

## AUDIT REPORT

To the Readers of the financial report of the New Zealand University Students Association Incorporated.

We have audited the attached financial report. The financial report provides information about the past financial performance and financial position of the New Zealand University Students Association Incorporated as at 31 December 2006. This information is stated in accordance with the accounting policies as attached.

### MANAGEMENT'S RESPONSIBILITIES

Management is responsible for the preparation of a financial report which gives a true and fair view of the financial position of the New Zealand University Students Association Incorporated as at 31 December 2006, and of the results of their operations for the year ended 31 December 2006.

### AUDITORS' RESPONSIBILITIES

It is our responsibility to express an independent opinion on the financial report presented by the management 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:

- the significant estimates and judgements made by the management in the preparation of the financial report, and
- whether the accounting policies are appropriate to the New Zealand University Students Association Incorporated'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. We obtained 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 auditors we have no relationship with or interests in the New Zealand University Students Association Incorporated.

### QUALIFIED OPINION

Except as noted below, proper accounting records have been kept by the New Zealand University Students Association Incorporated, as far as appears from our examination of the records and we have obtained all of the information and explanations that we have required.

The financial statements show a provision for an income and expenditure survey that does not comply with the New Zealand Institute of Chartered Accountants Financial Reporting Standard Number 15 (FRS 15). If the procedures set out in FRS 15 had been followed the effect on the financial report would be to decrease expenses by \$31,000, increase retained earnings by \$31,000, and decrease the provision for I & E Survey liability by \$31,000.

Except for the effects of qualification described above, in our opinion the financial statements:

- complies with generally accepted accounting practice in New Zealand;
- gives a true and fair view of the financial position of New Zealand University Students Association Incorporated as at 31 December 2006, and the results of their operations for the year ended on that date.

Our audit was completed on 22 June 2006 and our qualified opinion is expressed as at that date.

*Horwath Audit (Wellington)*

Horwath Audit (Wellington)  
Chartered Accountants  
**WELLINGTON**

**N.Z. Union of Students Associations (Inc.)**  
**Statement of Financial Performance**  
**For the Year Ended 31 December 2006**

	Note	This Year	Budget	Last Year
<b>Income</b>				
Associate Membership		26,785	24,015	28,318
Interest Received Net of Taxation	2	4,984	5,000	4,868
Levies Received - Student Associations		390,973	390,973	362,991
Sundry Income		11,099	6,000	20,682
<b>Total Gross Income</b>		<b>433,841</b>	<b>425,988</b>	<b>416,859</b>
<b>Less Expenditure</b>				
<b>Salaries</b>				
ACC		824	1,000	686
Salaries		200,093	191,405	209,983
Relocation Expenses		664	1,000	49
Staff Allowance		-	700	21
Staff Training		-	1,000	893
Staff Procurement		196	1,000	-
Transition		4,343	2,000	-
Fed Officer Training		-	500	56
<b>Total Salaries</b>		<b>206,120</b>	<b>198,605</b>	<b>211,688</b>
<b>Administration</b>				
General Expenses		2,473	2,000	2,218
Accountant		7,753	8,500	8,740
Bad Debts Expense		4,297	-	-
Bank Fees		264	500	655
Stationery		1,791	3,500	3,149
Audit Fees		5,000	5,500	3,603
Computer Repairs & Maintenance		1,860	1,500	2,018
Repairs & Maintenance		688	1,000	2,349
Power		2,716	3,500	3,937
Equipment Rental		111	500	267
Company Contribution		25,777	22,470	25,003
Photocopying		1,675	1,500	1,144
Postage & Courier		1,658	2,000	3,510
Cleaning		642	2,500	957
Professional Services		1,246	3,000	1,505
Insurance		974	1,275	565
<b>Total Administration</b>		<b>58,925</b>	<b>59,245</b>	<b>59,620</b>

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**N.Z. Union of Students Associations (Inc.)**  
**Statement of Financial Performance**  
**For the Year Ended 31 December 2006**

