

***Fernridge Water Supply
Association Inc***



10058101782

C/- Mr Graeme Want (Treasurer), PO Box 80
Masterton 5840 Tel 06 377 1115

16th August 2009

Registrar of Incorporated Societies
Companies Office
PO Box 92061
Auckland Mail Centre

Dear Registrar

RE: Filing of 2008/2009 Annual Financial Statement

Please find **enclosed** a copy of our Association's Annual Financial Statement.

I confirm that this statement was submitted to and approved by the members of our Association, at our AGM held on the 24th May 2009.

Yours Faithfully

Graeme Want
Treasurer

19 AUG 2009

P# 24

Enc.



**FERNRIDGE WATER SUPPLY
ASSOCIATION (INC)**

FINANCIAL STATEMENTS

31 MARCH 2009

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
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FOR THE YEAR ENDED 31 MARCH 2009

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2009

2008		2009	2009
\$	INCOME	\$	\$
6,303.63	Interest		7,883.75
22,892.44	Rates/Administration Charge		24,649.74
650.00	Swimming Pool Filling/Tank Filling		155.00
1,575.00	Unit Sale		-
257.49	Sundry		-
<u>31,678.56</u>			<u>32,688.49</u>
	EXPENDITURE		
105.05	Bank Charges & Interest	207.32	
4,321.49	Power	3,857.31	
2,861.28	Water Treatment & Filters	3,301.64	
5,236.72	Repairs & Maintenance	1,777.71	
-	Supervision/Collection Fees - W.R.C.	-	
890.41	Office Expenses	730.65	
995.01	Audit Fee	1,045.01	
-	Legal Fees	-	
52.79	General	35.01	
1,585.05	Insurance	1,763.92	
1,000.00	Honorarium	1,000.00	
1,351.42	Water Sampling	1,078.69	
2,850.00	Unit Purchase	-	
2,080.12	Income Tax Expense	2,601.64	
<u>23,329.34</u>			<u>17,398.90</u>
<u>8,349.22</u>	EXCESS INCOME OVER EXPENDITURE		<u>15,289.59</u>
	TAXABLE ADJUSTMENTS		
2,045.59	Net Income/(Deficit) generated between members		7,405.84
<u>6,303.63</u>	TAXABLE INCOME (INTEREST)		<u>7,883.75</u>

These Financial Statements should be read in conjunction with the accompanying notes, Accounting Policies and Audit Report.



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2009

2008		2009	2009
\$	ASSETS	\$	\$
183,478.26	Cost	186,486.12	
3,007.86	Additions	11,174.82	
186,486.12			197,660.94
177,069.61	Accumulated Depreciation		187,451.61
9,416.51			10,209.33
254.39	BNZ Current Account	(1,601.46)	
46.29	BNZ Call Account	46.99	
522.34	GST Clearing Account	1,516.10	
13,233.33	Kiwibank Call Account	21,796.38	
75,495.26	BNZ Term Deposit	71,004.26	
118.28	Accounts Receivable	56.05	
89,669.89			92,818.32
99,086.40	TOTAL ASSETS		103,027.65
	LIABILITIES		
850.80	Income Tax Payable	1,064.32	
2,030.66	Accounts Payable	850.80	
2,881.46	TOTAL LIABILITIES		1,915.12
96,204.94	NET ASSETS		101,112.53
	REPRESENTED BY:		
	Accumulated Funds		
65,927.57	Opening Balance	74,276.79	
8,349.22	Current Period Surplus/(Deficit)	15,289.59	
74,276.79			89,566.38
	MEMBER CONTRIBUTION		
198,997.76	Opening Balance	198,997.76	
-	plus Income Tax Payable	198,997.76	
198,997.76		198,997.76	
177,069.61	less Accumulated Depreciation	187,451.61	
21,928.15			11,546.15
96,204.94	TOTAL FUNDS		101,112.53

Chairman _____

Treasurer _____



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2009

	BUDGET	ACTUAL
INCOME	\$	\$
Interest	5,596.00	7,883.75
Rates/Administration Charge	24,807.00	24,649.74
Swimming Pool Filling/Tank Filling	300.00	155.00
Unit Sale	-	-
Sundry	260.00	-
	30,963.00	32,688.49
 EXPENDITURE		
Bank Charges & Interest	110.00	207.32
Power	4,500.00	3,857.31
Water Treatment & Filters	3,035.00	3,301.64
Repairs & Maintenance	7,000.00	1,777.71
Supervision/Collection Fees - W.R.C.	-	-
Office Expenses	904.00	730.65
Audit Fee	1,045.00	1,045.01
Legal Fees	-	-
General	53.00	35.01
Insurance	1,616.00	1,763.92
Honorarium	1,000.00	1,000.00
Water Sampling	2,000.00	1,078.69
Unit Purchase	-	-
Income Tax Expense	1,700.00	2,601.64
	22,963.00	17,398.90
 EXCESS INCOME OVER EXPENDITURE	8,000.00	15,289.59



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

1. STATEMENT OF ACCOUNTING POLICES:

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 Institute of Chartered 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 POLICES:

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 POLICES:

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.

