



Crestwood Home Owners Association (Inc)

ABN 79 357 595 966

FINANCIAL REPORT

FOR THE YEAR ENDED 31st MARCH 2022

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Crestwood Home Owners Association (Inc)

STATEMENT BY PRESIDENT AND TREASURER

We, Adrian D Falconer and Magdaleen van Blerk, being President and Treasurer respectively of the CRESTWOOD HOME OWNERS ASSOCIATION (INC), hereby state that:

1.
 - (a) The accompanying statement of profit and loss is drawn up so as to give a true and fair view of the results of the Association for the financial year ended 31 March 2021
 - (b) The accompanying balance sheet is drawn up so as to give a true and fair view of the state of affairs of the Association as at the end of the financial year.
2. At the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The accompanying accounts have been made out in accordance with the accounting policy of the Association

The Association has in respect of the financial year:

- I. Kept such accounting records to correctly record and explain the transactions and financial position of the Association.
- II. Kept its accounting records in such a manner as would enable a true and fair accounts of the Association to be prepared from time to time; and
- III. Kept its accounting records in such a manner as would enable the accounts of the Association to be conveniently and properly audited in accordance with the statutory requirements.

A competent person has properly prepared the accounts.

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

President


.....
Adrian D Falconer

Treasurer


.....
Magdaleen van Blerk

Dated

.....16/5/2022.....

Dated

.....16/5/2022.....

CRESTWOOD HOME OWNERS ASSOCIATION INC.

Independent auditor's report

To the members of Crestwood Home Owners Association Inc.

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Crestwood Home Owners Association Inc. (the Association), which comprises the statement of financial position as at 31 March 2022, the statement of financial performance for the year then ended, statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies, and the statement by President & Treasurer of the committee.

In our opinion, the financial report of Crestwood Home Owners Association Inc. has been presented fairly:

- (a) giving a true and fair view of the Association's financial position as at 31 March 2022 and of its cash flows & financial performance for the year ended 31 March 2022; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1.

Basis for opinion

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 the Association in accordance with 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 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 for the purpose of fulfilling the registered entity's financial reporting responsibilities under the *Associations Incorporation Act 2015 (WA)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Committee for the Financial Report

The Committee 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 *Associations Incorporation Act 2015 (WA)*, and the needs of the members. The committee's responsibility also includes such internal control as the responsible entities determine is 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, the Committee is responsible for assessing the Association'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 the Committee is either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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 the 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 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's 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 Committee 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 the Committee 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.


RG Ledger
Chartered Accountant
Registered Company Auditor

11/5/2022

GREG LEDGER PTY LTD

CHARTERED ACCOUNTANT

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11 May 2022

Crestwood Home Owners Association Inc.
PO Box 58
Thornlie WA 6988

AUDITOR INDEPENDENCE DECLARATION

This declaration is made in connection with the audit of the financial report of Crestwood Home Owners Association Inc. for the year ended 31 March 2022.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 March 2022 there have been:

- no contraventions of the auditor independence requirements in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely



RG Ledger
Chartered Accountant
Registered Company Auditor

Crestwood Home Owners Association (Inc)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31st MARCH 2022

	This Year	Last Year
OPERATING SURPLUS	9,049	44,452
ATO Cash Flow Boost	-	21,316
Last Year	<u>9,049</u>	<u>65,768</u>
	<u>9,049</u>	<u>65,768</u>
APPROPRIATIONS		
Asset Replacement Reserve Interest Capitalised	2,644	5,932
Surplus transferred to Assoc.	<u>6,405</u>	<u>59,836</u>

The accompanying notes form part of these financial statements.

Crestwood Home Owners Association (Inc)

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2022

		2022	2021
CURRENT ASSETS			
Cash	(2)	276,692	263,478
Receivables	(3)	29,401	33,480
Total Current Assets		306,093	296,959
Non Current Assets			
Investments	(4)	828,156	794,151
Property, Plant & Equipment	(5)	1,122,308	1,145,532
Total Non Current Assets		1,950,464	1,939,683
TOTAL ASSETS		2,256,557	2,236,642
Current Liabilities			
Creditors and borrowings		31,639	27,090
Provisions	(6)	22,871	8,007
Other	(7)	152,140	180,690
Total Current Liabilities		206,651	215,787
NET ASSETS		2,049,906	2,020,855
ASSOCIATION FUNDS			
Balance at beginning of the year		224,779	181,215
Movement in Asset Replacement Reserve		(11,361)	(16,272)
Surplus for the year		6,405	59,836
		219,823	224,779
Capital by Developer		258,726	258,726
Asset Replacement Reserve	(8)	828,156	794,150
Land Revaluation Reserve	(5)	743,200	743,200
TOTAL ASSOCIATION FUNDS		2,049,906	2,020,855

The accompanying notes form part of these financial statements.

