

Te Kauwhata Irrigation Association (Inc)

Performance Report

For the year ended
30 June 2018

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Directory as at Balance Date:

Chairman:

Mike Peters

Committee:

Gerald Jackson

Grant Clune

Keith Dawson

Elton Goonan

David Hardwick

Mike Olphert

Brett Wheeler

Executive Officer:

Andrew Cornwall

Bankers:

Bank of New Zealand, Huntly
02 0328 0060189 00

Lawyers:

Norris Ward & MacKinnon, Hamilton

IRD Number:

052 062 373

Te Kauwhata Irrigation Association (Inc)

Entity Information

"Who are we?", "Why do we exist?"

For the year ended

30 June 2018

Legal Name:	Te Kauwhata Irrigation Association (Inc)
Operational Name:	Te Kauwhata Water Association (TKWA)
Legal Basis:	Incorporated Society
Registration Number:	TEK57664

TKWA's Mission:

TKWA mission is to efficiently supply "outdoor" water to its members and bulk water to the Waikato District Council for treatment. This is distributed along over 30km of reticulation from its pumphouse on Churchill East Road. It ensures the supply is available at all times without restriction to meet the needs of its members. The reticulation area extends from Rangiriri in the south to Hampton Downs, from the Waikato River in the west to the railway. To ensure ongoing viability, TKWA maintains its infrastructure to a high standard and extends its reticulation to meet changing and new water uses.

The Association is committed to distribute the annual investment surpluses to local charities for the betterment of the community.

TKWA's Structure:

TKWA is governed by a committee of members elected each year at the Annual General Meeting. The Committee has appointed an Executive Officer to manage the day to day affairs of the Association. The Executive Officer reports directly to the Chairman.

TKWA does not have any employees with all functions being undertaken by contractors.

Main Sources of TKWA's Cash and Resources:

TKWA obtains most of its revenues from the sale of water. Additional sundry income is received from members subscriptions, new connections, additional water entitlements and interest from investments.

Main Methods Used by TKWA to Raise Funds:

TKWA does not receive revenue from donations.

TKWA's Reliance on Volunteers and Donated Goods or Services:

N/a

Additional Information:

TKWA is unable to insure its horizontal assets against damage. The Committee has resolved to create an "Adverse Events Reserve" to ensure the Association is able meet any costs associated with such an event. This reserve is funded by long-term investments.

TKWA Contact Details:

Physical Address:	14 Main Road, Te Kauwhata
Postal Address:	PO Box 15, Te Kauwhata
Phone:	0800 859 2837 (0800 tkwater)
Email/Website:	water@tkwa.co.nz www.tkwa.co.nz

Te Kauwhata Irrigation Association (Inc)

Statement of Service Performance

"What did we do?", When did we do it?"

For the year ended

30 June 2018

TKWA's Outcomes:

Each year, TKWA endeavours to achieve a surplus sufficient to meet its depreciation provision after ensuring the infrastructure is appropriately maintained.

Description and Quantification of Outputs:	Actuals	
	This Year	Last Year
Water Revenues: These vary with the summer weather and changes to land use.	412,234	359,614
Sundry Income: This arises from connections in new rural life-style subdivisions, recoveries from damage caused by other contractors, subscriptions from members, etc.	38,163	48,703
Investment Income: In spite of the increase in invested funds, there is little change because of the current low interest rates.	31,992	26,973
NZTA Funding: These were received as a result of the need to reinstate reticulation along SH1. TKWA's contractors have undertaken these works except for minor finalising tasks.	0	611,338

Te Kauwhata Irrigation Association (Inc)

Statement of Financial Performance

"How was it funded?" and "What did it cost?"

For the year ended

30 June 2018

	Note	Actuals	
		This Year	Last Year
		\$	\$
Revenues:			
Subscriptions from Members	1	5,710	4,995
Revenues from Sale of Water	1	412,234	359,614
Interest	1	31,992	26,973
Other Revenue	1	32,453	43,708
NZTA Funding for Highway Reinstatement		-	611,338
Additional DSE Allocated to Members		2,375	477
Total Revenues		484,763	1,047,105
Less Expenses:			
Costs of Operations and Maintenance	2	192,212	168,671
Donations made to local organisations		38,425	-
Depreciation & Write-offs		150,033	258,751
Total Expenses		380,670	427,422
Surplus/(Deficit) for the Year		104,093	619,683

Te Kauwhata Irrigation Association (Inc)

Statement of Financial Position

"What the entity owns?" and "What the entity owes?"

