



Financial Accounts

For the Year Ended 30 June 2010

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Statement of Financial Performance

For the Year Ended 30th June 2010

	<u>2009</u>	<u>2010</u>
Income from:		
Water Charges	232,629	290,342
Total Income	232,629	290,342
Less:		
Operating Expenses	95,603	148,715
Administration	52,298	46,446
Executive Remuneration & Expenses	5,120	4,323
Total Expenses	153,022	199,484
Operating Surplus	79,607	90,858
Other Income:		
Subscriptions	3,915	3,945
Lease of DSE	2,000	1,200
Investment Income	14,006	19,282
Total Other Income	19,921	24,427
Less Interest Paid	0	0
Less Depreciation Charge	133,960	126,269
Less Assets Scrapped		26,937
Net Surplus (Deficit)	<u>(34,432)</u>	<u>(37,922)</u>

To be read in conjunction with the Notes attached

**Statement of Financial Position
As at 30th June 2010**

	<u>2009</u>	<u>2010</u>
Current Assets:		
Bank Account	289	64
Short-term Deposits	328,168	290,980
Inventories	9,992	24,490
Prepayments on Assets		7,800
Accounts Receivable	46,926	71,247
Deferred Capital Payments Due	12,812	24,060
Total	398,187	418,641
Less:		
Current Liabilities:		
Accounts Payable	30,710	110,664
GST Payable	(3,093)	(13,314)
Total	27,617	97,350
Working Capital	<u>370,570</u>	<u>321,291</u>
Fixed Assets:		
Irrigation Scheme	6,396,931	6,489,764
Additional Assets (Net)	119,770	173,060
Less Accumulated Depreciation	(2,000,866)	(2,127,135)
Total	4,515,835	4,535,689
Intangible Assets		
Water Rights	625,000	625,000
Net Assets	<u>5,511,404</u>	<u>5,481,980</u>
Association Funds:		
Opening Balance	3,658,359	5,511,404
This Year's Net Surplus (Deficit)	(34,432)	(37,922)
Capital Contributions Received	(8,441)	17,497
Asset Revaluation	1,895,919	0
Less Charitable Donations	0	(9,000)
Total Association Funds	<u>5,511,404</u>	<u>5,481,980</u>

To be read in conjunction with the Notes attached

Statement of Cash Flows

	2010
Cash From Operating Activities:	
Receipts from Customers	268,723
Less Payments to Suppliers	(158,191)
Cash Generated from Operations	110,531
Plus Cash from Other Activities:	
Interest Received	19,282
Subscriptions	3,945
Lease of DSE	1,200
Taxes Paid (Net GST)	(10,221)
Net Cash Inflows from Operations	124,737
Cash Flows from Investment Activities:	
Additional DSE Receipts	7,500
Less Asset Purchases	(143,283)
Less Prepayments on Assets	(7,800)
Less Additional Inventory	(9,566)
Net Cash Spent on Investments	(153,149)
Less Charitable Donations	(9,000)
Net Cash Inflows (Outflows)	(37,412)
Cash (Including Deposits) at beginning of year	328,457
Cash (Including Deposits) at end of year	291,044
Increase (Decrease) in Cash Balances at year end	(37,412)

Notes to the Financial Statements
For the Year Ended 30th June 2010

Statement of Accounting Policies

General Accounting Policies

The general accounting principles as recommended by the Institute of Chartered Accountants in New Zealand for the measurement and reporting of earnings and financial position on an historical cost basis have been followed.

Reliance is placed on the fact that the entity is a going concern.

Accrual accounting is used to match revenues and expenses.

Particular Accounting Policies:

The following particular accounting principles which materially affect the measurement of profit and financial position have been applied.

a) Depreciation of Fixed Assets:

Depreciation is provided for at rates estimated by the Association to amortise each asset over its economic life.

The Depreciation Rates used are those from the NZ Infrastructure Asset Valuation & Depreciation Guidelines V2.0 2006. This is the same basis as used by local authorities in New Zealand.

b) Goods & Services Tax (GST):

Income & Expenditure has been accounted for on a GST exclusive basis.

c) Fixed Assets:

Fixed Assets were independently revalued in 2009 having regard to estimated replacement costs.

d) Accounts Receivable:

Accounts Receivable are stated at their net realisable value.

Prior Period Adjustment:

In the 2009 Asset and Depreciation Schedule the calculation of depreciation was incorrect. This has been adjusted reducing the depreciation charged in the 2009 financial year by \$52,840.

Other Notes of Explanation:

a) Contingent Liabilities:

The Association is committed to complete certain easements and the preparation of "as built" plans on recent new projects. In total these legal and survey costs are estimated to be less than \$25,000.

b) Contractual Commitments:

There are no current contractual commitments.

Te Kauwhata Water Association

I have audited the financial statements of the Te Kauwhata Water Association for the year ended 30 June 2010. This audit has been conducted in accordance with accepted auditing standards and I have carried out such procedures as I have considered necessary.

In common with other organisations of a similar nature, control over the income of the Association prior to it being recorded is limited. There are no practical audit procedures to determine the effect of this limited control.

Subject to the possible effect of the limited control over income referred to in the preceding paragraph, in my opinion the financial statements give a true and fair view of the financial position of the Te Kauwhata Water Association as at 30th June 2010 and of the results of its activities for that financial year.

Hart & Associates Limited
Philip R Hart C.A.