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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

FINANCIAL STATEMENTS

31 MARCH 2002



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2002

2001		2002
\$	INCOME	\$
4402	Interest	2631 81
11090	Rates/Administration Charge	17270 00
6000	Unit sales (re purchased units)	1500 00
195	RWT Refunded	195 03
<u>21688</u>		<u>21596 84</u>
	EXPENDITURE	
50	Bank charges & interest	66 03
1575	Power	1999 86
1236	Water treatment	960 24
17973	Repairs & Maintenance	4366 86
271	Supervision/ collection fees - W R C	380 40
491	Office Expenses	997 03
517	Audit Fee	492 00
1196	Insurance	1291 01
550	Honorarium	600 00
9	Sundry expenses	22 22
347	Valuation fee	-
-	Legal fees	255 89
7126	Purchase back of units	-
1123	Income Tax expense	538 50
<u>32465</u>		<u>11970 04</u>
<u>(10777)</u>	EXCESS OF INCOME OVER EXPENDITURE	<u>9626 80</u>
	TAXABLE ADJUSTMENTS	
<u>(15180)</u>	Net Income/(Deficit) generated between members	<u>6994 99</u>
<u>4402</u>	TAXABLE INCOME (INTEREST)	<u>2631 81</u>

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2002

2001			2002
\$			\$
	Scheme Expenditure (Note 2)		
160357	Balance 1 4 01	160356 82	
-	Plus this period	21781 93	
160357			182138 75
106383	Less Depreciation to date		116400 52
53974			65738 23
12569	BNZ Current account	(720 18)	
19132	BNZ Call account	5054 17	
-	Debtors	-	
47306	BNZ Term Deposit	50267 97	
79006			54601 96
132980	TOTAL ASSETS		120340 19
	LIABILITIES		
13662	Creditors	-	
264	Income Tax Payable 2001 year - Due 7/4/02	264 33	
-	2002 year - Due 7/4/03	25 34	
(1205)	GST payable/(refund)	182 95	
12722	TOTAL LIABILITIES		472 62
120258	EXCESS OF ASSETS OVER LIABILITIES		119867 57
	REPRESENTED BY		
	Accumulated Funds		
38791	Balance 1/4/00	28013 64	
(10777)	Current period surplus/(Deficit)	9626 80	
28014			37640 44
	MEMBER CONTRIBUTIONS		
198628	Balance 1/4/01	198627 65	
198628	Balance 31/03/02	198627 65	
106383	Less Depreciation written off to date	116400 52	
92245			82227 13
120258	TOTAL FUNDS		119867 57

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2002

INCOME	BUDGET	ACTUAL
Interest (Gross)	2000 00	2631 81
Rates & Valve receipts	16170 00	17270 00
Sale of Units	1500 00	1500 00
Refund of RWT	-	195 03
	<u>19670 00</u>	<u>21596 84</u>
 EXPENDITURE		
Advertising & Legal	100 00	255 89
Bank charges interest	55 00	66 03
Insurance	1444 26	1291 01
Power	1638 51	1999 86
Repairs & Maintenance	4339 62	4366 86
Water Treatment (caustic soda)	4057 78	960 24
Supervision - WRC	46 80	35 00
Office Expenses	406 67	997 03
Rate Collection -WRC	235 45	345 40
Audit Fee	537 69	492 00
Honorarium	600 00	600 00
Valuation Fee	200 00	-
Sundry	683 09	22 22
Tax on Investment	700 00	538 50
	<u>15044 87</u>	<u>11970 04</u>
 TOTAL OPERATING EXPENDITURE		
	4625 13	9626 80
EXCESS INCOME OVER EXPENDITURE		
PLUS MEMBER CONTRIBUTIONS		
FROM UNIT SALES (Net of purchase back)	-	-
	<u>4625 13</u>	<u>9626 80</u>
SURPLUS/(DEFICIT)		

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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 2002

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 \$116,400.52.

