



UNAUDITED

Financial Accounts

For the Year Ended 30 June 2012

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- > Statement of Cash Flows
- > Notes to the Financial Statements
- > Auditor's Certificate (**To be presented at the AGM**)

Signed: **Acting Chairman**
MJ Peters

Executive Officer
JA Cornwall

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Statement of Financial Performance
For the Year Ended 30th June 2012

	2011	2012
Income from:		
Water Charges	278,607	282,598
Total Income	278,607	282,598
Less:		
Operating Expenses	100,262	108,076
Administration	49,489	45,885
New Project Investigation	21,683	3,860
Executive Remuneration & Expenses	10,486	5,798
Total Expenses	181,920	163,619
Operating Surplus	96,687	118,979
Other Income:		
Subscriptions	4,140	4,200
Lease of DSE	1,200	0
Other Income	940	711
Investment Income	13,598	16,170
Total Other Income	19,878	21,081
Less Interest Paid	0	0
Less Depreciation Charge	127,397	127,988
Less Assets Scrapped	82	392
Revaluation of Inventories	(22,000)	0
	105,479	128,380
Net Surplus (Deficit)	11,086	11,680

To be read in conjunction with the Notes attached

Statement of Financial Position
As at 30th June 2012

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	2011	2012
Current Assets:		
Bank Accounts	160	29,573
Short-term Deposits	372,061	428,185
Inventories	46,364	46,157
Prepayments on Assets		3,992
Accounts Receivable	42,459	42,803
Deferred Capital Payments Due	17,059	11,551
Total	<u>478,104</u>	<u>562,261</u>
Less:		
Current Liabilities:		
Accounts Payable	36,218	28,491
GST Payable	3,185	5,550
Total	<u>39,403</u>	<u>34,041</u>
Working Capital	<u>438,701</u>	<u>528,220</u>
Fixed Assets:		
Irrigation Scheme	6,522,916	6,550,462
Additional Assets (Net)	30,717	45,752
Less Accumulated Depreciation	(2,085,340)	(2,210,345)
Total	<u>4,468,293</u>	<u>4,385,868</u>
Intangible Assets		
Water Rights	625,000	625,000
Net Assets	<u>5,531,994</u>	<u>5,539,088</u>
Association Funds:		
Opening Balance	5,481,980	5,531,994
This Year's Net Surplus (Deficit)	11,086	11,680
Capital Contributions Received	9,562	(4,790)
Asset Revaluation	29,366	204
Less Charitable Donations		
	<u>50,014</u>	<u>7,094</u>
Total Association Funds	<u>5,531,994</u>	<u>5,539,088</u>

To be read in conjunction with the Notes attached

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Statement of Cash Flows

	2012
Cash From Operating Activities:	
Receipts from Customers	282,299
Less Payments to Suppliers	(173,809)
Cash Generated from Operations	108,490
Plus Cash from Other Activities:	
Interest Received	16,170
Other Income	4,911
Less Taxes Paid (Net GST)	(3,073)
Plus Net Cash Inflows from Operations	126,498
Cash Flows from Investment Activities:	
Additional DSE Receipts	4,790
Less Asset Purchases	45,752
Less Prepayments on Assets	0
Less Net Cash Spent on Investments	(40,962)
Less Charitable Donations	0
Net Cash Inflows (Outflows)	85,537
Cash (Including Deposits) at beginning of year	372,221
Cash (Including Deposits) at end of year	457,758
Increase (Decrease) in Cash Balances	85,537

**Notes to the Financial Statements
For the Year Ended 30th June 2012**

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. The mid-point of the range has been adopted.

Depreciation is calculated on the most recent estimated replacement cost of each asset.

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. There have been no bad debts in the current year.

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 \$10,000.

b) Charitable Donations:

In June 2012, the Association advertised its intentions to make donations to qualifying charities. In August 2012 the following donations were authorised and paid:

St Johns Building Committee: \$7,500

Te Kauwhata Volunteer Fire Brigade - Tanker appeal: \$7,500

c) Contractual Commitments:

There are no current contractual commitments.