	<b>This Year</b>	<b>Budget</b>	<b>Last Year</b>
<b>Communications</b>			
Telephone	7,186	5,500	5,742
Fax	1,906	1,200	1,265
Cell Phone	5,822	4,500	5,027
Email/Internet	1,518	2,500	4,741
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<b>Total Communications</b>	16,432	13,700	16,775
<b>Research</b>			
Publications	143	2,000	334
Books	-	500	166
Periodicals	1,883	1,500	760
Research	7,010	13,000	13,135
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<b>Total Research</b>	9,036	17,000	14,395
<b>Travel and Meetings</b>			
Conference Accessibility	-	500	-
September Conference	3 834	2,000	4,277
Federation Officers Activities	12,298	10,000	14,445
February Conference	4 4,434	3,000	5,356
FedEx Meetings	4,357	4,000	7,872
June/July Conference	5 3,146	2,000	1,355
Childcare	102	500	493
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<b>Total Travel and Meetings</b>	25,171	22,000	33,798
<b>NZUSA Activities</b>			
Presidents Training	10,553	11,000	11,949
Council Rep Training	708	1,500	969
Campaigns	4,046	10,000	22,447
Pasifika Fono	1,378	1,500	124
Postgrad Conference	15	1,000	-
UniQ Conference	1,996	2,000	2,222
Student Debt Summit	-	-	2,644
SWD Conference	-	1,500	1,778
Int. Students Conference	256	1,500	3,197
Polytec/Teachers Network	1,778	1,000	453
UniQ Resources	-	1,000	-
Men's Conference	200	1,000	-
Maori Caucus	209	1,000	-
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<b>Total NZUSA Activities</b>	21,139	34,000	45,783

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**N.Z. Union of Students Associations (Inc.)**  
**Statement of Financial Performance**  
**For the Year Ended 31 December 2006**

	Note	This Year	Budget	Last Year
<b>Womens Line Item</b>				
Women's Campaigns		3,300	3,000	3,307
Thursdays in Black		2,892	2,500	2,094
Childcare		71	500	53
Membership/Subscriptions		253	150	120
Publications		112	200	467
Jan Women's Conference		1,624	2,000	768
July Women's Conference		758	1,000	1,167
Sept Women's Conference		1,230	1,000	225
<b>Total Womens Line Item</b>		<b>10,240</b>	<b>10,350</b>	<b>8,201</b>
<b>Other Expenses</b>				
Te Mana Akonga		15,000	15,500	15,142
Strategic Plan		390	1,500	179
ANGOA Membership		50	50	-
ASA Membership		49	1,000	1,955
I & E Survey Expenses		31,000	31,000	31,000
Other Expenses		474	500	29
ESPRI Licence		2,000	2,000	-
Contingency Fund		5,760	7,000	-
<b>Total Other Expenses</b>		<b>54,723</b>	<b>58,550</b>	<b>48,305</b>
<b>Net Surplus (Loss) Before Depreciation and Tax Adjustment</b>		<b>32,055</b>	<b>12,538</b>	<b>(21,706)</b>
<b>Less</b>				
Sale of Fixed Asset		3,311	-	3,590
Depreciation	6	14,892	12,000	18,124
		<b>18,203</b>	<b>12,000</b>	<b>21,714</b>
<b>Net Surplus (Loss)</b>		<b>\$13,852</b>	<b>\$538</b>	<b>(\$43,420)</b>

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**N.Z. Union of Students Associations (Inc.)**  
**Statement of Movements in Equity**  
**For the Year Ended 31 December 2006**

	<b>This Year</b>	<b>Budget</b>	<b>Last Year</b>
<b>Equity at Beginning of Year</b>	380,165	380,165	423,585
<b>Plus</b>			
Net Surplus (Loss)	13,852	538	(43,420)
<b>Equity at 31 December 2005</b>	<u>\$394,017</u>	<u>\$380,703</u>	<u>\$380,165</u>

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**N.Z. Union of Students Associations (Inc.)**  
**Statement of Financial Position**  
**As At 31 December 2006**

	Note	This Year	Last Year
<b>Current Assets</b>			
Petty Cash		37	37
Accounts Receivable		36,809	40,437
Bank of New Zealand Limited		14,168	29,239
Bank of New Zealand Limited - Autocall Account		41,252	16,690
Bank of New Zealand - Term Deposit		111,979	59,653
GST Receivable		881	2,477
<b>Total Current Assets</b>		<u>205,126</u>	<u>148,533</u>
<b>Fixed Assets</b>	6	55,354	65,923
<b>Investments</b>			
Shares in Building		226,854	226,854
<b>Total Investments</b>		<u>226,854</u>	<u>226,854</u>
<b>Total Assets</b>		<u>487,334</u>	<u>441,310</u>
<b>Less Liabilities:</b>			
<b>Current Liabilities</b>			
Accounts Payable		30,205	28,412
Provision for I & E Survey	9	62,000	31,000
Provision for Taxation		1,112	1,733
<b>Total Current Liabilities</b>		<u>93,317</u>	<u>61,145</u>
<b>Total Liabilities</b>		93,317	61,145
<b>Net Book Value of Assets</b>		<u>\$394,017</u>	<u>\$380,165</u>
<b>Represented By:</b>			
<b>Total Equity</b>		<u>\$394,017</u>	<u>\$380,165</u>

For and on Behalf of the Executive

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**N.Z. Union of Students Associations (Inc.)**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2006**

**1. Statement of Accounting Policies**

**Reporting Entity**

The Association is an incorporated society registered under the Incorporated Societies Act 1908 and the Financial Statements have been prepared in accordance with the Financial Reporting Act 1993.