As at
30 June 2018

	Note	Actuals	
		This Year \$	Last Year \$
Assets			
Current Assets:			
Bank Accounts	3	1,075,670	968,711
Accounts Receivable and Prepayments	3	174,716	347,975
Inventory	3	103,220	93,275
Total Current Assets		1,353,606	1,409,961
Non-Current Assets:			
Property, Buildings, Plant and Reticulation	4	5,554,470	5,502,943
Water Rights		625,000	625,000
Total Non-Current Assets		6,179,470	6,127,943
Total Assets		7,533,076	7,537,904
Liabilities			
Current Liabilities:			
Accounts Payable and Accruals	3	64,622	173,068
Total Current Liabilities		64,622	173,068
Non-Current Liabilities:			
Loans		-	-
Total Non-Current liabilities		-	-
Total Liabilities		64,622	173,068
Net Assets		7,468,455	7,364,836
Accumulated Funds			
Capital contributed by members	5	411,870	409,970
Accumulated surpluses or (deficits)	5	187,454	335,736
Reserves	5	6,869,130	6,619,130
Total Accumulated Funds		7,468,454	7,364,836

Te Kauwhata Irrigation Association (Inc)

Statement of Cash Flows

"How the entity has received and used cash"

For the year ended

30 June 2018

	Actuals	
	This Year	Last Year
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Subscriptions from Members	5,710	4,995
Receipts from Sales of Water	379,387	279,495
Receipts from Other Activities	10,959	41,584
Interest	31,992	21,252
Net GST	1,652	49,464
Cash was applied to:		
Payments to Contractors & Suppliers	219,127	63,792
Donations paid	38,425	-
Net Cash Flows from Operating Activities	172,147	332,998
Cash flows from Investing and Financing Activities		
Cash was received from:		
Receipts from the sale of Old Infrastructure	-	-
NZTA Final Contribution to Reinstatement Works	205,000	144,049
Capital contributed by Members	2,375	477
Cash was applied to:		
Payments to acquire New Infrastructure (Inc Prepayments)*	262,619	609,164
Additional Inventory	9,945	-
Net Cash Flows from Investing and Financing Activities*	(65,189)	(464,638)
Net Increase / (Decrease) in Cash*	106,958	(131,640)
Opening Cash*	968,711	1,100,351
Closing Cash*	1,075,669	968,711
This is represented by:		
Bank Accounts and Cash*	1,075,670	968,711

Te Kauwhata Irrigation Association (Inc)
Statement of Accounting Policies
"How did we do our accounting?"

For the year ended
30 June 2018

Basis of Preparation

Te Kauwhata Irrigation Association (Inc)

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated inclusive of GST.

Income Tax

Te Kauwhata Irrigation Association (Inc)

Bank Accounts and Cash

Bank accounts in the Statement of Cash Flows comprise of bank balances (including short term deposits) with original maturities of 365 days or less. The Association has no cash receipts or makes any cash payments.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil)

Te Kauwhata Irrigation Association (Inc)

Notes to the Performance Report

For the year ended
30 June 2018

Note 1 : Analysis of Revenue

Revenue Item	Analysis	This Year \$	Last Year \$
Subscriptions from Members	A \$15 subscription is added to each quarterly invoice sent to Users.	5,710	4,995
	Total	5,710	4,995
Revenue Item	Analysis	This Year \$	Last Year \$
Revenue from Providing Water	Users	99,377	102,386
	Bulk Water Contracts	301,766	253,550
	Casual Supply	11,090	3,678
	Total	412,234	359,614
Revenue Item	Analysis	This Year \$	Last Year \$
Interest	BNZ	29,285	26,669
	Other	2,707	304
	Total	31,992	26,973
Revenue Item	Analysis	This Year \$	Last Year \$
Other Revenues	Connection Fees	27,922	28,418
	Damage Recoveries	504	4,573
	Other	3,447	10,719
	Total	31,874	43,710

Te Kauwhata Irrigation Association (Inc)

Notes to the Performance Report

For the year ended

30 June 2018

Note 2 : Analysis of Expenses

		This Year	Last Year
Expense Item	Analysis	\$	\$
Operating Expenses - Headworks	Electricity	67,744	61,188
	Repairs to Infrastructure	21,100	21,903
	Total	88,843	83,091
		This Year	Last Year
Expense Item	Analysis	\$	\$
Operating Expenses - Reticulation	Repairs to Infrastructure	23,210	17,032
	Operations & Maintenance	2,311	1,954
	Total	25,521	18,986
		This Year	Last Year
Expense Item	Analysis	\$	\$
Administration & Overheads	Administration	81,540	53,595
	WRC Water Rights	11,828	11,035
	Chairman's Honoraria & Expenses	10,000	-
	Professional Indemnity Insurance	-	1,965
Total		103,369	66,595
		This Year	Last Year
Expense Item	Analysis	\$	\$
Donations Made		38,425	-
	Total	38,425	-

