

388056



10043792657

**FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

CONTENTS

Statement of Income & Expenditure

Balance Sheet

Operating Budget - Comparison with Actual

Statement of Accounting Policies

Audit Report

P423

n 6 JUN 9-84

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2003

2002		2003
\$	INCOME	\$
2632	Interest	2176.62
17270	Rates/Administration Charge	18180.00
-	Swimming pool filling	53.93
1500	Unit sales (re purchased units)	3000.00
195	RWT Refunded	195.12
<u>21597</u>		<u>23605.67</u>
	EXPENDITURE	
66	Bank charges & interest	29.61
2000	Power	1767.56
960	Water treatment	2309.34
4367	Repairs & Maintenance	2580.88
380	Supervision/ collection fees - W.R.C.	363.60
997	Office Expenses	442.14
492	Audit Fee	677.00
1291	Insurance	1210.62
600	Honorarium	1000.00
-	less Honorarium cheque not presented 2002 yr	(600.00)
22	Sundry expenses	316.50
-	Valuation fee	126.70
256	Legal fees	-
-	Water Sampling	1537.78
-	Purchase back of units	2850.00
539	Income Tax expense	388.28
<u>11970</u>		<u>15000.01</u>
<u>9627</u>	EXCESS OF INCOME OVER EXPENDITURE	<u>8605.66</u>
	TAXABLE ADJUSTMENTS	
6995	Net Income/(Deficit) generated between members	6429.04
<u>2632</u>	TAXABLE INCOME (INTEREST)	<u>2176.62</u>

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2003

2002			2003
\$			\$
	Scheme Expenditure (Note 2)		
160357	Balance 1.4.02	182138.75	
21782	Plus this period	827.05	
182139			182965.80
116401	Less Depreciation to date		126463.64
65738			56502.16
(720)	BNZ Current account	20395.68	
5054	BNZ Call account	5128.32	
-	Tax refund due	36.14	
50268	BNZ Term Deposit	37945.02	
54602			63505.16
120340	TOTAL ASSETS		120007.32
	LIABILITIES		
264	Income Tax Payable 2001 year - Due 7/4/02	-	
25	2002 year - Due 7/4/03	25.34	
183	GST payable/(refund)	1307.54	
473	TOTAL LIABILITIES		1332.88
119868	EXCESS OF ASSETS OVER LIABILITIES		118674.44
	REPRESENTED BY:		
	Accumulated Funds		
28014	Balance 1/4/02	37640.44	
9627	Current period surplus/(Deficit)	8605.66	
37640			46246.10
	MEMBER CONTRIBUTIONS		
198628	Balance 1/4/02	198627.65	
-	Income tax payable adjustment	264.33	
198628	Balance 31/03/03	198891.98	
116401	Less Depreciation written off to date	126463.64	
82227			72428.34
119868	TOTAL FUNDS		118674.44

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2003

INCOME	BUDGET	ACTUAL
Interest (Gross)	2500.00	2176.62
Rates & Valve receipts	18000.00	18180.00
Sale of Units	-	3000.00
Pool filling	-	53.93
Refund of RWT	-	195.12
	<u>20500.00</u>	<u>23605.67</u>
 EXPENDITURE		
Advertising & Legal	250.00	-
Bank charges interest	70.00	29.61
Insurance	1300.00	1210.62
Power	2000.00	1767.56
Repairs & Maintenance	4500.00	2580.88
Water Treatment (caustic soda)	4000.00	2309.34
Supervision - WRC	40.00	-
Office Expenses	900.00	442.14
Rate Collection - WRC	350.00	363.60
Audit Fee	500.00	677.00
Honorarium	1000.00	400.00
Valuation Fee	200.00	126.70
Sundry	100.00	316.50
Tax on Investment	700.00	388.28
Purchase of Unit	-	2850.00
Water Sampling	-	1537.78
	<u>15910.00</u>	<u>15000.01</u>
TOTAL OPERATING EXPENDITURE	15910.00	15000.01
 EXCESS INCOME OVER EXPENDITURE	 4590.00	 8605.66
PLUS MEMBER CONTRIBUTIONS FROM UNIT SALES (Net of purchase back)	-	150.00
	<u>4590.00</u>	<u>8755.66</u>
SURPLUS/(DEFICIT)	4590.00	8755.66

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003

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 after allowing for the \$1000 exemption (see note 3) 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 2003

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 \$126463.64.

Total Capital Cost of System	\$ 182138.75
Additions – current period	827.05

	182965.80
Less Depreciation	126463.64

Net Depreciated Value	<u>\$ 56502.16</u>

NOTE 3:

Taxable Income - interest	2176.62
less Exemption	1000.00

	1176.62
Tax expense (33%)	388.28
Less RWT paid	424.42

Tax Refund due	<u>\$ 36.14</u>

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 2003. 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 2003 and of the results of operations for the year ended 31 March 2003.

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.

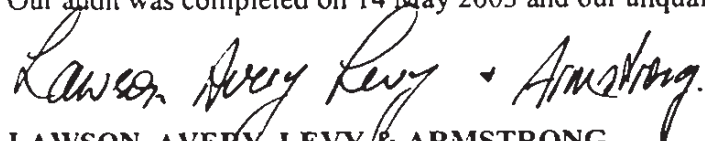
In our capacity as auditor we have no business relationship with or interest in the Association.

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 Associations at 31 March 2003 and the results of operations for the year ended on that date.

Our audit was completed on 14 May 2003 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 2004

	2002/2003 Budget \$	2002/2003 Actual \$	2003/2004 Budget
INCOME			
Interest (Gross)	2,500.00	2,176.62	2,500.00
Rates & Valve receipts	18,000.00	18,180.00	19,100.00
Sale of units	--	3,000.00	--
Refund of RWT	--	195.12	--
Pool filling	--	53.93	--
	20,500.00	23,605.67	21,600.00
EXPENDITURE			
Legal and other professional fees	250.00	Nil	2,350.00
Bank charges interest	70.00	29.61	70.00
Insurance	1,300.00	1,210.62	1,300.00
Power	2,000.00	1,767.56	2,000.00
Repairs & maintenance	4,500.00	2,580.88	3,500.00
Water treatment (caustic soda)	4,000.00	2,309.34	3,000.00
WRC annual charge	40.00	Nil	40.00
Office expenses	900.00	442.14	600.00
Rate collection – WRC	350.00	363.60	1,000.00
Audit fee	500.00	677.00	700.00
Honorarium	1,000.00	400.00	1,000.00
Valuation fee	200.00	126.70	150.00
Sundry	100.00	316.50	100.00
Tax on investment	700.00	388.28	600.00
Water testing	Nil	1,537.78	1,600.00
Purchase of unit	Nil	2,850.00	Nil
TOTAL OPERATING EXPENDITURE	15,910.00	15,000.01	18,010.00
EXCESS INCOME OVER EXPENDITURE	4,590.00	8,605.66	3,590.00
PLUS MEMBER CONTRIBUTIONS	--	150.00	--
FROM UNIT SALES (Net of purchase back)	4,500.00	8,700.00	3,500.00
REPAYMENT TO CAPITAL FUND	90.00	55.66	90.00
SURPLUS/(DEFICIT)	90.00	55.66	90.00