

Fernridge Water Supply Association Inc

Treasurer: Graeme Want
P O Box 80 Masterton
Ph: 06 377 1446



10063430411

9th July 2015

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

Dear Registrar

RE: Filing of 2014/2015 Annual Financial Statement

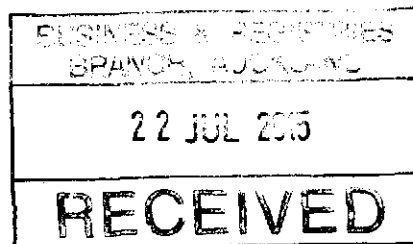
Please find **enclosed** a copy of our Association's Annual Financial Statement and a copy of the minutes of the 2014 A.G.M., which was held on the 24th May 2015.

I confirm that this statement was submitted to and approved by the members of our association, at our A.G.M. held on the 24th May 2015.

Yours Faithfully

Graeme Want
Treasurer

Enc.



**FERNRIDGE WATER SUPPLY
ASSOCIATION (INC)**

FINANCIAL STATEMENTS

31 MARCH 2015

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2015

2014		2015	2015
\$	INCOME	\$	\$
3,107.95	Interest		4,002.71
26,610.77	Rates/Administration Charge		27,035.33
70.00	Swimming and Tank filling		150.00
<u>29,788.72</u>			<u>31,188.04</u>
	EXPENDITURE		
1,560.00	Audit Fee	3,160.00	
89.67	Bank Charges & Interest	93.05	
543.75	General	1,453.16	
2,597.08	Insurance	2,615.20	
721.18	Office Expenses	552.29	
4,596.43	Power	4,966.95	
2,718.74	Repairs & Maintenance	602.70	
374.00	Water Sampling	354.00	
1,800.66	Water Treatment & Filters	5,413.87	
-	Water Unit Purchase	-	
<u>15,001.51</u>			<u>19,211.22</u>
<u>14,787.21</u>	NET SURPLUS BEFORE TAX & DEPRECIATION		<u>11,976.82</u>
4,319.00	Depreciation	4,319.00	
869.96	Income Tax Expense	1,120.76	
<u>9,598.25</u>	NET SURPLUS AFTER TAX & DEPRECIATION		<u>6,537.06</u>



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

2014 \$		2015 \$
	ACCUMULATED FUNDS	
142,650.72	Opening Balance	153,543.74
9,598.25	Net Surplus/(Deficit) for the year .after tax & depreciation	6,537.06
<u>9,598.25</u>	Total recognised revenue and expenses	<u>6,537.06</u>
<u>1,294.77</u>	Add: transfer from members contribution	<u>-</u>
<u>153,543.74</u>	Closing Balance of Accumulated funds	<u>160,080.80</u>
<u>153,543.74</u>	TOTAL EQUITY	<u>160,080.80</u>




FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
STATEMENT OF FINANCIAL POSITION
As At 31 MARCH 2015

2014		2015	2015
\$		\$	\$
201,897.31	NON-CURRENT ASSETS	201,897.31	
63,113.37	Cost	63,113.37	
-	New Pump Shed	-	
265,010.68	Additions		265,010.68
(202,104.52)	Accumulated Depreciation		(206,423.52)
62,906.16			58,587.16
	CURRENT ASSETS		
720.57	BNZ Current Account	1,297.14	
48.70	BNZ Call Account	49.15	
16,438.61	Kiwibank Call Account	26,141.33	
73,127.34	BNZ Term Deposits	73,701.34	
343.15	GST Refund Due	1,288.75	
62.42	Income Tax Refund Due	-	
(103.21)	Accounts Receivable and Accrued Income	2,241.39	
90,637.58			104,719.10
153,543.74	TOTAL ASSETS		163,306.26
	CURRENT LIABILITIES		
-	Income Tax Payable	682.72	
-	Accounts Payable and Accrued Expenses	2,542.74	
-	TOTAL LIABILITIES		3,225.46
153,543.74	NET ASSETS		160,080.80
	REPRESENTED BY:		
	EQUITY		
153,543.74	Accumulated Funds		160,080.80
153,543.74	TOTAL EQUITY		160,080.80

Chairman



Treasurer



Date

18/5/15



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. STATEMENT OF ACCOUNTING POLICES:

REPORTING ENTITY

Fernridge Water Supply Association Incorporated is an incorporated society under the Incorporated Societies Act 1908.

