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**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**

**FINANCIAL STATEMENTS**

**31 MARCH 2001**

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2001

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)  
STATEMENT OF INCOME & EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2001

LAST YEAR			
\$	INCOME		\$
3042	Interest		4402 28
10949	Rates/Administration Charge		11090 32
98	Valve Sales		-
53	Swimming pool filling		-
150	Water maintenance		-
-	Unit sales (re purchased units)		6000 00
-	RWT Refunded		195 10
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14292			21687 70
	EXPENDITURE		
28	Bank charges & interest	50 38	
1390	Power	1575 49	
710	Water treatment	1235 58	
1677	Repairs & Maintenance	17972 93	
267	Supervision/ collection fees - W R C	271 39	
174	Office Expenses	491 03	
495	Audit Fee	517 01	
1110	Insurance	1196 40	
600	Honorarium	550 00	
-	Sundry expenses	9 12	
-	Valuation fee	347 04	
-	Purchase back of units	7125 81	
674	Income Tax expense	1122 75	
<hr/>		<hr/>	
7124			32464 93
<hr/>			<hr/>
7168	EXCESS OF INCOME OVER EXPENDITURE		(10777 23)
<hr/>			<hr/>
	TAXABLE ADJUSTMENTS		
4127	Net Income/(Deficit) generated between members		(15179 51)
<hr/>			<hr/>
3042	TAXABLE INCOME (INTEREST)		4402 28
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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)  
BALANCE SHEET  
FOR THE YEAR ENDED 31 MARCH 2001

LAST YEAR			\$
\$			\$
	Scheme Expenditure (Note 2)		
160357	Balance 1 4 00	160356 82	
<u>160357</u>			160356 82
97563	Less Depreciation to date		106382 89
<u>62794</u>			<u>53973 93</u>
2183	BNZ Current account	12568 81	
72	BNZ Call account	19131 94	
225	Debtors	-	
76147	BNZ Term Deposit	47305 71	
<u>78627</u>			<u>79006 46</u>
141421	TOTAL ASSETS		132980 39
	LIABILITIES		
398	Creditors	13662 44	
161	Income Tax Payable 2000 year - Due 7/4/01	-	
81	2001 year - Due 7/4/02	264 33	
926	GST payable/(refund)	(1204 78)	
<u>1566</u>			<u>12721 99</u>
139855	TOTAL LIABILITIES		120258 40
<u>139855</u>	EXCESS OF ASSETS OVER LIABILITIES		<u>120258 40</u>
	REPRESENTED BY		
	Accumulated Funds		
31623	Balance 1/4/00	38790 87	
7168	Current period surplus/(Deficit)	(10777 23)	
<u>38791</u>			<u>28013 64</u>
	MEMBER CONTRIBUTIONS		
198628	Balance 1/4/00	198627 65	
-	Plus this year contributions (Net of purchase back)	-	
<u>198628</u>		<u>198627 65</u>	
198628	Balance 31/03/01	198627 65	
97563	Less Depreciation written off to date	106382 89	
<u>101064</u>			<u>92244 76</u>
139855	TOTAL FUNDS		<u>120258 40</u>

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)  
 OPERATING BUDGET - COMPARISON WITH ACTUAL  
 FOR THE YEAR ENDED 31 MARCH 2001

INCOME	BUDGET	ACTUAL
Interest (Gross)	2500 00	4402 28
Rates & Valve receipts	10800 00	11090 32
	<hr/>	<hr/>
	13300 00	15492 60
 EXPENDITURE		
Advertising & Legal	100 00	-
Bank charges interest	50 00	50 38
Insurance	1100 00	1196 40
Power	1800 00	1575 49
Repairs & Maintenance	4000 00	17972 93
Water Treatment (caustic soda)	750 00	1235 58
Supervision - WRC	45 00	45 00
Office Expenses	350 00	491 03
Rate Collection -WRC	220 00	226 39
Audit Fee	550 00	517 01
Honorarium	600 00	550 00
Valuation Fee	300 00	347 04
Sundry	1900 00	9 12
Tax on Investment	800 00	1122 75
	<hr/>	<hr/>
TOTAL OPERATING EXPENDITURE	12565 00	25339 12
	<hr/>	<hr/>
EXCESS INCOME OVER EXPENDITURE	735 00	(9846 52)
PLUS MEMBER CONTRIBUTIONS		
FROM UNIT SALES (Net of purchase back)	-	(1125 81)
	<hr/>	<hr/>
SURPLUS/(DEFICIT)	735 00	(10972 33)
	<hr/>	<hr/>

