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FINANCIAL STATEMENTS

2007 – 2008

**WESTSIDE HOUSING ASSOCIATION
INC**

WESTSIDE HOUSING ASSOCIATION INCORPORATED

A REPORT BY THE BOARD OF MANAGEMENT

The Board of Management submits the Financial Accounts of the Association for the year ended 30 June 2008.

In accordance with the Associations Incorporation Act, 1985 (as amended) we state as follows:-

- (a) During the financial year to which the Financial Statements relate:
- i. No officer of the Association, or
 - ii. A firm of which the Officer is a member, or
 - iii. A body corporate in which the officer has a substantial financial interest

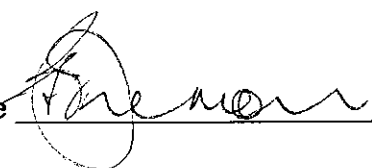
Has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association, other than Insurance of Directors and Executive Officers Liability paid for by the Association.

- (b) During the financial year to which the Accounts relate, no officer of the Association has received directly or indirectly from the Association any payment or benefit of a pecuniary value, other than emoluments under employment contracts generally at award rates, except as detailed in a) above.

In accordance with a resolution of the Board of Management.

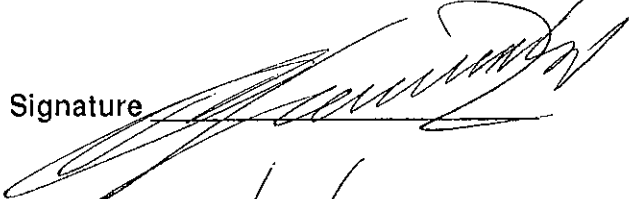
BOARD MEMBERS

Name PETER GRENVILLE

Signature 

Date 17/9/08

Name JULIAN F. SAWICKI

Signature 

Date 17/9/08

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the SA Co-operative and Community Housing Act 1991. The Board of management has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of SA Co-operative and Community Housing Act 1991 and the following Australian Accounting Standards:

AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Balance Sheet Date
AASB 116	Property, Plant and Equipment
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 1004	Contributions
AASB1031	Materiality
IFRIC D12 - 14	Service Concession Arrangements

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historical costs and does 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 otherwise stated, have been adopted in the preparation of this financial report.

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 maturities of four months or less, and bank overdrafts.

Contributed Property

Contributed property with stipulations that entitle the donor entity to reclaim assets where there is a breach of contractual conditions are recognised in the Balance Sheet as a liability in accordance with AASB 1004 *Contributions*.

WESTSIDE HOUSING ASSOCIATION INCORPORATED

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		\$	\$
INCOME	Note		
Rental income	2	1,158,813	1,002,658
Interest		15,672	6,664
Other	3	47,460	7,162
TOTAL INCOME		<u>1,221,945</u>	<u>1,016,484</u>
EXPENDITURE			
Administration	4	(244,314)	(176,969)
Capital Contribution Payable to SACHA	13	(356,148)	(293,145)
Depreciation	11	(5,520)	(5,673)
Insurance		(32,044)	(28,729)
Maintenance Expenses			
-Major	5	-	(175,245)
-Maintenance	5	(272,498)	-
-Comhouse Levy Payment	5A	(2,732)	(2,514)
Rates & Taxes	6	(213,729)	(189,924)
Write offs (Rent Adjustment)		(927)	-
Other Expenses	8	(8,407)	(7,534)
TOTAL EXPENDITURE		<u>(1,136,319)</u>	<u>(879,733)</u>
NET OPERATING SURPLUS/(DEFICIT)		<u>85,626</u>	<u>136,751</u>
TRANSFERS TO PROVISIONS (Net Movement)			
- Provision Changes - M/M		15,859	(28,601)
NET SURPLUS / (DEFICIT)		<u>101,485</u>	<u>108,150</u>

