

TREASURER REPORT & PRESENTATION OF 2018-2019 FINANCIAL STATEMENTS

Annual General Meeting to be held on 17 October 2019

Take a bow everyone, we are kicking goals! We have come a long way in the last 19 years and we should be proud of our efforts. In 2001 Jan pulled out \$10 from her purse and she and I opened the first PHCC bank account. By 2009 we had grown our bank account to \$1,056,000. We then had to ride out those turbulent years from 2009-2012 when government goal posts shifted and nearly saw our demise – but we are a resilient lot and with support (thank you PDC, the City of Mandurah, Bob & the whole Board and staff) we rode out those years and we now have risen like a Phoenix from the Ashes! On July 1, 2014 we became Australia's 55th Region, no small feat! In 2018 we secured the 5th highest Regional Land Partnerships across Australia (\$12,033,145) thanks to our awesome staff, under the strategic guidance of the Board. And now, in 2018-2019 we have our record closing bank balance of \$5,536,000. A remarkable achievement, showing how a shared vision, hard work and very, very determined people can come together to really make a change.

With this, I am very pleased and extremely proud to present the 2018-2019 Financial Statements of the PHCC to the Annual General Meeting:

1. Management Report prepared by AMD Chartered Accountants.
2. Financial Statement for year ended June 30th, 2019 which includes:
 - a. Balance Sheet
 - b. Profit & Loss
 - c. Statement of Cash flow
 - d. Statement of Changes in Equity
 - e. Notes to the Financial Statement
 - f. Statement by Members of the Committee
 - g. Auditor's Independence Declaration
 - h. Independent Auditors Report.

Financial management of our projects this year has been very similar to past years, with the exception of the new Regional Land Partnerships projects, where we have transitioned to receiving our funding in arrears on delivery of completed Work Service Orders. The decision to be somewhat conservative with our investment strategies has seen a lower interest return on project funds; however by June 2019, it was realised that cash-flow hasn't been impacted as first thought with the diversified funding we receive across our suite of projects.

Projects closed during the year:

- 7300 – State NRM Capacity in the Hotham Williams [\$100,333]
- 7500 - State NRM Waroona NRM & Fire Recovery [\$120,346]
- 7890 – State NRM HRRT Saving the Marron in Harvey River [\$100,300]

New Projects started and carried forward to new financial year:

- 5400 – Smartfarms Partnerships [\$90,000 to March 2022]
- 7700 – Water Towers Art Project [\$100,00]
- 9800 – Regional Land Partnership Program – Core Services [\$2,383,737 to 30 June 2023]
- 9830 – Regional Land Partnership Program – Ramsar Wetlands [\$4,996,221 to 30 June 2023]
- 9840 – Regional Land Partnership Program – Banksia Woodlands [\$1,401,428 to 30 June 2023]
- 9850 – Regional Land Partnership Program – Numbat Neighbourhood [\$2,174,505 to 30 June 2023]
- 9860 – Regional Land Partnership Program – Greening Farms [\$1,078,254 to 30 June 2023]
- 9870 – State NRM CSGL18127 Land4Wildlife [\$80,032 to May 2020]
- 9880 – State NRM CSGL18059 Lake McLarty [\$350,859 to April 2022]
- 9890 – SWCC 051.RA.5671 – Implementing Community Questionnaire in PH NRM Community [\$10,000 to 15/01/2020]
- 7995 – HRRT Peel-Harvey Estuary Grant [\$150,000 to May 2021]

Projects which require annual audit of Financial Statements have been completed. Audited Financial Statements were forwarded to the relevant Funding Body on 2nd September 2019.

General Information:

1. **Bendigo Bank Sponsorship:** PHCC applied to the Halls Head Community Bank for sponsorship and was granted a \$3,000 to upgrade “The Shed”. The funds enabled us to install a kitchen sink with access to cold water and a Hot/Cold Drinking water unit in The Shed. With these added features, Staff, Board and Community Groups who use the facilities, especially after hours, have very much welcomed the improvements. I would like to acknowledge Bendigo Bank for their valued support and financial contribution.
2. **Peel CCI Business After Hours:** The Board decided to host a Peel CCI Business After Hours event on 29 March. The aim of this was twofold: (i) to introduce PHCC to the business community by showcasing the range and scope of our work, and (ii) to provide a snapshot of the economic and business benefits of having a thriving environmental organisation working in the region. The event was a huge success with over 60 people in attendance on the Night and from this event, we have connected with new businesses in our region. Thank you goes to Pat Sutton for assisting me in the organising of this event.