Crestwood Home Owners Association (Inc)

MOVEMENTS IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022

	2022	2021
EQUITY		
Opening Balance	2,020,857	1,935,088
Asset Replacement Reserve	34,005	42,203
Current Year Earnings	6,405	59,836
Freehold Land Revaluation Reserve	-	-
Movement in Asset Replacement Reserve	(11,361)	(16,272)
Total Equity	2,049,906	2,020,855

Crestwood Home Owners Association (Inc)

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

	2022	2021
OPERATING INCOME		
Income from Residents	337,803	334,160
POS Contribution (9)	112,425	112,425
Profit/Loss on sale of Asset	(2,113)	200
Sundry Income	-	-
Interest	4,220	4,193
Interest on Asset Replacement Reserve	2,644	5,932
Hall Hire Income	1,320	1,188
Grants Received	400	400
Total Income	456,700	458,498
Insurance		
Workers Compensation	1,363	1,074
General Insurance	11,575	10,839
	12,938	11,913
Depreciation		
Parks, Bores & Retic	25,450	20,543
Plant & Equipment	9,354	9,623
Park Lighting	3,025	2,102
Landscaping & Development	5,776	6,186
Pools	16,622	18,004
	60,227	56,459
Parks Repairs & Maintenance		
Bores & Retic	6,652	3,834
General Plant & Equipment	5,278	4,192
Park Lighting	1,372	1,190
Landscaping and Fencing	-	36
Tree removal & Trimming	12,273	14,436
Rubbish removal	441	596
Motor vehicles	4,669	3,881
Sundry Tools and Cons	1,149	880
Footpath and Kerb repairs	-	-
Fertilizer	5,035	6,444
Poisons and Sprays	740	905
Subcontract Mowing	26,619	25,510
Replacement Trees & Plants	4,922	3,404
Equalisation reserve	12,000	12,000
Light & Power	36,712	11,933
Bushland Maintenance	-	346
Head Gardener	71,668	68,739
Part time Gardener	53,105	41,990
Annual & Long Service Leave	5,360	5,297
Superannuation	12,340	7,789
Staff Training	303	182
Uniforms	513	815
	261,150	214,399

Swimming Pool

Pools Management	68,650	73,727
Rates and Taxes	3,077	4,252
Cylinder Rental	442	344
Other Chemicals	2,264	7,128
Buildings	474	2,222
Pool Equipment	(1,155)	3,629
Sundries	250	709
Amenities & Supplies	208	233
Equalisation reserve	8,000	8,000
Pool Garden Cost	155	8
	82,367	100,252

Administration

Stationery	1,618	1,719
Sundries	1,424	1,971
Bank fees / Gov charges	1,813	1,406
Advertising	578	56
Xmas	-	509
Legal Fees	834	2,869
Accounting Fees	12,785	10,487
Postage	408	286
Consultancy Fees	673	617
Income Tax Expense	839	-
Telephone	1,479	1,944
Hall Hire Cost	1,320	1,144
Social Activities	-	-
Meeting Cost	437	545
Committee Reimbursement	(10) 6,761	7,468
Crestwood News & Notices	-	-
	30,969	31,023

Total Expenses

447,651	414,045
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NET SURPLUS

9,048.64	44,452
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Crestwood Home Owners Association (Inc)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2022

	2022	2021
OPERATING ACTIVITIES		
Receipts from Customers	378,124	375,974
Payment to Suppliers and Employees	(422,652)	(346,070)
Cash Receipts from other operating activities	106,687	107,530
Net Cash Flows from Operating Activities	62,160	137,434
Investing Activities		
Proceeds from sale of property, plant and equipment	10,106	
Payments for property, plant and equipment	(49,041)	(41,637)
Other cash items from investing activities	13,136	(14,370)
Net Cash Flows from Investing Activities	(25,800)	(56,007)
Financing Activities		
Other cash items from financing activities	10,819	77,573
Net Cash Flows from Financing Activities	10,819	77,573
NET CASH FLOWS	47,179	159,000
Cash and Cash Equivalents		
Cash and cash equivalents at beginning of period	1,057,584	919,901
Cash and cash equivalents at end of period	1,104,763	1,057,584
NET CHANGE IN CASH FOR PERIOD	47,179	137,683

Crestwood Home Owners Association (Inc)

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31st MARCH 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (WA). The committee has determined that the Association is not a reporting entity.

The Association is a non-reporting entity because, in the opinion of the committee there do not exist users who are dependent on general purpose financial reports for information which will be useful to them for making evaluating decisions about the allocation of scarce resources. The financial statements are therefore a special purpose financial report for the members of the Association

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

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

CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts. For this purpose, deferred consideration is not discounted to present values when recognizing revenue.

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

All Revenue is stated net of the amount of goods and services tax (GST).