These statements should be read in conjunction with the accompanying notes

WESTSIDE HOUSING ASSOCIATION INCORPORATED

BALANCE SHEET AS AT 30 JUNE 2008

		2008 \$	2007 \$
CURRENT ASSETS	Note		
Cash and cash equivalents	9	663,374	394,791
Trade and other receivables		(5,573)	-
Other Current Assets	10	106,995	88,279
TOTAL CURRENT ASSETS		<u>764,796</u>	<u>483,070</u>
 NON CURRENT ASSETS			
Property, plant and equipment	11	24,424	27,634
Intangible Contractual Right	12	41,747,699	34,035,600
TOTAL CURRENT ASSETS		<u>41,772,123</u>	<u>34,063,234</u>
TOTAL ASSETS		<u>42,536,919</u>	<u>34,546,304</u>
 CURRENT LIABILITIES			
Trade and other payables	13	196,717	10,382
SACHA (Capital Contribution)	13	33,174	26,880
TOTAL CURRENT LIABILITIES		<u>229,891</u>	<u>37,262</u>
 NON CURRENT LIABILITIES			
Contributed Debentured Property	14	41,747,699	34,035,600
Major Maintenance Provision	5	118,447	134,306
Other Non Current Liabilities		260	-
TOTAL NON-CURRENT LIABILITIES		<u>41,866,406</u>	<u>34,169,906</u>
TOTAL LIABILITIES		<u>42,096,297</u>	<u>34,207,168</u>
NET ASSETS		<u>440,621</u>	<u>339,136</u>
 MEMBERS' FUNDS			
Retained earnings		339,136	230,986
surplus/ (deficit)		101,485	108,150
TOTAL MEMBERS' FUNDS		<u>440,621</u>	<u>339,136</u>

These statements should be read in conjunction with the accompanying notes

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Income Tax

The Community Housing Organisation (W.H.A. Inc) is endorsed as an Income Tax Exempt Charity (ITEC) UNDER Section 50B of the Income Tax Assessment Act 1997 in accordance with Item 1.1 Charitable Institutions.

It is also endorsed as a Deductible Gift Recipient (DGR) under Subdivision 30-BA of the Income Tax Assessment Act 1997 in accordance with Item 4.1.1 Public Benevolent Institutions.

W.H.A. Inc. is also registered for GST purposes, with a GST registration number 19 731 590 825, the cash accounting method and quarterly GST periods.

Fixed Assets

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset is ready for use.

Fixed Assets are depreciated on a straight-line basis over their useful lives, with the following depreciation rates applied:

Office Equipment	15% DV
Motor Vehilce	18.75%

Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Debentures

Where there is a breach of the Funding Agreement and an independent investigator reports it is reasonable to enforce the charge over the property under section 66 of the Act, the transfer of title to SACHA or another W.H.A. Inc is the method used to discharge the debenture. The debenture arrangement is not discharged through an obligation from a W.H.A. Inc. to pay cash, or enter into another financial liability on terms that are potentially more unfavourable.

Contributed Debenture Property

AABS 1004 *Contributions* when an asset is granted to it with tied conditions, and the non-performance of these conditions allow the grantor to retrieve the asset.

W.H.A. Inc. Property

Recognition of property in AASB116 *Property, Plant & Equipment* is based on control of the future economic benefits (service delivery of public accommodation), not withstanding legal ownership. Control of community houses is deemed to reside with SACHA as both funder and regulator of the community housing sector. Control is present under the SACCH Act/ Funding Agreement which prescribe how the community houses are to be used, the eligible tenants that are entitled to use them, and what rent can be charged. It also obliges the W.H.A. Inc to return the community property when it is no longer fulfilling a public service under the SACCH Act.

Intangible Property right

The debenture arrangement is a contractual arrangement which provides W.H.A. Inc a legal right to use community houses to deliver housing outcomes to its clients at concessional rates and at a concessional cost, and in return it provides these services in accordance with the Funding Agreement and SACCH Act. The recognition of this arrangement as an Intangible Asset is outlined in draft interpretations D12 & D14 Service Concession Arrangement, which prescribe the accounting treatment of operators who have been granted public sector infrastructure.

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2 RENTAL INCOME

The Funding Agreement requires the association account for rent on an accruals basis, taking into account arrears, rent paid in advance and vacancy rent. Capital Contributions payable to SACHA are based on Rent Receivable after taking these items into account, not on Rent Received.

The relationship between Rent Receivable and Rent Received is shown in the following reconciliation:

	2008	2007
	\$	\$
Actual Rent Received	1,158,260	1,011,358
Arrears (end of year)	5,773	11,023
Rent in Advance (beginning of year)	16,061	8,090
Arrears (beginning of year)	(11,023)	(11,752)
Rent in Advance (end of year)	(10,258)	(16,061)
Total Rental Income	<u>1,158,813</u>	<u>1,002,658</u>

3 OTHER

Rates & Taxes	37,553	-
Other	9,907	7,162
Total Rebates, Refunds & Credits	<u>47,460</u>	<u>7,162</u>

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		\$	\$
4	ADMINISTRATION		
	Accounting and Audit Fees	16,500	19,050
	Bank & Government Fees	3,182	2,915
	Professional Consulting Fees	5,000	-
	Office Expenses		
	-Office Equipment Maintenance	9,717	-
	-Office Rent	4,719	7,320
	-Office Telephone	1,736	1,260
	-Photocopying	449	-
	-Postage	2,204	-
	-Stationery	91	3,676
	-Other Office Expenses	-	6,107
	Other Administration Expenses	31,571	50,148
	Sub-total Administration Expenses	<u>75,169</u>	<u>90,476</u>
	 <u>Salaries / Wages / Expenses</u>		
	Salaries- (includes on costs)	<u>169,145</u>	<u>86,493</u>
	Total Administration Expenses	<u><u>244,314</u></u>	<u><u>176,969</u></u>

