

Omarama Soaring Centre

TREASURERS REPORT 2009

Financial Performance

Historically the Omarama Soaring Centre makes a profit in a Nationals year and a loss every other year, basically breaking even over a two year period. However in 2008, while we didn't have the Nationals, we did have the Grand Prix, so a profit in that year was a bonus.

Camp Ground income was down on 2008 year but pretty much on par with 2007, the previous Nationals year. Income from caravan hire was down due to the sale of our old Cambridge caravan.

Donations were received from competitions to support Search & Rescue which were passed on along with a \$350 top up from OSC making a total donation of \$2,500 towards the purchase of a Sat Phone. Following last year's Regionals, Canterbury Gliding Club made a donation to OSC of \$1,500 towards the development of the outdoor dining area, which we were very grateful to receive.

Thanks to the efforts of Max Stevens we managed to finalise the chalet subleases, a matter which has been ongoing for some years, and I was therefore able to invoice out the chalets share of legal fees related to this which OSC has incurred over several years.

While the overall profit for the year was \$17,000, of this \$8,300 was the recovery of legal fees for chalet leases, leaving an actual profit of \$8,700. This is up on 2007 (the previous Nationals year) by \$4,700 which is largely due to repairs in the camp ground being well down on previous years.

Financial Position

The OSC is currently in a strong cash position with \$78,000 available funds at balance date. This is the accumulation of many years profit helped by one-off events such as the Grand Prix and sale of chalet sites. Last year OAL repaid the \$25,000 loan OSC made for the construction of the Terminal, and \$31,000 of Debentures were also repaid leaving \$21,000 owing, which OAL have scheduled to be repaid in this financial year.

While our cash position is good we have to allow for a contingent liability of \$33,000 in case unimproved chalet sites return to OSC ownership. This currently leaves us with approximately \$40,000 to spend on capital improvements to the camping ground and keeping our competition equipment up to date. It has taken us a long time to accumulate these funds, helped by never

to be repeated events, so it's important we spend this money wisely.

Capital purchases last year were another fridge for the camp kitchen, OSC went halves with OAL in the purchase of the Kubota tractor, and paid a share towards the new airfield directory sign.

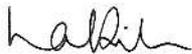
At Karen Morgan's suggestion we've changed the way we depreciate our assets from diminishing value to straight line which was deemed to be more appropriate for our organisation.

Profit Analysis

The last page of the report gives a breakdown of profit for the various income streams over the past 4 years. The chalets show a \$7,000 profit which is largely due to the recovery of legal fees. However, taking legal fees out of the equation I calculated the chalets have been running at a small loss over the past couple of years, where the objective is to break even - OSC addressed this this year with an increase to the chalet service fee to cover the shortfall.

Resignation

I regret to advise that due to other commitments I have made the decision to resign from the Soaring Centre committee. I am however happy to continue as Treasurer for the organisation under the same terms. I would like to take this opportunity to thank committee members past and present for their support.



Laurie Kirkham
Treasurer