

13 October 2021

The Treasurer  
Dandaragan Community Resource Centre  
PO Box 8  
DANDARAGAN WA 6507

Email: [accounts@dandaragancrc.net.au](mailto:accounts@dandaragancrc.net.au)

Dear Sir/Madam,

**Dandaragan Community Resource Centre Incorporated**  
**ABN 26 033 028 226**  
**Special Purpose Review & Annual Financial Statements**

I refer to my engagement letter dated 27 September 2019 and your subsequent email correspondence dated 13 August 2021 to conduct an independent review of the MYOB file prepared by the Dandaragan Community Resource Centre (Dandaragan CRC) for the period ending 30 June 2021.

I confirm that I have conducted an independent special purpose review for Dandaragan CRC for the period 1 July 2020 to 30 June 2021 and upon that review I confirm that materially the transactions that were tested by my office represented a true and fair position as at 30 June 2021. Please note that this review is not an audit and should not be considered an audit under any Australian Auditing Standards.

Upon completion of the abovementioned review, I was further engaged to complete the annual financial statements. These financial statements have been prepared in accordance with the Australian accounting standards where applicable, however please note that a statement of cash flows was not prepared.

Notwithstanding my opinion above, I draw your attention to the following matters:

**1. Redgum Reports**

For the purpose of record keeping, there is a separate MYOB data file maintained for 'Redgum Reports', a sub-branch of Dandaragan CRC. This branch reports GST using a second client activity centre under the same ABN. Transactions between Dandaragan CRC and Redgum Reports are recorded as "inter-entity transactions" with nil GST effect.

**2. GST Reconciliation**

A reconciliation of GST for the financial year 1 July 2020 to 30 June 2021 has been conducted across both of the MYOB data files. It was determined, prima facie, that GST had been accurately reported during the financial year.

**3. Plant and Equipment**

It is recommended that the asset register be reviewed each year and any obsolete assets written off.

**4. Undeposited Funds**

I note that the undeposited funds account has a balance in the 2020/21 financial year which relates to a period in January 2021. Whilst this balance is immaterial, I do recommend that this be reconciled.

**5. Provision for Long Service Leave**

I do not recommend recognising a provision for long service leave until an employee is eligible for the pro rata payment i.e., after seven (7) years. Recognising a liability before it exists cannot be quantified accurately for the financial statements as there are too many variables that still exist. For your internal records you may like to monitor the expected liability so the committee is aware of the increasing value that will be due and payable upon termination if an employee leaves before the ten (10) year anniversary.

Whilst every care has been undertaken within this review, ultimately the Dandaragan CRC is responsible for the preparation of the profit and loss and balance sheet to ensure they represent a true and fair financial position and performance for the year ended 30 June 2021.

Should you have any queries in relation to the above, please do not hesitate to contact Sally Whitely of my office.

Yours faithfully  
**Verto Consulting**



**Shannon Coleman**  
Director