


FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2004

2003			2004
\$	INCOME	*10046244192*	\$
2177	Interest		2529.58
18180	Rates/Administration Charge	388056	19395.95
54	Swimming pool filling/tank filling		170.00
3000	Unit sales (re purchased units)		-
195	RWT Refunded		-
23606			22095.53
	EXPENDITURE		
30	Bank charges & interest	10.60	
1767	Power	3046.80	
2309	Water treatment & filters	3508.34	
2581	Repairs & Maintenance	4063.22	
364	Supervision/ collection fees - W.R.C.	923.89	
442	Office Expenses	376.02	
677	Audit Fee	551.00	
1211	Insurance	1432.51	
1000	Honorarium	1000.00	
(600)	less Honorarium cheque not presented 2002 yr	-	
316	Sundry expenses	-	
127	Valuation fee	-	
-	Easement survey & legal fees	2679.62	
1538	Water Sampling	728.00	
2850	Purchase back of units	-	
388	Income tax expense	504.76	
15000			18824.76
8606	EXCESS OF INCOME OVER EXPENDITURE		3270.77
	TAXABLE ADJUSTMENTS		
6429	Net Income/(Deficit) generated between members		741.19
2177	TAXABLE INCOME (INTEREST)		2529.58

18 JUN 8 1
P# 06

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2004

2003			2004
\$	ASSETS		\$
	Scheme Expenditure (Note 2)		
182139	Balance 1.4.03	182965.80	
827	Plus this period	-	
182966			182965.80
126464	Less Depreciation to date		136526.76
56502			46439.04
20396	BNZ Current account	1450.18	
5128	BNZ Call account	28.56	
-	GST clearing account	1119.97	
36	Tax refund due	-	
37945	BNZ Term Deposit	62881.13	
63505			65479.84
120007	TOTAL ASSETS		111918.88
	LIABILITIES		
25	Income Tax Payable -2002 year - Due 7/4/03	-	
-	-2004 year - Due 7/4/05	11.53	
1308	GST Payable	-	
1333	TOTAL LIABILITIES		11.53
118674	EXCESS OF ASSETS OVER LIABILITIES		111907.35
	REPRESENTED BY:		
	Accumulated Funds		
37640	Balance 1/4/03	46246.10	
8606	Current period surplus/(Deficit)	3270.77	
46246			49516.87
	MEMBER CONTRIBUTIONS		
198628	Balance 1/4/03	198891.90	
264	Income tax payable adjustment	25.34	
198892	Balance 31/03/04	198917.24	
126464	Less Depreciation written off to date	136526.76	
72428			62390.48
118674	TOTAL FUNDS		111907.35

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2004

INCOME	BUDGET	ACTUAL
Interest (Gross)	2500.00	2529.58
Rates & Valve receipts	19100.00	19395.95
Swimming & tank filling	-	170.00
	21600.00	22095.53
EXPENDITURE		
Legal & survey fees	2350.00	2679.62
Bank charges interest	70.00	10.60
Insurance	1300.00	1432.51
Power	2000.00	3046.80
Repairs & Maintenance	3500.00	4063.22
Water Treatment (caustic soda & filters)	3000.00	3508.34
Office Expenses	600.00	376.02
Rate Collection/Supervision -WRC	1040.00	923.89
Audit Fee	700.00	551.00
Honorarium	1000.00	1000.00
Valuation fee	150.00	-
Sundry	100.00	-
Tax on Investment	600.00	504.76
Water Sampling	1600.00	728.00
TOTAL OPERATING EXPENDITURE	18010.00	18824.76
EXCESS INCOME OVER EXPENDITURE	3590.00	3270.77
SURPLUS/(DEFICIT)	3590.00	3270.77

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004

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 2004

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.

COST OF SYSTEM AND DEPRECIATION:

2. Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to \$136526.76.

Total Capital Cost of System	\$ 182965.80
Less Depreciation	136526.76

Net Depreciated Value	\$ 46439.04
	=====

3. TAXATION:

Taxable Income - interest	2529.58
Less Exemption	1000.00

	1529.58
Tax expense (33%)	504.76
Less RWT paid	493.23

Tax payment due	\$ 11.53
	=====

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 2004. 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 2004 and of the results of operations for the year ended 31 March 2004.

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 2004 and the results of operations for the year ended on that date.

Our audit was completed on 4 May 2004 and our unqualified opinion is expressed as at that date.

Lawson Avery Levy & Armstrong

LAWSON, AVERY, LEVY & ARMSTRONG

Chartered Accountants

Masterton

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
Proposed Operating Budget for the Year Ended 31 March 2005

	2003/2004 Budget \$	2003/2004 Actual \$	2004/2005 Budget \$
INCOME			
Interest (Gross)	2,500.00	2,529.58	2,400.00
Rates & Valve receipts	19,100.00	19,395.95	19,776.00
Swimming & tank filling	--	170.00	170.00
	<u>21,600.00</u>	<u>22,095.53</u>	<u>22,346.00</u>
EXPENDITURE			
Legal and survey fees	2,350.00	2,679.62	1,000.00
Bank charges interest	70.00	10.60	40.00
Insurance	1,300.00	1,432.51	1,500.00
Power	2,000.00	3,046.80	3,500.00
Repairs & maintenance	3,500.00	4,063.22	4,000.00
Water treatment (caustic soda & fitters)	3,000.00	3,508.34	3,500.00
Office expenses	600.00	376.02	450.00
Rate collection/supervision – WRC	1,040.00	923.89	925.00
Audit fee	700.00	551.00	700.00
Honorarium	1,000.00	1,000.00	1,000.00
Valuation fee	150.00	--	--
Sundry	100.00	--	100.00
Tax on investment	600.00	504.76	500.00
Water sampling	1,600.00	728.00	1,500.00
TOTAL OPERATING EXPENDITURE	<u>18,010.00</u>	<u>18,824.76</u>	<u>18,715.00</u>
EXCESS INCOME OVER EXPENDITURE	<u>3,590.00</u>	<u>3,270.77</u>	<u>3,631.00</u>
 REPAYMENT TO CAPITAL FUND	 <u>3,500.00</u>	 <u>3,200.00</u>	 <u>3,600.00</u>
SURPLUS / (DEFICIT)	<u>90.00</u>	<u>70.77</u>	<u>31.00</u>