The financial statements of the Association have been prepared according to generally accepted accounting practice in New Zealand.

MEASUREMENT BASE

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.

DIFFERENTIAL REPORTING

The Association qualifies for Differential Reporting concessions identified in accounting standards established in XRB A1, as it is not publically accountable, and it is not large as defined in XRB A1.

The Association has taken advantage of all differential reporting concessions except that Goods and Services Tax is accounted for on an exclusive basis.

SPECIFIC ACCOUNTING POLICES:

The following particular accounting policies which materially affect the measurement of financial performance 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% on a straight line basis (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. Provision has been made for income tax at 28% on income from outside the circle of membership.

Related Parties

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

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.



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

2. COST OF SYSTEM AND DEPRECIATION:

Depreciation has been claimed on a straight line rate of 5.5%. Since 1989 this amounts to -\$ 206,423.52

	\$
Total Capital Cost of System	265,010.68
Less: Accumulated Depreciation	(206,423.52)
Net Depreciated Value	<u>58,587.16</u>

3. TAXATION:

	\$
Taxable Income - Interest	<u>4,002.71</u>
Tax Expense (28%)	1,120.76
Less: RWT Paid	(438.04)
Income Tax Payable	<u>682.72</u>

4. COMMITMENT TO BUY BACK WATER UNIT:

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

5. CONTINGENT LIABILITIES

At balance date there were no known contingent liabilities (2014: nil).

6. OPERATING AND CAPITAL COMMITMENTS

At balance date there were no known operating or capital commitments (2014: nil).



FERNRIDGE WATER SUPPLY ASSOCIATION (INC)
OPERATING BUDGET - COMPARISON WITH ACTUAL
FOR THE YEAR ENDED 31 MARCH 2015

	2015 BUDGET (Unaudited) \$	2015 ACTUAL \$
INCOME		
Interest	3,300.00	4,002.71
Rates/Administration Charge	27,036.54	27,035.33
Swimming Pool Filling/Tank Filling	400.00	150.00
Unit Sale	-	-
	<u>30,736.54</u>	<u>31,188.04</u>
EXPENDITURE		
Audit Fee	1,560.00	3,160.00
Bank Charges & Interest	100.00	93.05
General	550.00	1,453.16
Insurance	2,800.00	2,615.20
Legal Fees	-	-
Office Expenses	700.00	552.29
Power	5,600.00	4,966.95
Repairs & Maintenance	5,000.00	602.70
Water Sampling	500.00	354.00
Water Treatment & Filters	5,000.00	5,413.87
Water Unit Purchase	-	-
Unit Purchase	-	-
Income Tax Expense	1,000.00	1,120.76
	<u>22,810.00</u>	<u>20,331.98</u>
EXCESS INCOME OVER EXPENDITURE	<u>7,926.54</u>	<u>10,856.06</u>
Less : Depreciation	<u>3,460.00</u>	<u>4,319.00</u>
NET SURPLUS AFTER TAX & DEPRECIATION	<u>4,466.54</u>	<u>6,537.06</u>
CAPITAL EXPENDITURE		
Capital Expenditure	2,000.00	-



DRAFT

FOR DISCUSSION
PURPOSES ONLY

MOORE STEPHENS MARKHAMS

WAIRARAPA AUDIT

Independent auditor's report

To the Members of Fernridge Water Supply Association (Inc)

We have audited the financial statements of Fernridge Water Supply Association on pages 2 to 7, which comprise the statement of financial position as at 31 March 2015 and the statement of financial performance and statement of movement in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committee's responsibility for the financial statements

The management committee is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the management committee determines 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 and fair presentation of the financial statements 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than 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 7 present fairly, in all material respects, the financial position of Fernridge Water Supply Association as at 31 March 2015 and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.

