

OMAHA BEACH RESIDENTS SOCIETY INCORPORATED.

FINANCIAL STATEMENTS

For the Year Ended 30th June 2007

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Omaha Beach Residents Society Incorporated

Notes to the Financial Statements For the Year Ended 30th June 2007

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements presented here are for the entity Omaha Beach Residents Society Inc., an incorporated society registered under the provisions of the Incorporated Societies Act 1908. The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified.

a) **Goods & Services Tax**

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of account receivables and payables.

b) **Income Tax**

For income tax purposes the Society has been treated as a non profit making entity as it deals only with its own members. Provision for Income Tax has been made on interest income received.

c) **Receivables**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

2. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities. The Society has not granted any securities in respect of liabilities payable by any other party whatsoever.

3. NOTES

3.1 Sundry Debtors

Omaha Beach Limited Design Control Committee (DCC) Contribution.

Omaha Beach Limited undertook to reimburse the Society for initial design consultation expenditure as below:

Agreed Contribution		\$20,000.00
Less DCC expenses paid on behalf of the Society		<u>\$16,582.00</u>
Amount Still Owing		\$3,418.00
Plus National Bank interest accrued but not credited		<u>10,606.37</u>
		14,024.45

3.2 National Bank Investments

Money Market Call Account	3.00%	249.34
Term Deposit 1001	8.25%	559,114.91
Term Deposit 1004	8.48%	443,328.04
Term Deposit 1005	8.83%	1,235,473.01

3.3 Minter Ellison Rudd Watts Trust Account

Three (3) members requested that each of their performance bond contributions be retained in the Minter Ellison Rudd Watts trust account. The amount of each bond required to be paid to the Society and to be held in Trust on behalf of Design Control Committee is \$5,000. Refer to Note 3.4 for an explanation regarding Members bond contributions.

3.4 Members Bond Contributions Received

The sale and purchase agreement that each member entered into required a bond to be paid to the Society. The Bond is held within the Society on behalf of the Design Control Committee. The amount of that bond is in most instances is \$5,000. The bond is released to each member upon completion of the design compliance process. The cost of compliance as described in Note 3.5 is deducted from the bond and the residual amount is repaid to the member.



Total Members Bonds Received	2,425,804
Less Repaid	<u>355,874</u>
Outstanding	2,069,930

Members Bonds outstanding last year were \$2,086,316

3.5 Deductions from Bonds Held

External consultants are engaged by the Design Control Committee to ensure each application for building consent complies with the guidelines stipulated by the developers. These costs are able to be deducted from members bonds prior to those bonds being repaid to members. The unrecovered accumulated total of all costs relating to DCC compliance evaluation up to 30/6/07 was \$226,209.01 (Last Year \$193,367.79). This includes the payments included in Note 3.1

DCC compliance costs were to:

	Costs Since Inception		
	<u>This Year</u>	<u>This YTD</u>	<u>Last YTD</u>
Boffa Miskell Ltd	854.37	14,592.73	13,738.36
Hulena Architects	8,249.85	34,789.73	26,539.88
Minter Ellison	0.00	6,073.60	6,073.60
Positive Planning Ltd / Peter Neeve	37,871.33	216,037.56	178,166.23
Initium	0.00	6,829.45	6,829.45
Jasmax	0.00	7,375.00	7375
Lakeview Consultants Ltd	0.00	18,500.00	18,500.00
Inspection and Administration Fees	22,873.14	82,573.14	59,700.00
Webster Malcolm Kilpatrick	20,533.33	20,533.33	
Other	-2,033.09	5,126.82	7,159.91
	<u>88,348.93</u>	<u>412,431.36</u>	<u>316,707.43</u>
Less Recovered	62,882.71	186,222.35	123,339.64
Costs to be Recovered	<u>25,466.22</u>	<u>226,209.01</u>	<u>193,367.79</u>

3.6 Provision For Tennis Court Replacement

Inflation Rate 2.5%

Asset Replacements

	Astrograss	Exterior Fencing	Structures	Net	Net Stands	Signage	Total
Expected Life - years	10	15	20	3	10	5	
Replacement Cost (Today \$)	\$70,000	\$10,000	\$5,000	\$500	\$2,000	\$2,000	\$89,500
Replacement Cost (Future Value)	\$89,858	\$14,544	\$8,239	\$539	\$2,567	\$2,266	\$118,014
Per annum provision for replacement	\$8,985.8	\$969.6	\$412.0	\$179.6	\$256.7	\$453.2	\$11,257



