


FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2005

2004		2005
\$	INCOME	\$
		
	10048150250	
2530	Interest	2889.63
19396	Rates/Administration Charge	19718.00
170	Swimming pool filling/tank filling	384.44
-	Unit sale	1575.00
<u>22096</u>		<u>24567.07</u>
	EXPENDITURE	
10	Bank charges & interest	5.50
3047	Power	2761.75
3508	Water treatment & filters	2519.38
4063	Repairs & Maintenance	943.66
924	Supervision/ collection fees - W.R.C.	1056.78
376	Office Expenses	351.41
551	Audit Fee	650.00
1433	Insurance	1472.79
1000	Honorarium	1000.00
2680	Easement survey & legal fees	-
728	Water Sampling	806.00
505	Income tax expense	623.37
<u>18825</u>		<u>12190.64</u>
<u>3271</u>	EXCESS OF INCOME OVER EXPENDITURE	<u>12376.43</u>
	TAXABLE ADJUSTMENTS	
741	Net Income/(Deficit) generated between members	9486.80
<u>2530</u>	TAXABLE INCOME (INTEREST)	<u>2889.63</u>

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2005

2004			2005
\$	ASSETS		\$
	Scheme Expenditure (Note 2)		
182966	Balance 1.4.04	182965.80	
-	Plus this period	512.46	
182966			183478.26
136527	Less Depreciation to date		146599.28
46439			36878.98
1450	BNZ Current account	937.95	
29	BNZ Call account	115.23	
1120	GST clearing account	793.88	
62881	BNZ Term Deposit	74120.52	
-	Account receivable	1778.07	
-	Tax refund owing - 2005 year	20.72	
65480			77766.37
111919	TOTAL ASSETS		114645.35
	LIABILITIES		
12	Income Tax Payable -2004 year - Due 7/4/05	11.53	
-	Accounts payable	342.04	
12	TOTAL LIABILITIES		353.57
111907	EXCESS OF ASSETS OVER LIABILITIES		114291.78
	REPRESENTED BY:		
	Accumulated Funds		
46246	Balance 1/4/04	49516.87	
3271	Current period surplus/(Deficit)	12376.43	
49517			61893.30
	MEMBER CONTRIBUTIONS		
198892	Balance 1/4/04	198917.24	
25	Income tax payable adjustment/opening bal	80.52	
198917	Balance 31/03/05	198997.76	
136527	Less Depreciation written off to date	146599.28	
62390			52398.48
111907	TOTAL FUNDS		114291.78

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2005

INCOME	BUDGET	ACTUAL
Interest (Gross)	2400.00	2889.63
Rates/ Valve & labour receipts	19776.00	19718.00
Swimming & tank filling	170.00	384.44
	<u>22346.00</u>	<u>22992.07</u>
 EXPENDITURE		
Legal & survey fees	1000.00	-
Bank charges interest	40.00	5.50
Insurance	1500.00	1472.79
Power	3500.00	2761.75
Repairs & Maintenance	4000.00	943.66
Water Treatment (caustic soda & filters)	3500.00	2519.38
Office Expenses	450.00	351.41
Rate Collection/Supervision -WRC	928.00	1056.78
Audit Fee	700.00	650.00
Honorarium	1000.00	1000.00
Valuation fee	-	-
Sundry	400.00	-
Tax on Investment	500.00	623.37
Water Sampling	1500.00	806.00
	<u>19018.00</u>	<u>12190.64</u>
 TOTAL OPERATING EXPENDITURE		
	<u>19018.00</u>	<u>12190.64</u>
 EXCESS INCOME OVER EXPENDITURE	3328.00	10801.43
 PLUS MEMBER CONTRIBUTIONS FROM UNIT SALES	-	1575.00
	<u>3328.00</u>	<u>12376.43</u>
 SURPLUS/(DEFICIT)		

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

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 2005

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.

2 COST OF SYSTEM AND DEPRECIATION:

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to \$146599.28.

Total Capital Cost of System	\$ 183478.26
Less Depreciation	146599.28

Net Depreciated Value	\$ 36878.98
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3. TAXATION:

Taxable Income - interest	2889.63
Less Exemption	1000.00

	1889.63

Tax expense (33%)	623.37
Less -RWT paid	(563.45)
-Transfer from 2000 year	(80.64)

Tax refund owing	\$ 20.72
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4. COMMITMENT TO BUY BACK WATER UNIT

There were no units of water available for sale to members.

There is a commitment to buy back one unit for \$1603.13 once the funds are received for the sale of a unit, which is included in Accounts Receivable.

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 2005. 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 2005 and of the results of operations for the year ended 31 March 2005.

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 2005 and the results of operations for the year ended on that date.

Our audit was completed on 4 May 2005 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 2006

	2004/2005 Budget \$	2004/2005 Actual \$	2005/2006 Budget \$
INCOME			
Interest (gross)	2,400.00	2,889.63	2,600.00
Rates/valve and labour receipts	19,776.00	19,718.00	19,750.00
Swimming & tank filling	170.00	384.44	205.00
	22,346.00	22,992.07	22,550.00
EXPENDITURE			
Legal and survey fees	1,000.00	--	1,000.00
Bank charges interest	40.00	5.50	40.00
Insurance	1,500.00	1,472.79	1,500.00
Power	3,500.00	2,761.75	3,500.00
Repairs and maintenance	4,000.00	943.66	4,000.00
Water treatment (caustic soda & filters)	3,500.00	2,519.38	3,500.00
Office expenses	450.00	351.41	450.00
Rate collection/supervision – WRC	928.00	1,056.78	1,000.00
Audit fee	700.00	650.00	700.00
Honorarium	1,000.00	1,000.00	1,000.00
Valuation fee	--	--	--
Sundry	400.00	--	100.00
Tax on investment	500.00	623.37	500.00
Water sampling	1,500.00	806.00	1,500.00
TOTAL operating expenditure	19,018.00	12,190.64	18,790.00
EXCESS INCOME over expenditure	3,328.00	10,801.43	3,760.00
PLUS member contributions from unit sales	--	1,575.00	--
REPAYMENT to capital fund	3,300.00	12,300.00	3,700.00
SURPLUS/(DEFICIT)	28.00	76.43	60.00