

***Fernridge Water Supply
Association Inc***

C/- Mr Graeme Want (Treasurer), PO Box 80
Masterton 5840, Tel 06 377-1446



10061133029

388056

22nd June 2011

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

Dear Registrar

RE: Filing of 2011/2012 Annual Financial Statement

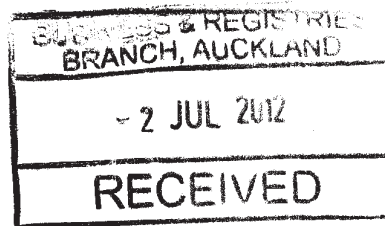
Please find **enclosed** a copy of our Association's Annual Financial Statement, and a copy of the AGM minutes for 20th May 2012.

I confirm that this statement was submitted to and approved by the members of our Association, at our AGM held on the 20th May 2012.

Yours Faithfully

Graeme Want
Treasurer

Enc.



NPC# 17
- 3 JUL 2012

**FERNRIDGE WATER SUPPLY
ASSOCIATION (INC)**

FINANCIAL STATEMENTS

31 MARCH 2012

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
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FOR THE YEAR ENDED 31 MARCH 2012

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2012

2010		2011	2011
\$	INCOME	\$	\$
2,835.89	Interest		4,148.21
25,496.40	Rates/Administration Charge		26,403.07
374.36	Swimming Pool Filling/Tank Filling		-
-	Unit Sale		1,565.23
	Insurance Claim		2,316.58
<u>28,706.65</u>			<u>34,433.09</u>
	EXPENDITURE		
84.25	Bank Charges & Interest	105.10	
4,094.66	Power	5,130.37	
1,493.89	Water Treatment & Filters	3,895.31	
2,047.10	Repairs & Maintenance	5,223.57	
-	Supervision/Collection Fees - W.R.C.		
459.37	Office Expenses	735.67	
1,275.01	Audit Fee	1,400.00	
218.89	General	261.75	
2,027.78	Insurance	2,459.02	
	Interest on tax arrears	171.59	
-	Honorarium	1,000.00	
	Water Unit Purchase	1,425.00	
879.07	Water Sampling	710.54	
850.77	Income Tax Expense	1,244.40	
<u>13,430.79</u>			<u>23,762.32</u>
<u>15,275.86</u>	EXCESS INCOME OVER EXPENDITURE		<u>10,670.77</u>
	TAXABLE ADJUSTMENTS		
12,439.97	Net Income/(Deficit) generated between members		6,522.56
<u>2,835.89</u>	TAXABLE INCOME (INTEREST)		<u>4,148.21</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 2012

2009		2010	2010
\$	ASSETS	\$	\$
197,660.94	Cost	198,114.54	
50,107.77	New Pump Shed	63,113.37	
247,768.71			261,227.91
189,592.77	Accumulated Depreciation		193,621.10
58,175.94			67,606.81
4,060.52	BNZ Current Account	1,024.66	
47.71	BNZ Call Account	48.07	
1,816.55	GST Clearing Account	623.38	
640.75	Kiwibank Call Account	15,381.54	
63,356.40	BNZ Term Deposit	50,000.00	
160.55	Accounts Receivable	112.62	
70,082.48			67,190.27
128,258.42	TOTAL ASSETS		134,797.08
	LIABILITIES		
1,121.67	Income Tax Payable	18.32	
-	Accounts Payable	1,000.00	
1,121.67	TOTAL LIABILITIES		1,018.32
127,136.75	NET ASSETS		133,778.76
	REPRESENTED BY:		
	Accumulated Funds		
102,455.90	Opening Balance	117,731.76	
15,275.86	Current Period Surplus/(Deficit)	10,670.77	
-		-	
117,731.76			128,402.53
	MEMBER CONTRIBUTION		
198,997.76	Opening Balance	198,997.76	
-	plus Income Tax Adjustment	(0.43)	
198,997.76		198,997.33	
189,592.77	less Accumulated Depreciation	193,621.10	
9,404.99			5,376.23
127,136.75	TOTAL FUNDS		133,778.76

