 2012* and the needs of the members. Management's responsibility also includes such internal control as determined necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing the Peel - Harvey Catchment Council Inc's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Peel - Harvey Catchment Council Inc or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Peel - Harvey Catchment Council Inc's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

-) Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
-) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
-) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
-) Conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.

-) Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

MARIA CAVALLO
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 10th day of October 2017

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF PEEL – HARVEY CATCHMENT COUNCIL INC.**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2017, there have been no contraventions of:

- i) The auditor independence requirements as set out in Section 60.40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'M Cavallo', with a horizontal line underneath.

**MARIA CAVALLO CA
Director**

Bunbury, WA

Dated this 5th day of October 2017