

OMAHA BEACH RESIDENTS SOCIETY INCORPORATED.

FINANCIAL STATEMENTS

For the Year Ended 30th June 2010

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Omaha Beach Residents Society Incorporated

Notes to the Financial Statements For the Year Ended 30th June 2010

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. Unrecoverable levies 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

Interest Accrued

Being interest on deposits held with the ANZ National Bank which had been earned by the Society at 30.6.2010 but were credited to the relevant deposit accounts after that date:

National Bank Investments

Money Market Call Account	1.75%	2,817.23
Term Deposit 1001 – expires July 2101	3.65%	362,316.88
Term Deposit 1005 – expires Sept. 2010	4.60%	1,389,799.72

Minter Ellison Rudd Watts Trust Account

Two (2) 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.

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	2,419,301
Less Repaid	<u>900,983</u>
Outstanding	1,518,318

Members Bonds outstanding last year were \$1,712,488



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 30/6/10 was \$180,047 (Last Year \$216,740).
DCC compliance costs made up of:

Balance of recoverable costs at 1/7/2009	226,470
Hulena Architects	8,938
Positive Planning Ltd / Peter Neeve	25,439
Jasmax	6,437
Inspection and Administration Fees	21,050
Other	2,415
	<u>290,749</u>
Less Recovered from Bonds released	110,702
Costs to be Recovered	<u>180,047</u>

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	\$8,985.80	\$969.60	\$412.00	\$179.60	\$256.70	\$453.20	\$11,257



Omaha Beach Residents Society Incorporated

Statement of Financial Performance For the Year Ended 30th June 2010

Income	Year 2010	Year 2009
Members Levies Received	121,708	121,539
Finance Charges (member late paid levies)	1,340	393
Interest Received	<u>83,242</u>	<u>143,171</u>
	206,291	265,102
Less Operating Expenses		
OBC Litigation Fund (Omaha Park)	100,000	100,000
Administration - Managers Expenses	69,375	69,375
Legal Fees	44,122	34,501
OBC Membership & Levies	10,726	11,603
Security	10,440	9,762
Maintenance - Facilities	6,945	12,826
Audit Fees	4,105	3,965
Consultancy Fees	2,836	1,700
Donation - Omaha Beach Community	2,349	
I.T. & Website	1,941	1,066
Legal and Consultants - District Plan	1,633	
Rates	905	1,106
Electricity	873	810
Miscellaneous	765	1,453
Bank Charges	564	955
Meeting Expenses	<u>162</u>	<u>2,820</u>
Total	<u>257,741</u>	<u>251,942</u>
NET SURPLUS FROM ACTIVITIES	-51,450	13,161
Less Provision for Tennis Court Replacement	Note (3.6)	11,257
Less Provision for Taxation on Interest Received		<u>48,549</u>
	<u>27,363</u>	
	<u>38,620</u>	<u>59,806</u>
SURPLUS EXPENDITURE OVER INCOME (AFTER TAXATION)	<u>-90,070</u>	<u>-46,646</u>



Omaha Beach Residents Society Incorporated

Statement of Financial Position As At 30th June 2010

ASSETS		<u>Year 2010</u>	<u>Year 2009</u>
National Bank - Working Account		73,239	7,708
National Bank - Term Investments	Note (3.2)	1,754,934	2,033,863
Minter Ellison Rudd Watts Trust Account	Note (3.3)	10,000	10,000
Interest Accrued	Note (3.1)	13,147	4,445
Members Levies Outstanding		2,531	10,690
Taxation Refund Due		<u>4,239</u>	<u>9,507</u>
	TOTAL ASSETS	<u>1,858,090</u>	<u>2,077,890</u>
LIABILITIES			
Accounts Payable		3,190	8,225
Goods and Services Tax		280	-1,677
Member Levies Paid in Advance		32,245	
Provision for Tennis Court Replacement	Note (3.6)	<u>101,313</u>	<u>90,056</u>
	Subtotal	137,027	96,604
Members Bond contributions held	Note (3.4)	1,518,318	1,723,488
Less Unrecovered DCC Costs re design approvals	Note (3.5)	<u>180,047</u>	<u>216,740</u>
		<u>1,338,272</u>	<u>1,506,748</u>
	TOTAL LIABILITIES	<u>1,475,299</u>	<u>1,603,352</u>
	NET ASSETS	<u>382,791</u>	<u>472,861</u>
Represented by			
Opening Balance 1/7/09		472,861	519,507
Surplus of Expenditure over Income		<u>-90,070</u>	<u>-46,646</u>
Closing Balance 30/06/2010		<u>382,791</u>	<u>472,861</u>



Auditor's Report

To the members of the Omaha Beach Residents Society Incorporated

We have audited the financial statements of the Omaha Beach Residents Society Incorporated, which comprise the Balance Sheet as at 30 June 2010 and the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended, and a summary of significant account policies and other explanatory information.

Committee's Responsibility:

The Committee is responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement.

Auditor's Responsibility:

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

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

Opinion:

In our opinion the financial statements fairly reflect, in all material aspects, the financial position of the Omaha Beach Residents Society Incorporated as at 30 June 2010 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Report on Other Legal and Regulatory Requirements

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

In our opinion, proper accounting records have been kept by the Omaha Beach Residents Society Incorporated as far as appears from an examination of those records.



Middleton & Associates
Chartered Accountants
Warkworth
22 December 2010