FIXED ASSETS

Depreciation

Fixed assets are first depreciated in the year of acquisition and the straight-line method of depreciation is used

Freehold land is stated in the Statement of Financial Position as at last valuation.

A previous revaluation of Freehold Land originally included in total value of Asset Replacement Reserve is now separately recorded to correctly reflect balance of the Asses Replacement Reserve. In addition, to ensure correct matching of cash assets necessary to be set aside for the Asset Replacement Reserve, a sum of \$308,155.56 has been provisioned in the accounts from available ME Bank accounts to be included in total cash assets held in reserve for Asset Replacement.

Westpac 800662	20,558	22,746
Macquarie 109524330	115,668	39,279
ME Bank (Part #240392886)	125,339	191,326
Macquarie 256	10,128	10,128
Westpac 566626	5,000	
	<u>276,692</u>	<u>263,478</u>

3. RECEIVABLES

	2022	2021
Homeowners Fees	11,686	15,717
Prepayments	17,714	17,763
Accrued Income	-	-
	<u>29,401</u>	<u>33,480</u>

4. INVESTMENTS

	2022	2021
SF Bores & Retic	280,213	263,763
SF P & E	50,957	50,292
SF Park lighting	39,161	33,683
SF Pool Building	31,693	28,562
SF Filtration Plant	193,951	189,179
SF Swimming Pool	90,629	94,623
SF Landscaping	141,551	134,049
	<u>828,156</u>	<u>794,151</u>
<u>Deposited</u>		
ME Bank (Part #240392886)	308,156	274,151
ME 128527	400,000	400,000
ME 128501	100,000	100,000
ME 128938	20,000	20,000
	<u>828,156</u>	<u>794,151</u>

5. PROPERTY, PLANT AND EQUIPMENT

	2022	2021
Freehold Land at purchase	6,800	6,800
Revaluation - 1996	13,200	13,200
Revaluation - 2002	130,000	130,000
Revaluation - 2019	600,000	600,000
	<u>750,000</u>	<u>750,000</u>
Swimming Pool Plant & Building at Cost	417,884	436,099
Less: Accumulated Depreciation	(325,687)	(336,384)
	<u>92,197</u>	<u>99,715</u>
Bores and Reticulation at Cost	441,945	567,786
Less: Accumulated Depreciation	(284,902)	(402,027)
	<u>157,043</u>	<u>165,759</u>
General Plant & Equipment	96,207	86,902
Less: Accumulated Depreciation	(78,292)	(69,693)
	<u>17,915</u>	<u>17,209</u>
Landscaping and Development	107,667	147,767

Less: Accumulated Depreciation	(78,389)	(113,816)
	<u>29,277</u>	<u>33,951</u>
Park Lighting	89,796	90,795
Less: Accumulated Depreciation	(13,920)	(11,896)
	<u>75,876</u>	<u>78,899</u>
	<u>1,122,308</u>	<u>1,145,532</u>

6. PROVISIONS

Provision for Income Tax	(1,203)	(12,189)
GST Payable	(1,958)	(140)
Superannuation payable	2,879	2,129
PAYG Withholdings	5,548	4,166
Annual Leave	12,113	8,972
Longs Service Leave	7,287	5,068
Wages Payable	(1,796)	
	<u>22,871</u>	<u>8,007</u>

7. CURRENT LIABILITIES OTHER

	2022	2021
Security Deposit	17,022	12,122
Accrued Expenses	57,760	83,259
Unpaid Expense Claims	-	-
Social Committee funds	653	1,950
Income Received in Advance	76,706	83,359
	<u>152,140</u>	<u>180,690</u>

8. ASSET REPLACEMENT RESERVE

	2022	2021
Balance at beginning of year	794,151	751,947
Movement in Asset Reserve	11,361	16,272
Interest capitalised	2,644	5,932
Asset Replacement capitalised	20,000	20,000
Balance at end of year	<u>828,156</u>	<u>794,151</u>

9. PUBLIC OPEN SPACE CONTRIBUTION

	2022	2021
Currently calculated at \$1.16 per SQ m (88,251)	102,425	102,425
+ \$10,000 development. Review in process	10,000	10,000
	<u>112,425</u>	<u>112,425</u>

10. HONORARIUMS AND ACCOUNTING FEES PAID

	2022	2021
Committee Members:		
K Oakland	2,422	2,390
L Spicer	-	1,195
C Spann	303	1,195
G Bullock	1,211	1,195
B Samson	1,211	1,195
A Falconer	908	

A Balmer	706	
Volunteers:		
Webmaster	-	-
M van Dijk - Hall Hire	-	298
Total for the year ending 31 March 2022	6,761	7,468
Treasurer:		
M van Blerk	6,055	5,975
Total for the year ending 31 March 2022	12,816	13,443