3. **Payroll:** During 2018/19, PHCC transitioned to Single Touch Payroll to meet ATO requirements. With this added workload to ensure PHCC was compliant, I would like to acknowledge City of Mandurah, and in particular, Jacqui Shardlow and Jarred King, for their continued support in the management of PHCCs payroll ensuring that all reporting and liability payments to the ATO and Superannuation funds are met in a timely manner.
4. **Credit Card Facility:** With the new Organisation Structure and growth in Project Delivery evolving, a review of credit card facility and cardholders was carried out by the Finance & Audit Committee. From this review, it was recommended and endorsed by the Board that the line of credit be increased to \$15,000 with additional cardholders and monthly card limits updated. I would like to thank Jessica Cummins, PHCCs ANZ Business Manager, for her assistance to have the credit approved and card management. Jess has also worked with Karen and me to gain best interest rates possible for our Term Deposit so please accept our sincere thanks.
5. **Project Funding:** We continue to strive to secure much needed project funding from all levels of Government and our Industry Partners, and this year was no exception.

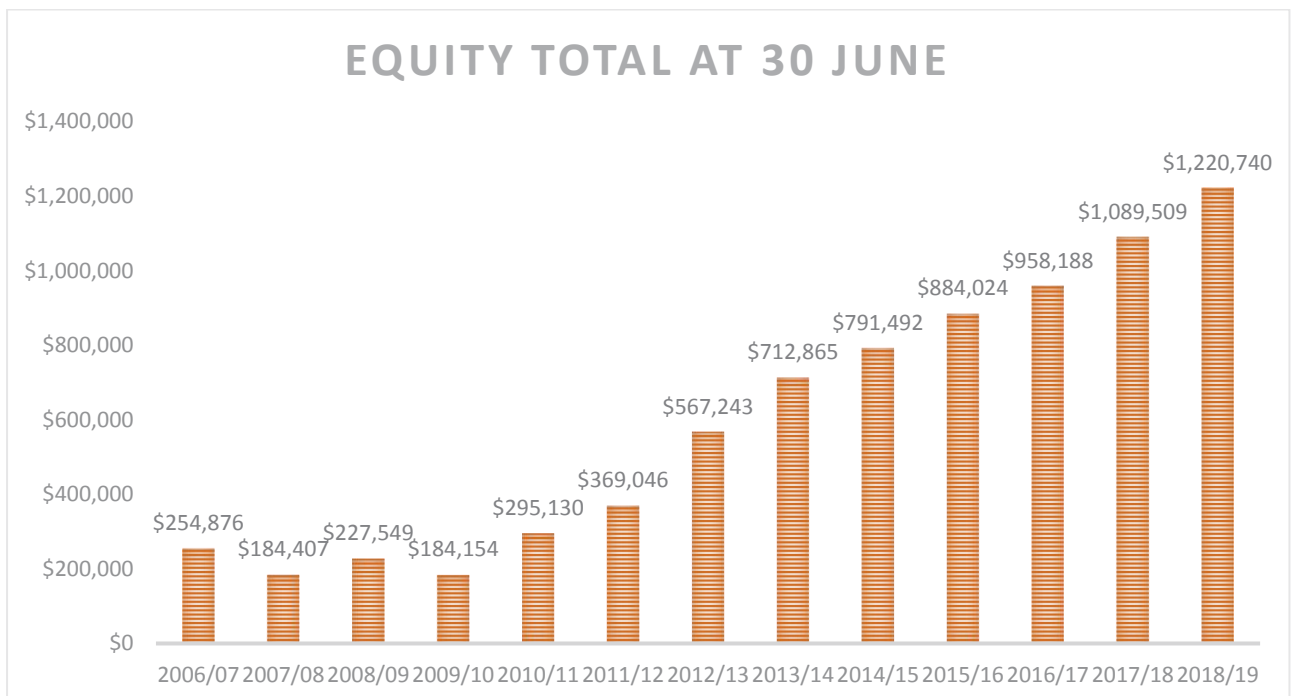
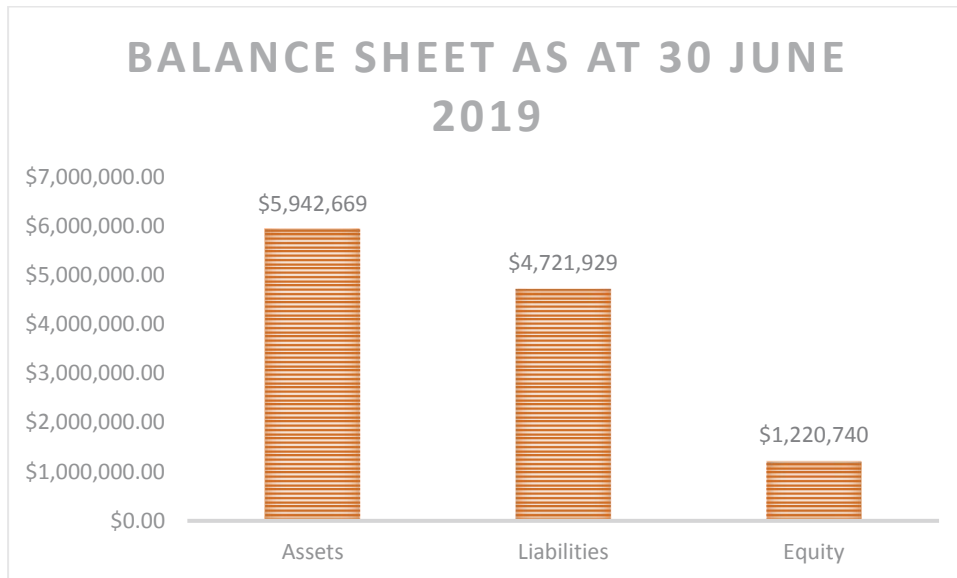
| Funding Source | \$ | % |
|--------------------|------------------|-------------|
| Federal Government | 2,452,442 | 73% |
| State Government | 284,380 | 8% |
| Local Government | 155,000 | 5% |
| Industry | 434,201 | 13% |
| Other | 42,893 | 1% |
| Total | 3,368,916 | 100% |