Omaha Beach Residents Society Incorporated

**Statement of Financial Performance
For the Year Ended 30th June 2007**

	<u>Year 2007</u>	<u>Year 2006</u>
Income		
Members Levies Received	115,205	118,972
Finance Charges (member late paid levies)	260	1,852
Interest Received	158,024	154,964
	<u>273,489</u>	<u>275,788</u>
Less Operating Expenses		
Advertising	4,295	
Bank Charges	487	411
Audit Fees	1,650	1,650
Consultancy Fees	2,261	
Legal Fees	546	10,694
Legal and Consultants - District Plan	-	21,114
Miscellaneous	717	647
Electricity	654	586
Printing	963	
Rates	801	717
Maintenance - Facilities	-	1,698
Membership OBC (Last Year 2yrs)	12,642	23,653
Administration - Managers Expenses	64,875	63,804
Total	<u>89,891</u>	<u>124,974</u>
NET SURPLUS FROM ACTIVITIES	183,598	150,814
Less Provision for Tennis Court Replacement	11,257	11,257
Less Provision for Taxation	52,326	48,810
	<u>63,583</u>	<u>60,067</u>
SURPLUS INCOME OVER EXPENDITURE AFTER TAXATION	<u>120,015</u>	<u>90,747</u>

**Statement of Financial Position
As At 30th June 2007**

	<u>Year 2007</u>	<u>Year 2006</u>
ASSETS		
National Bank - Working Account	164,401	98,130
National Bank - Term Investments	2,238,165	2,197,150
Minter Ellison Rudd Watts Trust Account	15,000	15,000
Sundry Debtors	14,024	13,607
Goods and Services Tax	3,088	2,870
Members Levies Outstanding	2,340	9,540
Taxation Refund Due	9,444	12,772
TOTAL ASSETS	<u>2,446,463</u>	<u>2,349,069</u>
LIABILITIES		
Accounts Payable	29,564	14,215
Provision for Tennis Court Replacement	67,542	56,285
Members Bond contributions received	2,069,930	2,086,316
Less Accumulated DCC Costs re design approvals	226,209	193,368
	<u>1,843,721</u>	<u>1,892,948</u>
TOTAL LIABILITIES	<u>1,940,827</u>	<u>1,963,448</u>
NET ASSETS	<u>505,636</u>	<u>385,621</u>
Represented by		
Opening Balance 1/7/05	385,621	304,319
Less Prior Period Adjustment - Managers Fee	-	9,445
	<u>385,621</u>	<u>294,874</u>
Surplus of Income over Expenditure (refer above)	120,015	90,747
Closing Balance	<u>505,636</u>	<u>385,621</u>



Audit Report

To the readers of the financial report of Omaha Beach Residents Society Incorporated.

We have audited the financial report. This financial report provides information about the past financial performance and the financial position as at 30th June 2007. This information is stated in accordance with the policies as set out.

Committee's Responsibilities:

The Trustees are responsible for the preparation of the financial report which gives a true and fair view of the financial position and of the results of the operations for the year ended 30th June 2007.

Auditors' Responsibilities:

It is our responsibility to express an independent opinion on the financial report presented by the Committee and report our opinion to you.

Basis of Opinion:

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial report. It also includes assessing:

- (a) the significant estimates and judgements made by the Committee in the preparation of the financial report, and
- (b) whether the accounting policies are appropriate to the Committee's circumstances consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial report.

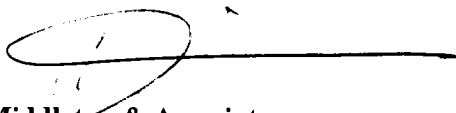
Other than in our capacity as auditor, we have no relationship with or interests in Omaha Beach Residents Society Incorporated.

Unqualified Opinion:

We have obtained all the information and explanations we have required.

In our opinion, the financial report fairly reflects the financial position and the results of its operations of the Society for the year ended 30th June 2007.

Our audit was completed on October 31, 2007, and our unqualified opinion is expressed as at that date.


Middleton & Associates
Chartered Accountants
Wellsford & Warkworth