Te Kauwhata Irrigation Association (Inc)

Notes to the Performance Report

For the year ended

30 June 2018

Note 3 : Analysis of Assets and Liabilities

Asset Item	Analysis	This Year \$	Last Year \$
BNZ Bank accounts	Operating Accounts	75,670	43,712
	Term Deposits	1,000,000	925,000
	Total	1,075,670	968,712
Asset Item	Analysis	This Year \$	Last Year \$
Accounts Receivable & Prepayments	Accounts Receivable	160,575	94,613
	NZTA	-	235,750
	Prepayments	14,142	-
	Total	174,716	330,363
Asset Item	Analysis	This Year \$	Last Year \$
Inventory		103,220	93,275
	Total	103,220	93,275
Liability Item	Analysis	This Year \$	Last Year \$
Accounts Payable & Accruals	Accounts Payable	64,622	160,812
	Total	64,622	160,812

Te Kauwhata Irrigation Association (Inc)

Notes to the Performance Report

For the year ended

30 June 2018

Note 4 : Property, Plant and Equipment

This Year						PPE7 - PPE8	
Asset Class	Opening Carrying Amount	Additions	Sales & Disposals	Current Year Depreciation & Impairment	Closing Carrying Amount	Current Valn	Source & Date of Valuation
Land & Easements	61,368	6,674	-	-	68,042		
Headworks	1,143,606	62,345	-	65,968	1,139,983		
Reticulation Network	4,295,330	132,541	-	83,566	4,344,305		
Administration Assets	2,639	-	-	499	2,140		
Total	5,502,943	201,560	-	150,033	5,554,470	-	
Last Year							
Asset Class	Opening Carrying Amount	Additions	Sales & Disposals	Current Year Depreciation & Impairment	Closing Carrying Amount		
Land & Easements	61,368	-	-	-	61,368		
Headworks	1,196,034	12,791	-	65,219	1,143,606		
Reticulation Network	3,708,652	680,519	-	93,841	4,295,330		
Administration Assets	3,067	69	-	497	2,639		
Total	4,969,121	693,379	-	159,557	5,502,943		

Te Kauwhata Irrigation Association (Inc)

Notes to the Performance Report

For the year ended

30 June 2018

Note 5: Accumulated Funds

This Year				
Description	Capital Contributed by Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	409,970	335,736	6,619,130	7,364,836
Capital contributed by members	-			-
Surplus/(Deficit)		104,093		104,093
Transfer to Reserves		(250,000)	250,000	
Transfer from Reserves	2,375	(2,375)		
Transfer from Reserves		38,425	(38,425)	
Closing Balance	412,345	187,454	6,869,130	7,468,929

Last Year				
Description	Capital Contributed by Members	Accumulated Surpluses or Deficits	Reserves	Total
Opening Balance	409,493	822,200	5,513,460	6,745,153
Capital contributed by members	-	-	-	-
Surplus/(Deficit)	-	619,683	-	619,683
Transfer to Reserves	-	(1,105,670)	1,105,670	-
Transfer from Reserves	477	(477)	-	-
Closing Balance	409,970	335,736	6,619,130	7,364,836

		Actuals	
		This Year	Last Year
Breakdown of Reserves		\$	\$
Name	Nature and Purpose		
Asset Revaluation Reserve	Accumulates periodic revaluations of assets	5,852,585	5,714,160
Adverse Event Reserve	Accumulates surplus cash reserves in the event of major damage to horizontal infrastructure.	900,000	800,000
General Reserve	Donations are made from this reserve	116,545	104,970
	Total	6,869,130	6,619,130

Note 6 : Commitments and Contingencies

		As At Balance Date	
		This Year	Last Year
Commitment	Explanation and Timing	\$	\$
Commitments to lease assets	TKWA does not lease any assets	-	-
Commitment to complete SH1 reinstatement of reticulation.	TKWA is contracted to NZTA to complete the reinstatement of reticulation along SH1. A residual amount of work remains but cannot be completed until final works are completed by the principal contractor. This is expected to be done in the 2019/20 summer.	20,000	60,000
Commitment to complete connections in subdivisions.	TKWA is contracted to 2 developers to complete the installation of new connections at their subdivisions. These works will be undertaken as the subdivisions are developed. There will be revenue contributions that will materially offset the expenditure.	60,000	25,000
Commitment to replace infrastructure.	TKWA is aware the pressure tank at the headworks needs replacing. This work will take place in summer 2019.	150,000	-