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
5 MAJOR MAINTENANCE PROVISION		
Opening Balance	134,306	105,705
Major Maintenance Provision contribution of Rent (Income)	269,858	226,663
Interest on M/M Account	939	868
Other Income	1,980	-
Major Maintenance Funds Available:	<u>407,083</u>	<u>333,236</u>
 Actual Major Maintenance Expenses for Financial Year		
Bathroom Refurbishment	-	(16,382)
Electrical Wiring	-	(17,879)
Fence Replacement	-	(2,555)
Floor Repairs	-	(9,999)
Hot Water Services	-	(16,962)
Kitchen Refurbishment	-	(13,489)
Pest Treatment	-	(941)
Plumbing Upgrade	-	(14,081)
Reroofing	-	(1,334)
Other	(272,498)	(81,623)
Total Actual Major Maintenance Expenses:	<u>(272,498)</u>	<u>(175,245)</u>
 GST & Contra contributions	(10,961)	(23,685)
 Major Maintenance Provision (Closing Balance)	<u>123,624</u>	<u>134,306</u>
 Represented By:		
Major Maintenance Bank Account	118,447	134,306
 Excess/ (Shortfall) of Funds to Provision:	<u>5,177</u>	<u>-</u>
 5A MAJOR MAINTENANCE - COMHOUSE		
Amount owing (beginning of year)	192	185
Maintenance Allowance - Major Maintenance Contribution	2,540	2,329
Total Major Maintenance Contributions Payable to Comhouse	<u>2,732</u>	<u>2,514</u>
 Current Year Remittances to Comhouse	2,535	2,322
 Major Maintenance Contributions Outstanding (end of year)	197	192
Major Maintenance Contribution paid (post-June)	197	192
 Underpaid / Overpaid Comhouse Contributions:	<u>-</u>	<u>-</u>
 Total Underpaid / Overpaid Comhouse Contributions	<u>-</u>	<u>-</u>

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2008	2007
		\$	\$
6	RATES and TAXES		
	Council Rates	120,389	111,458
	SA Water	83,451	78,466
	Emergency Services Levy	9,889	-
	Total Rates and Taxes:	<u><u>213,729</u></u>	<u><u>189,924</u></u>
8	OTHER EXPENSES		
	Motor Vehicle Running Expenses	3,591	2,719
	Subscriptions	-	138
	Strata Title Fees	3,896	3,294
	Utilities	920	1,383
	Total Other Expenses	<u><u>8,407</u></u>	<u><u>7,534</u></u>
9	CASH AT BANK		
	Petty Cash	300	-
	WSH Cash Investment CBA	866	164,485
	Operating Cheque Account	187,761	96,000
	Maintenance Account	118,447	134,306
	Total Cash at Bank:	<u><u>307,374</u></u>	<u><u>394,791</u></u>
9A	CASH INVESTMENTS		
	MM Investment	19,000	-
	MM Investment	72,000	-
	WSH Investment	15,000	-
	WSH Investment	250,000	-
	Total Cash Investments	<u><u>356,000</u></u>	<u><u>-</u></u>

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
10 Other Debtors		
GST Receivable	100,699	88,279
Accrued interest	6,296	-
Total Other Debtors	<u>106,995</u>	<u>88,279</u>
11 DEPRECIATION		
<i>Refer to attached schedule</i>	<u>5,520</u>	<u>5,673</u>
12 INTANGIBLE CONTRACTUAL RIGHT		
Refer to attached Property Register	<u>41,747,699</u>	<u>34,035,600</u>

WESTSIDE HOUSING ASSOCIATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
13 CREDITORS		
CAPITAL CONTRIBUTIONS		
Amount owing (beginning of year)	356,148	293,145
Contributions Received this year	-	-
Total Capital Contributions Payable to SACHA	<u>356,148</u>	<u>293,145</u>
less: Current Year Monthly Remittances to SACHA	(322,974)	(266,265)
Capital Contributions Outstanding to SACHA (end of year)	33,174	26,880
Capital Contributions paid July	33,174	26,880
Underpaid / - Overpaid Capital Contributions:	<u>-</u>	<u>-</u>
 OTHER CREDITORS		
Comohouse Maintenance Levy	197	192
Rates & Taxes	(5,178)	5,038
SACHA Sundry Debtor Account	78,700	5,152
Other	122,998	-
Total Other Creditors:	<u>196,717</u>	<u>10,382</u>
 14 CONTRIBUTED DEBENTURED PROPERTY		
Refer to attached Property Register	41,747,699	34,035,600

