

# **TAHAKOPA SCHOOL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address:	921 Tahakopa Valley Road, RD 2, Owaka
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Ministry Number:	3838

# TAHAKOPA SCHOOL

Financial Statements - For the year ended 31 December 2017

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# Tahakopa School

## Statement of Responsibility

For the year ended 31 December 2017

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.


The School's 2017 financial statements are authorised for issue by the Board.

Angela Joy Osborne  
Full Name of Board Chairperson

  
Signature of Board Chairperson

29 May 2018  
Date:

Katrina Joy Hampton  
Full Name of Principal

  
Signature of Principal

29 May 2018  
Date:

## Tahakopa School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	233,079	73,561	224,308
Locally Raised Funds	3	13,485	7,000	13,141
Interest Earned		728	500	1,229
		<hr/> 247,292	<hr/> 81,061	<hr/> 238,678
<b>Expenses</b>				
Locally Raised Funds	3	7,136	7,480	13,429
Learning Resources	4	145,911	37,700	128,574
Administration	5	15,838	18,487	15,443
Finance		128	-	-
Property	6	71,066	21,455	45,202
Depreciation	7	5,424	2,500	5,151
		<hr/> 246,860	<hr/> 87,622	<hr/> 207,799
<b>Net Surplus / (Deficit) for the year</b>		432	(6,561)	30,879
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> 432	<hr/> (6,561)	<hr/> 30,879

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.



# Tahakopa School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	120,282	120,282	89,403
Total comprehensive revenue and expense for the year	432	(6,561)	30,879
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	-
<b>Equity at 31 December</b>	120,714	113,721	120,282
Retained Earnings	120,714	113,721	120,282
Reserves	-	-	-
<b>Equity at 31 December</b>	120,714	113,721	120,282

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.



# Tahakopa School

## Statement of Financial Position

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	78,125	66,282	70,343
Accounts Receivable	9	7,280	6,961	6,961
GST Receivable		6,858	2,173	2,173
Prepayments		22	20	20
Investments	10	16,871	16,317	16,317
Funds held for Capital Works Projects	15	2,577	-	-
		111,733	91,753	95,814
<b>Current Liabilities</b>				
Accounts Payable	12	14,804	10,699	10,699
Provision for Cyclical Maintenance	13	11,450	-	-
Finance Lease Liability - Current Portion	14	1,715	559	559
		27,969	11,258	11,258
<b>Working Capital Surplus/(Deficit)</b>		83,764	80,495	84,556
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	42,829	38,845	41,345
		42,829	38,845	41,345
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	-	4,500	4,500
Finance Lease Liability	14	5,879	1,119	1,119
		5,879	5,619	5,619
<b>Net Assets</b>		120,714	113,721	120,282
<b>Equity</b>		120,714	113,721	120,282

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



**Tahakopa School**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		68,113	73,561	69,517
Locally Raised Funds		13,485	7,000	13,141
Hostel		-	-	
International Students		-	-	
Goods and Services Tax (net)		(4,685)	-	70
Payments to Employees		(19,738)	(23,725)	(19,467)
Payments to Suppliers		(46,272)	(59,397)	(44,295)
Cyclical Maintenance Payments in the year		-	(2,000)	-
Interest Received		728	500	1,231
Net cash from / (to) the Operating Activities		11,632	(4,061)	20,197
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		690	-	
Purchase of PPE (and Intangibles)		(901)	-	(2,843)
Purchase of Investments		(554)	-	(557)
Net cash from / (to) the Investing Activities		(765)	-	(3,400)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(508)	-	-
Funds Held for Capital Works Projects		(2,577)	-	-
Net cash from Financing Activities		(3,085)	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>7,782</b>	<b>(4,061)</b>	<b>16,797</b>
Cash and cash equivalents at the beginning of the year	8	70,343	70,343	53,546
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>78,125</b>	<b>66,282</b>	<b>70,343</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.



# Tahakopa School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### **a) Reporting Entity**

Tahakopa School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

#### **b) Basis of Preparation**

##### ***Reporting Period***

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

##### ***Basis of Preparation***

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

##### ***Financial Reporting Standards Applied***

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

##### ***PBE Accounting Standards Reduced Disclosure Regime***

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

##### ***Measurement Base***

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

##### ***Presentation Currency***

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

##### ***Specific Accounting Policies***

The accounting policies used in the preparation of these financial statements are set out below.

##### ***Critical Accounting Estimates And Assumptions***

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



#### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

#### **Critical Judgements in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies:

##### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 14.

##### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

#### **c) Revenue Recognition**

##### **Government Grants**

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

##### **Other Grants**

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

##### **Donations, Gifts and Bequests**

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

##### **Interest Revenue**

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

#### **d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

#### **e) Operating Lease Payments**

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.



#### **f) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

#### **g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

#### **h) Accounts Receivable**

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

#### **i) Investments**

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of investment securities.

#### **j) Property, Plant and Equipment**

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

#### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.



### **Depreciation**

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–50 years
Furniture and equipment	2–14 years
Information and communication technology	3–5 years
Library resources	12.5% Diminishing value

### **k) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

### **l) Employee Entitlements**

#### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

### **m) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

### **n) Financial Assets and Liabilities**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

### **o) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.



**p) Budget Figures**

The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

**q) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.



## 2. Government Grants

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	67,464	72,561	64,996
Teachers' salaries grants	115,846	-	107,732
Use of Land and Buildings grants	49,119	-	47,059
Other MoE Grants	649	1,000	4,521
	233,079	73,561	224,308

## 3. Locally Raised Funds

Local funds raised within the School's community are made up of:

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Donations	1,994	2,000	6,808
Fundraising	2,163	1,100	1,243
Other revenue	8,009	3,900	4,390
Trading	-	-	-
Activities	1,319	-	700
	13,485	7,000	13,141
<b>Expenses</b>			
Activities	5,992	6,000	4,974
Trading	29	-	82
Transport (local)	-	-	304
Other Locally Raised Funds Expenditure	1,065	1,480	8,069
	7,136	7,480	13,429
<i>Surplus for the year Locally raised funds</i>	6,349	(480)	(288)

## 4. Learning Resources

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	5,381	9,800	5,383
Equipment repairs	42	200	-
Information and communication technology	3,150	2,000	1,184
Extra-curricular activities	1,529	-	-
Library resources	(634)	400	-
Employee benefits - salaries	132,351	16,600	121,950
Resource/attached teacher costs	-	4,700	57
Staff development	4,092	4,000	-
	145,911	37,700	128,574



## 5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	3,019	2,600	2,222
Board of Trustees Fees	1,961	3,500	2,930
Board of Trustees Expenses	794	-	690
Communication	702	1,000	851
Consumables	847	1,950	1,417
Operating Lease	2,372	1,750	1,804
Legal Fees	106	50	23
Other	1,105	2,610	2,091
Employee Benefits - Salaries	374	-	-
Insurance	1,144	1,000	-
Service Providers, Contractors and Consultancy	3,415	4,027	3,415
	15,838	18,487	15,443

## 6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	109	450	117
Consultancy and Contract Services	-	2,700	-
Cyclical Maintenance Expense	6,950	2,000	(14,728)
Grounds	339	650	72
Heat, Light and Water	4,437	4,050	3,715
Rates	-	600	-
Repairs and Maintenance	5,568	3,880	2,563
Use of Land and Buildings	49,119	-	47,059
Employee Benefits - Salaries	4,544	7,125	6,404
	71,066	21,455	45,202

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Depreciation

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings	812	300	812
Furniture and Equipment	2,150	1,000	1,755
Computers & Visual Equipment	2,274	1,000	1,997
Library Resources	188	200	587
	5,424	2,500	5,151



**8. Cash and Cash Equivalents**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	78,125	66,282	70,343
Cash equivalents and bank overdraft for Cash Flow Statement	78,125	66,282	70,343

The carrying value of short-term deposits with maturity dates of 90 days or less approximates their fair value.

**9. Accounts Receivable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Teacher Salaries Grant Receivable	7,280	6,961	6,961
	7,280	6,961	6,961
Receivables from Non-Exchange Transactions	7,280	6,961	6,961
	7,280	6,961	6,961