At the close of 30 June 2019, the Unspent Project funds held in Liabilities was \$3,806,938 which has resulted in us comfortably investing \$1,000,000 of those funds in a Term Deposit account for 6 months.

6. The Organisation's equity increased by \$131,231, resulting in an end of year balance of \$1,220,740. This result was \$90 less compared to last year, so we have continued to maintain a steady growth in equity.

The distribution of retained funds to be carried forward at 1 July 2019 is set out below:

| | |
|-------------------------------|---------------------|
| PHCC Support | \$113,100.72 |
| PHCC Remuneration | \$0.00 |
| Asset Replacement – Vehicle | \$13,130.00 |
| Asset Replacement – IT | \$5,000.00 |
| Asset Replacement – Equipment | \$0.00 |
| Total Retained Equity: | \$131,230.72 |



The financial reports and graphs above demonstrate that the PHCC is in a sound financial position and able to meet all current and future projected liabilities. The auditors have acknowledged the sound internal financial control environment present at Peel-Harvey Catchment Council Inc.

I can confirm that due to the high quality of financial reporting and supporting reconciliations provided to the Auditors, which correctly supported all year ending balances, there were no audit adjustments or recommendations arising from the 30 June 2019 audit. It was very pleasing that the auditors commented that *“there are very few audits undertaken by us which result in no recommendations which is a credit to the commitment and preparedness of Jane, Karen and the team in achieving such an audit result”*.

The auditor’s opinion was that:

“Our audit report for 30 June 2019 is unqualified with our opinion stating the financial report presents fairly the financial position of the Peel-Harvey Catchment Council Inc. We are pleased to report our audit procedures indicated financial records have been maintained to high standards throughout the audit period.”

I would like to once again acknowledge the invaluable contribution made by our Finance Manager Karen Henderson, and the professional assistance of Chief Executive Office Jane O'Malley and Corporate Services Manager Patricia Sutton.

To all project officers, my sincere thanks for your unstinting efforts in adhering to guidelines and contract requirements in respect of our project funding. And to the Finance & Audit Committee members, thank you for your support and advice.

Last but not least, my heartfelt thank you to my fellow Bank Signatories Jan Star, Andy Gulliver, Caroline Knight and the late Michael Shultz for assisting me with the authorisation of online Banking and cheque approvals during the year. The many hours of volunteer work you have provided during the financial year have not gone unnoticed and your commitment to enabling PHCC to pay Suppliers in a timely manner is very much appreciated by all concerned. We welcome Amanda Willmott and Sue Fyfe to the Signatory Delegation in 2019/20.

Marilyn Gray

Treasurer



We acknowledge the Noongar people as Traditional Custodians of this land and pay our respects to all Elders past and present