**Measurement Base**

The general accounting policies recognised as appropriate for the measurement and reporting of results and the financial position and unless otherwise stated is historic cost.

**Specific Accounting Policies**

**Accounts Receivable**

Accounts receivable are stated at expected realisable value.

**Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation.

**Depreciation**

Depreciation is provided on a Diminishing Value Basis using the maximum rates allowed by the Inland Revenue Department. The principal rates in use are -

Leasehold Improvements	9.50-33%DV
Office Furniture & Equipment	14.4-48%DV

**Goods and Services Tax**

The Financial Statements have been prepared on a Goods and Services Tax exclusive basis except for receivables and payables which are stated inclusive of GST. The GST residue at balance date is shown in the Statement of Financial Position.

**Changes in Accounting Policies**

There have been no changes in accounting policies. All policies are applied on bases consistent with those used in the previous year.

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**N.Z. Union of Students Associations (Inc.)**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2006**

**Differential Reporting**

The Entity is a qualifying entity for Differential Reporting because it is not a large entity as defined by the New Zealand Institute of Chartered Accountants framework for Differential Reporting. Except for GST, the statements are presented exclusive of GST. The Entity has taken advantage of all Differential Reporting exemptions.

**2. Interest Received - Net of Taxation**

Taxation has been provided for at the current rates applicable.

The Financial Statements shows an amount for Interest Received - Net of Taxation of \$4,867.90 made up as follows:

	<b>2006</b>	<b>2005</b>
Gross Interest Received	5,601	5,363
Less:		
Provision for Taxation	617	495
Interest Received as per Accounts	<b>\$4,984</b>	<b>\$4,868</b>
<b>3. September Conference</b>	<b>2006</b>	<b>2005</b>
Expenses	14,605	9,426
Less: Reimbursement	10,171	5,149
Net as per accounts	<b>\$4,434</b>	<b>\$4,277</b>
<b>4. February Conference</b>	<b>2006</b>	<b>2005</b>
Expenses	5,213	13,270
Less: Reimbursement	4,379	7,914
Net as per accounts	<b>\$834</b>	<b>\$5,356</b>
<b>5. June/July Conference</b>	<b>2006</b>	<b>2005</b>
Expenses	11,934	9,078
Less: Reimbursement	8,788	7,722
Net as per accounts	<b>\$3,146</b>	<b>\$1,356</b>

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**N.Z. Union of Students Associations (Inc.)**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December 2006**

**6. Fixed Asset Schedule**

The following gives details of the cost of assets and depreciation written off to date:

<u>This Year</u>	<u>Cost or Valuation</u>	<u>Depreciation For Year</u>	<u>Accumulated Depreciation</u>	<u>Book Value This Year</u>
Leasehold Improvements	98,537	7,275	55,160	43,378
Furniture and Office Equipment	35,165	7,497	23,899	11,266
Furniture and Fittings	920	120	209	711
	<u>134,622</u>	<u>14,892</u>	<u>79,268</u>	<u>55,355</u>
<u>Last Year</u>	<u>Cost or Valuation</u>	<u>Depreciation For Year</u>	<u>Accumulated Depreciation</u>	<u>Book Value Last Year</u>
Leasehold Improvements	98,537	8,669	47,885	50,653
Furniture and Office Equipment	47,793	9,338	33,465	14,327
Furniture and Fittings	6,129	117	5,186	942
	<u>152,459</u>	<u>18,124</u>	<u>86,536</u>	<u>65,922</u>

**7. I & E Survey Provision**

The I & E survey provision is an attempt to spread the cost of the survey over a number of years, as to record the cost in any one year will distort that years result, and to recognise that the data is used over many years.

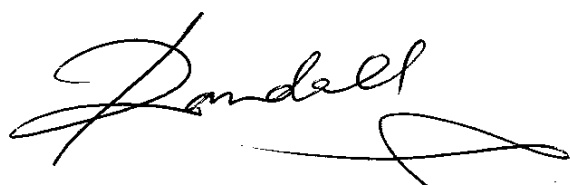
The I & E survey is next due to be incurred in 2007.


**8. Contingent Liabilities**

No known contingent liabilities or gains exist at 31 December 2006 (2005 Nil).

**9. Commitments**

No commitments existed at 31 December 2006 (2005 Nil)



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**N.Z. Union of Students Associations (Inc.)**  
**Financial Statements**  
**For the Year Ended 31 December 2006**

*Randee*  
22/08/07  
2007 - Co-Presidents

**N.Z. Union of Students Associations (Inc.)**  
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