Total Capital Cost of System	\$ 160,356.82
Additions	21,781.93
	<hr/>
	182,138.75
Less Depreciation	116,400.52
	<hr/>
Net Depreciated Value	<u>\$ 65,738.23</u>

NOTE 3

Taxable Income - interest	2,631.81
less Exemption	1,000.00
	<hr/>
	1,631.81
	<hr/>
Tax expense (33%)	538.50
Less RWT paid	513.16
	<hr/>
Tax Payment due 7/4/2003	<u>\$ 25.34</u>

NOTE 4 The Capital expenditure this year was done to help prevent the risk of contamination to the water, by way of upgrading the filters, pipe work, electricals and re-roofing. The total value of improvements for the current year comes to \$21,781.93.

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 2002. 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 2002 and of the results of operations for the year ended 31 March 2002.

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 2002 and the results of operations for the year ended on that date.

Our audit was completed on 8 May 2001 and our unqualified opinion is expressed as at that date.



LAWSON, AVERY, LEVY & ARMSTRONG

Chartered Accountants

Masterton

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
Proposed Operating Budget for the Year Ended 31 March 2003
 (GST exclusive)

	2001/2002 Budget	2001/2002 Actual	2002/2003 Budget
INCOME			
Interest (Gross)	\$2,000 00	\$2,631 81	\$2,500 00
Rates & Valve receipts	\$16,170 00	\$17,270 00	\$18,000 00
Sale of units	\$1,500 00	\$1,500 00	--
Refund of RWT	--	\$195 03	--
	<hr/>	<hr/>	<hr/>
	\$19,670 00	\$21,596 84	\$20,500 00
EXPENDITURE			
Advertising & legal	\$100 00	\$255 89	\$250 00
Bank charges interest	\$55 00	\$66 03	\$70 00
Insurance	\$1,444 26	\$1,291 01	\$1,300 00
Power	\$1,638 51	\$1,999 86	\$2,000 00
Repairs & maintenance	\$4,339 62	\$4,366 86	\$4,500 00
Water treatment (caustic soda)	\$4,057 78	\$960 24	\$4,000 00
Supervision – WRC	\$46 80	\$35 00	\$40 00
Office expenses	\$406 67	\$997 03	\$900 00
Rate collection – WRC	\$235 45	\$345 40	\$350 00
Audit fee	\$537 69	\$492 00	\$500 00
Honorarium	\$600 00	\$600 00	\$1,000 00
Valuation fee	\$200 00	--	\$200 00
Sundry	\$683 09	\$22 22	\$100 00
Tax on investment	\$700 00	\$538 50	\$700 00
	<hr/>	<hr/>	<hr/>
TOTAL OPERATING EXPENDITURE	\$15,044 87	\$11,970 04	\$15,910 00
	<hr/>	<hr/>	<hr/>
EXCESS INCOME OVER EXPENDITURE	\$4,625 13	\$9,626 80	\$4,590 00
PLUS MEMBER CONTRIBUTIONS FROM UNIT SALES (Net of purchase back)	---	---	--
REPAYMENT TO CAPITAL FUND	\$4,600 00	\$9,600 00	\$4,500 00
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SURPLUS/(DEFICIT)	\$25 13	\$26 80	\$90 00
	<hr/>	<hr/>	<hr/>

Fernridge Water Supply Association Inc

C/- Ms Adrienne Hewitt, RF 45 Tararua Drive,
PO Box 574, Phone 06-377-2120, Fax 06-377-5066, MASTERTON

31st May 2002

Registrar of Incorporated Societies
Companies Office
PO Box 92-061
AUCKLAND MAIL CENTRE

Dear Registrar

Re: Filing of the 2001/2002 Annual Financial Statement

Please find enclosed a copy of our Associations Annual Financial Statement

I confirm that this statement was submitted to and approved by the members of our Association at our AGM on 19th May 2002

Yours faithfully



**Adrienne Hewitt
Treasurer**