CHANGES IN ACCOUNTING POLICES

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



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

2. COST OF SYSTEM AND DEPRECIATION:

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to \$ 187,451.61

	\$
Total Capital Cost of System	197,660.94
less Depreciation	187,451.61
Net Depreciated Value	10,209.33

3. TAXATION:

	\$
Taxable Income - Interest	7,883.75
Tax Expense (33%)	2,601.64
less RWT Paid	1,537.32
Tax Payable	<u>1,064.32</u>

4. COMMITMENT TO BUY BACK WATER UNIT:

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



MARKHAMS

Audit Report

AUDIT

To the Members of Fernridge Water Supply Association Inc.

We have audited the financial report on pages 2 to 6. The financial report provides information about the past financial performance of the Association and its financial position as at 31 March 2009. This information is stated in accordance with the accounting policies set out on page 5 and 6.

The Management Committees Responsibilities

The Management Committee is responsible for the preparation of a financial report which fairly reflects the financial position of the Association as at 31 March 2009 and of the results of operations for the year ended 31 March 2009.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the financial report presented by the Management 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 Management Committee in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Associations 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. We obtained 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.

We have had an involvement in the compilation of the Associations accounts. Other than this we have no financial relationship or interests in the Association.

Unqualified Opinion

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

In our opinion the financial report on pages 2 to 6 fairly reflects the results of its operations for the year ended 31 March 2009.

Our audit was completed on 14 May 2009 and our unqualified opinion is expressed as at that date.

Markhams Wairarapa Audit
MASTERTON

MARKHAMS WAIRARAPA AUDIT

41 Perry Street, P O Box 190, Masterton 5840, New Zealand

Telephone: +64 (0)6 377 4139 Email: mstn@markhams.co.nz

Facsimile: +64 (0)6 378 8260 Web: www.markhams.co.nz

124 Main Street, P O Box 13, Greytown 5742, New Zealand

Telephone: +64 (0)6 304 9015 Email: gn@markhams.co.nz

Facsimile: +64 (0)6 304 9949 Web: www.markhams.co.nz

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

Proposed Operating Budget for the Year Ended 31st March 2010

	2008/2009 Budget \$	2008/2009 Actual \$	2009/2010 Budget \$
INCOME			
Rates/valve and labour receipts	24,807.00	24,650.00	25,390.00
Water Units	0.00	0.00	0.00
Sundry	260.00	0.00	0.00
Swimming & tank filling	300.00	155.00	300.00
Bank Interest (Gross) on working account	5,596.00	7,884.00	3,200.00
Total Income	30,963.00	32,689.00	28,890.00
Expenditure			
Water Units	0.00	0.00	0.00
Repairs	7,000.00	1,778.00	2,000.00
Audit Fees	1,045.00	1,045.00	1,090.00
Sundry	53.00	35.00	53.00
Insurance	1,616.00	1,764.00	1,850.00
Honorarium	1,000.00	1,000.00	1,000.00
Admin & Office	904.00	731.00	900.00
Power	4,500.00	3,857.00	4,700.00
Filter U/V	750.00	781.00	800.00
Water Testing	2,000.00	1,079.00	1,500.00
Water Treatment (Caustic)	2,285.00	2,520.00	3,300.00
Legal Fees	0.00	0.00	0.00
Rates Collection WRC	0.00	0.00	0.00
Capital Expenditure	0.00	8,509.00	45,000.00
Bank Fees	110.00	207.00	100.00
Tax on Working account	1,700.00	1,537.00	900.00
Total Operating Expenses	22,963.00	24,843.00	63,193.00
EXCESS INCOME over expenses	8,000.00	7,846.00	-34,303.00
REPAYMENT to capital fund	0	0	0
SURPLUS/(DEFICIT)	8,000.00	7,846.00	-34,303.00
Reserve Rund	58,232.00		
Interest on Reserve Fund	2,620.00		
Tax on Interest	-864.00		
Reserve Fund at end of 2010 Financial year	59,988.00		

Note:

Capital expenditure the last financial year was for a new UV Lamp system. The Capital expense forecast for this financial year covers a new Pump House and a new Pump.