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2001**

1 STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

The reporting entity is the FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

The financial statements are prepared in accordance with the reporting requirements of the Financial Reporting Act 1993

This entity qualifies for the differential reporting exemptions as set out by the New Zealand Society of Accountants as it is not publicly accountable and is not a large organisation

This entity has taken advantage of all differential reporting exemptions except that Goods and Services Tax is accounted for on an exclusive basis

The accounting policies adopted in the preparation of these financial statements are as follows

GENERAL ACCOUNTING POLICIES

The measurement base adopted is that of historical cost (except as otherwise noted below)  
Reliance is placed on the fact that the venture is a going concern

Accrual accounting is used to match expenses and revenues

PARTICULAR ACCOUNTING POLICIES

The following particular accounting policies which materially affect the measurement of profit and financial position have been applied

Valuation of Assets

Scheme Expenditure

All direct expenses incurred on the water supply system to date have been recorded at cost  
Depreciation has been charged against this expenditure in the Balance Sheet and claimed at 5 5% (see Note 2)

Goods and Services Tax

All income, deductible expenses and fixed assets are shown GST exclusive Debtors and creditors, when applicable are shown GST inclusive

Income Tax

Income tax payable has been accounted for using the taxes payable method Income tax is calculated on the profit disclosed in the Statement of Income & Expenditure less permanent differences The entity does not have any timing differences

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2001**

**CHANGES IN ACCOUNTING POLICIES**

There have been no changes in Accounting policies. All policies have been applied on bases consistent with those used in previous years.

**NOTE 2**

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to \$106382.89

Total Capital Cost of System	\$ 160356.82
Depreciation	106382.89
Net Depreciated Value	<u>\$ 53973.93</u>

**NOTE 3**

Taxable Income - interest	4402.28
less Exemption	1000.00
	<u>3402.28</u>
Tax expense (@ 33%)	1122.75
Less RWT paid	858.42
Tax Payment due 7/4/2002	<u>\$ 264.33</u>

**NOTE 4** As at 31 March 2001 there was 1 Unit of water available for purchase by members for \$1687.50 inclusive of GST

**NOTE 5** The Repairs and Maintenance account is higher this year due to the following larger repairs/maintenance work completed: Replacing the roof on the timber tank and installing a new lining (\$11159.00), Replace main storage tank and old galvanised pipe work with PVC pipe work (\$864.52), Replace UV unit lamps (\$698.20), Monitoring work carried out by Masterton District Council (\$1338.90)

## **AUDIT REPORT**

To the Members of the Fernridge Water Supply Association

We have audited the attached financial report. The financial report provides information about the past financial performance of the Fernridge Water Supply Association and its financial position as at 31 March 2001. This information is stated in accordance with the accounting policies set out on the previous page.

### **COMMITTEES RESPONSIBILITIES**

The Association's committee is responsible for the preparation of a financial report which fairly reflects the financial position of the Association as at 31 March 2001 and of the results of operations for the year ended 31 March 2001.

### **AUDITORS' RESPONSIBILITIES**

It is our responsibility to express an independent opinion on the financial report presented by the committee 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 committee in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Association'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 in order to provide us with 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.

In our capacity as auditor we have no business relationship with or interest in the Association.

### **UNQUALIFIED OPINION**

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

In our opinion the attached financial report fairly reflects the financial position of the Association at 31 March 2001 and the results of operations for the year ended on that date.

Our audit was completed on 21 May 2001 and our unqualified opinion is expressed as at that date.



**LAWSON, AVERY, LEVY & ARMSTRONG**

Chartered Accountants  
Masterton