Moore Stephens Wairarapa Audit | Chartered Accountants, Masterton, New Zealand
Date

FERNRIDGE WATER SUPPLY ASSOCIATION (INC)

Operating Budget for the Year Ended 31st March 2016

	2014/2015 Budget \$	2014/2015 Actual \$	2015/2016 Budget \$
INCOME			
Rates/valve and labour receipts	27,036.54	27,035.33	27,251.61
Water Units	0.00	0.00	0.00
Sundry	0.00	0.00	0.00
Swimming & tank filling	400.00	150.00	200.00
Bank Interest (Gross) on working account	3,300.00	1,460.08	4,186.00
Total Income	30,736.54	28,645.41	31,637.61
Expenditure			
Water Units	0.00	0.00	0.00
Repairs	5,000.00	602.70	5,000.00
Audit Fees	1,560.00	1,560.00	1,560.00
Sundry	200.00	1,071.90	200.00
Insurance	2,800.00	2,615.20	2,900.00
Honorarium	0.00	0.00	0.00
Admin & Office	700.00	552.29	1,900.00
Power	5,600.00	4,618.00	5,600.00
Filter U/V	2,500.00	3,149.58	3,000.00
Water Testing	500.00	354.00	500.00
Water Treatment (Caustic)	2,500.00	1,793.00	2,500.00
Legal Fees	0.00	0.00	0.00
Consent WRC	350.00	381.00	420.00
Capital Expenditure	2,000.00	0.00	30,000.00
Bank Fees	100.00	93.00	100.00
Tax on Working account	1,000.00	438.04	1,000.00
Total Operating Expenses	24,810.00	17,228.71	54,680.00
EXCESS INCOME over expenses	5,926.54	11,416.70	-23,042.39
REPAYMENT to capital fund		0	
Less: Depreciation	3,460.00	4,319.00	4,412.00
SURPLUS/(DEFICIT)	2,466.54	7,097.70	-27,454.39
Reserve Fund (Start 2015 financial year)		73,701.00	
Added to the Reserve Fund		0.00	
Interest on Reserve Fund		3,169.14	
Tax on Interest		887.36	
Estimate Reserve Fund at end of 2016 Financial year		75,982.78	

**MINUTES OF THE
28th ANNUAL GENERAL MEETING
OF THE
FERNRIDGE WATER SUPPLY ASSOCIATION (INC)**

MEETING OPENED AT: Fernridge School Hall, Upper Plain Road, Sunday 24th May 2015 at 3 pm.

WELCOME

Mr Alec Birch (Chairman) welcomed all present and asked for a motion to proceed as those members in attendance did not make up a quorum.

Philip Valance /Sandy Hansen
CARRIED

PRESENT

Alec Birch (Chairman), Coral Birch, George Butcher, Grant Allan and Adrienne Hewitt, Ian and Jean Gray, Ngaire and Ross Lerwill, Sandy Hansen, Jason Luttrell, George Mahupuku, Donald Perry, Philip Valance, Graeme and Christine Want.

PRESENT BY PROXY

Alan Bohm, Cathy Laing, Steve Rogers and Jenny Wilkinson, John Drewry and Rachael Snoep, J Dayle, M Walter.

APOLOGIES

Tony and Maree Garstang, Rusty Morrison, Richard and Mary Page, Wayne Andrews-Paul, Alison Vallance.

MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING held on 25th May 2014 and having been circulated were taken as read and confirmed with no alterations.

Sandy Hansen/George Butcher
CARRIED

ARISING FROM THE MINUTES

No matters arising.

CHAIRMAN'S REPORT

Mr Birch presented the 28th Chairman's AGM report and moved that it be accepted having been previously circulated, together with the AGM 2015 Notice of Meeting.

Mr Birch thanked the existing committee for their support and made a special note of thanks to retiring Foundation member Christopher Holmes. It was noted that Christopher is the last Foundation member to have served on the Committee.

The Chair also noted the contribution by Gray Bamber of the Hutt Valley District Health Board who has assisted with the revision of the Scheme's Water Safety Plan and SOP documents.

Philip Vallance then thanked the committee for their work and commitment over the past year, on behalf of the Scheme members.