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

Te Kauwhata Irrigation Association (Inc)

Notes to the Performance Report

For the year ended

30 June 2018

Notes 7-12

Note 7: Other

Significant Grants and Donations with Conditions which have not been Recorded as a Liability

Description	Original Amt	Not Fulfilled Amt	Purpose and Nature of the Condition(s)
None	-	-	

Goods or Services Provided to TKWA in Kind

Description	Amount
None	-

Assets Used as Security for Liabilities

Nature and Amount of Borrowing	Nature and Amount of Asset Used as Security
None	

Note 8: Assets Held on Behalf of Others

Description of the Assets Held	Name of Entity of Whose Behalf Assets are Held
None	

Note 9: Related Party Transactions	All amounts are only paid upon the receipt of a tax invoice.	This Year	Last Year	This	Last
		\$	\$	\$	\$

Description of Related Party Relationship	Description of the Transaction	Value of Transactions		Amounts Outstanding	
M & L Peters Ltd - Chairman (M Peters - Member)	Honorarium	10,000	-		
	Expenses		1,570		
Earthcare Systems Ltd (K Dawson - Member)	Maintenance and installation of new services.	26,965	53,971		
Jackson Engineering Ltd (G Jackson - Member)	Maintenance and installation of new services.	29,898	84,453		
Andrews Electrical Ltd (A Andrews - Member)	Electrical maintenance	4,012	-		
Jacer Ltd (A Cornwall - Executive Officer)	Administration Contract (3 Years to 30 June 2018)	35,301	44,399		
	Consultancy Services relating to design and project management for SH1, extensions and subdivisions.	31,514	101,427		
Devine Consultancy Services Ltd (Associated to Jacer Ltd)	Accounting services	991	710		

Note 10: Events After the Balance Date

Events After the Balance Date:

There were no events that have occurred after the balance date that would have a material impact on the Performance Report. (Last Year Nil)

Note 11: Ability to Continue Operating

Note 12: Correction of Errors

Additional Information

OPTIONAL TEMPLATE FOR APPLYING PUBLIC BENEFIT ENTITY SIMPLE FORMAT REPORTING – ACCRUAL (NOT-FOR-PROFIT)

STEP ONE - BASIC INFORMATION

Please complete the following information for your entity, this will then flow into the Performance Report.

Full name of organisation

Te Kauwhata Irrigation Association (Inc)

For the year ended

30 June 2018

Worksheet protection and password

This Excel workbook contains a series of worksheets, shown in the tabs to the right. These worksheets contain a number of formulae and other features designed to help you complete them easily. However, to avoid inadvertent overwriting of their functionality, each worksheet has been password protected. The single password is noted below. We recommend you take particular care if you do change anything. Note you have to unprotect each worksheet you want to change individually. You cannot unprotect the whole workbook at once.

To unprotect a single worksheet:

- *Right-click on the worksheet tab (at the base of your screen).*
- *Select 'Unprotect Sheet' from the list that displays.*
- *Enter the password: xrb (note this password is case sensitive)*
- *Click OK.*

This then unlocks the particular sheet. Make any changes you require.

Once you have completed your changes, repeat the above process to protect or lock the worksheet again. This time select

Page numbering

To change a page number, you need to select 'Page Layout' (from the menu at top of your screen). Then go into 'Page Setup', where you can change the 'First page number' of the worksheet.

Te Kauwhata Irrigation Association (Inc)

Notes to the Performance Report

For the year ended
30 June 2018

Note 6 : Commitments and Contingencies

Commitment	Explanation and Timing	As At Balance Date	
		This Year	Last Year
		\$	\$
Commitments to lease assets	TKWA does not lease any assets		
Commitment to complete SH1 reinstatement of reticulation.	TKWA is contracted to NZTA to complete the reinstatement of reticulation along SH1. A residual amount remains to be completed during the 2017/18 summer.	60,000	650,000
Commitment to complete connections in subdivisions.	TKWA is contracted to 2 developers to complete the installation of new connections at their subdivisions. These works will be undertaken as the subdivisions are developed.	25,000	30,000

Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at balance date (Last Year - nil)

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