Chairman



Treasurer



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



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2012

	BUDGET	ACTUAL
INCOME	\$	\$
Interest	2,300.00	4,148.21
Rates/Administration Charge	26,637.00	26,403.07
Swimming Pool Filling/Tank Filling	400.00	-
Unit Sale	-	1,565.23
Insurance Claim	-	2,316.58
Sundry	-	-
	<u>29,337.00</u>	<u>34,433.09</u>
EXPENDITURE		
Bank Charges & Interest	100.00	105.10
Power	4,700.00	5,130.37
Water Treatment & Filters	3,800.00	3,895.31
Repairs & Maintenance	3,500.00	5,223.57
Supervision/Collection Fees - W.R.C.	100.00	-
Office Expenses	700.00	735.67
Audit Fee	1,400.00	1,400.00
Legal Fees	-	-
General	50.00	261.75
Insurance	2,500.00	2,459.02
Interest on tax arrears	-	171.59
Honorarium	1,000.00	1,000.00
Water Sampling	-	710.54
Unit Purchase	-	1,425.00
Income Tax Expense	750.00	1,244.40
	<u>18,600.00</u>	<u>23,762.32</u>
EXCESS INCOME OVER EXPENDITURE	10,737.00	10,670.77
 New Pump Shed/Plant	 8,000.00	 13,459.20



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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.

Related Parties

Members of the committee provided services to the Association. These transactions were conducted at market rates.

In addition a honorarium was paid to one committee member.

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 2012

2. COST OF SYSTEM AND DEPRECIATION:

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to \$ 193,621.10

	\$
Total Capital Cost of System	261,227.91
less Depreciation	193,621.10
Net Depreciated Value	67,606.81

3. TAXATION:

	\$
Taxable Income - Interest	4,148.21
Tax Expense (30%)	1,244.40
less RWT Paid	1,226.08
Tax Payable	<u>18.32</u>

4. COMMITMENT TO BUY BACK WATER UNIT:

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





MARKHAMS

INDEPENDENT AUDITOR'S REPORT

AUDIT

To the members of Fernridge Water Supply Association Inc.

We have audited the financial statements of Fernridge Water Supply Association Inc on pages 2 to 6, which comprise the Statement of Financial Position as at 31 March 2012, and the Statement of Financial Performance, for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committees' Responsibility for the Financial Statements

The Management Committee are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

Other than providing assistance with the format of the final accounts, in our capacity as auditor we have no relationship with, or interests in, Fernridge Water Supply Association Inc.

Opinion

In our opinion, the financial statements on pages 2 to 6 present fairly, in all material respects, the financial position of Fernridge Water Supply Association Inc as at 31 March 2012, and its financial performance for the year then ended, in accordance with generally accepted accounting practice in New Zealand.

Markhams Wairarapa Audit

Markhams Wairarapa Audit
Masterton
30 April 2012

MARKHAMS WAIRARAPA AUDIT

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Markhams Wairarapa Audit is a partnership; all partners are members of the New Zealand Institute of Chartered Accountants.

CORRESPONDENT of **Praxity**
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

Operating Budget for the Year Ended 31st March 2013

	2011/2012 Budget \$	2011/2012 Actual \$	2012/2013 Budget \$
INCOME			
Rates/valve and labour receipts	26,637.00	26,403.00	26,825.00
Water Units	0.00	1,565.00	0.00
Sundry	0.00	2,317.00	0.00
Swimming & tank filling	400.00	0.00	400.00
Bank Interest (Gross) on working account	2,300.00	4,148.00	3,000.00
Total Income	29,337.00	34,433.00	30,225.00
Expenditure			
Water Units	0.00	1,425.00	0.00
Repairs	3,500.00	5,224.00	5,000.00
Audit Fees	1,400.00	1,400.00	1,485.00
Sundry	50.00	162.00	50.00
Insurance	2,500.00	2,459.00	2,600.00
Honorarium	1,000.00	1,000.00	1,000.00
Admin & Office	700.00	736.00	700.00
Power	4,700.00	5,130.00	5,400.00
Filter U/V	900.00	3,376.00	1,600.00
Water Testing	900.00	710.00	800.00
Water Treatment (Caustic)	2,000.00	519.00	4,100.00
Legal Fees	0.00	0.00	0.00
Rates Collection/Consent WRC	100.00	100.00	100.00
Capital Expenditure	8,000.00	13,459.00	5,000.00
Bank Fees	100.00	105.00	100.00
Tax on Working account	750.00	1,244.00	800.00
IRD Interest Expense	0.00	172.00	0.00
Total Operating Expenses	26,600.00	37,221.00	28,735.00
EXCESS INCOME over expenses	2,737.00	-2,788.00	1,490.00
REPAYMENT to capital fund		0	
SURPLUS/(DEFICIT)	2,737.00	-2,788.00	1,490.00
Reserve Fund (Start 2012 financial year)		50,000.00	
Interest on Reserve Fund		2,300.00	
Tax on Interest		690.00	
Estimate Reserve Fund at end of 2012 Financial year		52,990.00	

Note:

Capital expenditure the last financial year was for the new Pump Shed and equipment.