

OMAHA BEACH RESIDENTS SOCIETY INCORPORATED.

FINANCIAL STATEMENTS

For the Year Ended 30th June 2012

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Omaha Beach Residents Society Incorporated

Notes to the Financial Statements For the Year Ended 30th June 2012

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

1. **Interest Accrued**

Being interest on deposits held with the ANZ National Bank which had been earned by the Society at 30.6.2011 but were credited to the relevant deposit accounts after that date.

2. **National Bank Investments**

Money Market Call Account	1.00%	2,905.41
Term Deposit 1001 – expires 24/9/2012	3.25%	189,766.25
Term Deposit 1005 – expires 12/11/2012	4.00%	1,373,627.19

3. **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.

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 Outstanding \$1,245,314 (Last Year \$1,427,016)



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 30/6/12 was \$166,106 (Last Year \$199,870).
DCC compliance costs made up of:

Balance of recoverable costs at 1/7/2011	199,870
Hulena Architects	3,575
Positive Planning Ltd / Peter Neeve	24,041
Jasmax	3,102
Inspection and Administration Fees	18,833
Other	2,690
	252,111
Less Recovered from Bonds released	86,005
Costs to be Recovered	166,106

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	\$8,985.80	\$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 2012

Income	<u>Year 2012</u>	<u>Year 2011</u>
Members Levies Received	123,295	123,447
Finance Charges (member late paid levies)	9	1,301
Interest Received	<u>66,870</u>	<u>78,308</u>
	190,174	203,056
Less Operating Expenses		
Audit Fees	4,300	4,300
Bank Charges	342	266
Consultancy Fees	0	130
Computer Equipment - DCC	2,122	
Donation - Omaha Beach Golf Club		11,424
Donation - Omaha Shorebird Protection Trust	32,779	5,000
Debt Collection - Levies	145	340
Electricity	1,046	849
Improvements - Landscaping		25,398
Insurance - Public Liability	348	275
I.T. & Website	1,664	1,658
Legal Fees	0	38,551
Maintenance - Facilities	3,420	1,708
Managers Expenses - Administration	49,503	65,309
Miscellaneous	713	793
OBC Litigation Fund (Omaha Park)	0	25,000
OBC Membership & Levies	12,350	12,256
Rates	717	942
Security	<u>10,520</u>	<u>10,690</u>
Total	<u>119,969</u>	<u>204,889</u>
NET SURPLUS FROM ACTIVITIES	70,205	-1,833
LESS		
Plus 2011 Income Tax Over Provided	0	-2,797
Provision for Tennis Court Replacement	Note (3.6)	11,257
Provision for Taxation on Interest Received	<u>21,737</u>	<u>25,512</u>
	<u>32,994</u>	<u>33,972</u>
SURPLUS INCOME OVER EXPENDITURE AFTER TAXATION	<u>37,211</u>	<u>-35,805</u>



**Statement of Financial Position
As At 30th June 2012**

ASSETS		<u>Year 2012</u>	<u>Year 2011</u>
National Bank - Working Account		6,224	11,483
National Bank - Term Investments	Note (3.2)	1,566,299	1,663,115
Minter Ellison Rudd Watts Trust Account	Note (3.3)	10,000	10,000
Interest Accrued	Note (3.1)	5,611	5,011
Members Levies Outstanding		1,374	2,023
Taxation Refund Due		<u>-881</u>	<u>2,752</u>
TOTAL ASSETS		<u>1,588,627</u>	<u>1,694,384</u>
LIABILITIES			
Accounts Payable		21,977	11,047
Goods and Services Tax		-4,923	-3,365
Provision for Tennis Court Replacement	Note (3.6)	<u>123,827</u>	<u>112,570</u>
Subtotal		140,881	120,252
Members Bond contributions held	Note (3.4)	1,245,314	1,427,016
Less Unrecovered DCC Costs re design approvals	Note (3.5)	<u>166,106</u>	<u>199,870</u>
		<u>1,079,209</u>	<u>1,227,146</u>
TOTAL LIABILITIES		<u>1,220,090</u>	<u>1,347,398</u>
NET ASSETS		<u>368,537</u>	<u>346,986</u>
Represented by			
Opening Balance 1/7/10		346,986	382,791
Less Prior Period Adjustment - Legal Fees		<u>15,660</u>	<u>0</u>
		331,326	472,861
Surplus of Income over Expenditure		37,211	-35,805
Less Taxation 2002 Year			
Less Tennis Court Replacement Provision 2002	Note (3.6)	<u>37,211</u>	<u>-90,070</u>
Closing Balance 30/06/2012		<u>368,537</u>	<u>346,986</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 2012 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. This report is made solely to the members as a body, in accordance with the rules of the Omaha Beach Residents Society Incorporated. Our audit has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

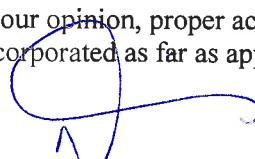
Opinion:

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 2012 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
21 June 2013