Alec Birch/Philip Vallance
CARRIED

ANNUAL ACCOUNTS AND BUDGET

The Annual audited accounts for the year ending 31st March 2015 were presented having been distributed to members present. The Treasurer gave a brief overview of the financial situation for the year ending 31st March 2015 as prepared by the Treasurer.

Budget for the forthcoming year:

The annual rates to be increased by CPI 0.8% in accordance with the motion passed at the 2008 AGM that: "the value of the water unit rate increase by the Consumer Price Index (CPI) each year".

Annual rates for 1st July 2015 – 30th June 2016 be increased by CPI 0.8% for connected units (\$175.86 + GST) \$202.23 INCL.

Annual rates for 1st July 2015 – 30th June 2016 be increased by CPI 1.6% for unconnected units (\$82.31 + GST) \$94.65 INCL.

Note that there were 6 proxies recorded in favour of the rates increase by CPI and none against. Of the 6 proxies received after the AGM all 6 were in favour of the rates increase.

The Treasurer moved that the accounts and 2015/16 budget as presented be approved.

Graeme Want/Grant Allan
CARRIED

APPOINTMENT OF AUDITOR

The Treasurer moved that Moore, Stephens, Markhams Wairarapa Ltd undertake the Scheme's Review for next year's audit, subject to the outcome of the review of the Association's rules.

Graeme Want/Ian Gray
CARRIED

AUDIT REVIEW

In the past the Scheme's books have been audited by the Accountant. Recently rules have changed and as an Incorporated Society with low turnover a financial audit is no longer required by law or consultation. Our current level of recording is also higher than required.

The following clause is stated in the Scheme's Rules:

- (i) *An independent auditor will be appointed at each Annual General Meeting who shall be a member of the New Zealand Society of Accountants. He shall not be a member of the Scheme, nor its Secretary or Treasurer.*

This leaves two options available:

1. Continue with an Audit.
2. Undertake a review conducted by an Auditor. This would be a cost effective alternative, approximately two-thirds of the cost.

Motion: that a special general meeting be called to review the constitution and rules including the quorum requirements as soon as practicable.

Philip Vallance/Jason Luttrell
CARRIED

ELECTION OF OFFICERS

Chairman: Mr Alec Birch

Grant Allan/Coral Birch
Carried with applause

Deputy Chairman: Mr Grant Allan

Alec Birch/Sandy Hansen
Carried with applause

Secretary: Mrs Sandra Spence

Sandy Hansen/George Mahupuku
Carried with applause

Treasurer: Mr Graeme Want

Philip Vallance/Ian Gray
Carried with applause

Present Management Committee:

Ian Gray, Jason Luttrell, George Mahupuku, Wayne Andrews-Paul, Richard Page, Sandy Hansen.

It was moved that nominations be closed and that the present Management Committee Members be duly appointed.

Alec Birch/Jason Luttrell
CARRIED

ARISING FROM THE MINUTES

Rusty Morrison – nominated by Grant Allan and Philip Vallance.

Ross Lerwill – volunteer.

Grant Allan talking to Tony Garstang.

GENERAL BUSINESS

- Ross Lerwill asked for a general update of the systems – what is the progress to date?
Alec advised that they were working with a Company at the moment and modelling on Opaki's. However, noted that Opaki's is a complex scheme and believe they can simplify - will incorporate upgrade of tobies, valves back flow prevention and restrictors.
It should be noted that the Company is very experienced in water supply schemes and has worked with FWSA previously.
- Coral Birch wished to acknowledge the hard work undertaken by Grant Allan, Alec Birch and Ian Gray during the holiday period.
- Grant, as a scheme member and the Deputy, wished to acknowledge Alec for all the hard work and expertise he brings to the scheme.
- Alec thanked everyone but noted that it was a team effort.
- Grant also advised that Ian had expressed a wish to be less 'hands on' when things go awry. The committee agreed to advise members that if there was a problem that directly affected the scheme then Alec or Grant should be notified, otherwise for anything else they should contact a plumber themselves.
- Philip Vallance asked if the meeting had to confirm the rates increase. Graeme advised that it was not procedure.
- Adrienne Hewitt won the draw.

MEETING CLOSED: The Chairman thanked those in attendance for being present and the meeting was closed at 3.44pm, followed by afternoon tea.