**10. Investments**

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	16,871	16,317	16,317



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2017</b>						
Building Improvements	23,511	-	-	-	(812)	22,699
Furniture and Equipment	11,044	6,699	-	-	(2,150)	15,593
Information and Communication	4,973	522	-	-	(2,274)	3,221
Library Resources	1,817	377	-	(690)	(188)	1,316
<b>Balance at 31 December 2017</b>	<b>41,345</b>	<b>7,598</b>	<b>-</b>	<b>(690)</b>	<b>(5,424)</b>	<b>42,829</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2017</b>			
Building Improvements	32,727	(10,028)	22,699
Furniture and Equipment	50,576	(34,983)	15,593
Information and Communication	30,095	(26,874)	3,221
Library Resources	17,376	(16,060)	1,316
<b>Balance at 31 December 2017</b>	<b>130,774</b>	<b>(87,945)</b>	<b>42,829</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2016</b>						
Building Improvements - Crown	24,323	-	-	-	(812)	23,511
Furniture and Equipment	10,922	1,877	-	-	(1,755)	11,044
Information and Communication Technology	4,326	2,644	-	-	(1,997)	4,973
Library Resources	2,404	-	-	-	(587)	1,817
<b>Balance at 31 December 2016</b>	<b>41,975</b>	<b>4,521</b>	<b>-</b>	<b>-</b>	<b>(5,151)</b>	<b>41,345</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2016</b>			
Building Improvements	32,727	(9,216)	23,511
Furniture and Equipment	43,879	(32,836)	11,043
Information and Communication Technology	29,574	(24,600)	4,974
Library Resources	38,886	(37,069)	1,817
<b>Balance at 31 December 2016</b>	<b>145,066</b>	<b>(103,721)</b>	<b>41,345</b>



**12. Accounts Payable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Accruals	4,686	2,584	2,584
Banking staffing overuse	2,673	-	-
Employee Entitlements - salaries	7,280	6,961	6,961
Employee Entitlements - leave accrual	165	1,154	1,154
	<u>14,804</u>	<u>10,699</u>	<u>10,699</u>
Payables for Exchange Transactions	14,804	10,699	10,699
	<u>14,804</u>	<u>10,699</u>	<u>10,699</u>

The carrying value of payables approximates their fair value.

**13. Provision for Cyclical Maintenance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	4,500	4,500	19,228
Increase to the Provision During the Year	6,950	(2,000)	450
Adjustment to the Provision	-	2,000	(15,178)
Provision at the End of the Year	<u>11,450</u>	<u>4,500</u>	<u>4,500</u>
Cyclical Maintenance - Current	11,450	-	-
Cyclical Maintenance - Term	-	4,500	4,500
	<u>11,450</u>	<u>4,500</u>	<u>4,500</u>

**14. Finance Lease Liability**

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	1,715	649	649
Later than One Year and no Later than Five Years	5,879	1,299	1,299
	<u>7,594</u>	<u>1,948</u>	<u>1,948</u>



## 15. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects:

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Toilet Upgrade	<i>in progress</i>	-	23,518	(26,095)	-	(2,577)
		-	-	-	-	-
Totals		-	23,518	(26,095)	-	(2,577)

### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

2,577

(2,577)

## 16. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.



## 17. Remuneration

### Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	1,961	2,930
Full-time equivalent members	0.11	0.15
<i>Leadership Team</i>		
Remuneration	87,255	88,525
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	89,216	91,455
Total full-time equivalent personnel	1.11	1.15

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

### Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	80 - 90	80 - 90
Benefits and Other Emoluments	2 - 3	1 - 2
Termination Benefits	-	-

### Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2017 FTE Number	2016 FTE Number
	-	-
	0.00	0.00

The disclosure for 'Other Employees' does not include remuneration of the Principal.



## 18. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2017** (Contingent liabilities and assets at **31 December 2016**: nil).

## 19. Commitments

### (a) Capital Commitments

As at 31 December 2017 the Board has entered into contract agreements for capital works as follows:

(a) \$26,132 contract for the Toilet Upgrade to be completed in **2018**, which will be fully funded by the Ministry of Education. \$23,518 has been received of which \$26,095 has been spent on the project to date.

(Capital commitments at 31 December 2016: nil)

### (b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

(a) operating lease of a photocopier;

	2017 Actual \$	2016 Actual \$
No later than One Year	1,956	1,956
Later than One Year and No Later than Five Years	594	2,550
	<u>2,550</u>	<u>4,506</u>

## 20. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

## 21. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

### Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	78,125	66,282	70,343
Receivables	7,280	6,961	6,961
Investments - Term Deposits	16,871	16,317	16,317
<b>Total Loans and Receivables</b>	<u>102,276</u>	<u>89,560</u>	<u>93,621</u>

### Financial liabilities measured at amortised cost

Payables	14,804	10,699	10,699
Finance Leases	7,594	1,678	1,678
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<u>22,398</u>	<u>12,377</u>	<u>12,377</u>

## 22. Events After Balance Date

There were no significant events after the balance date that impact these financial statements.





## Board of Trustees 2017

Name	Position	How Appointed	Occupation	Elected	Responsibilities
Paul Stephens	Chairperson	Elected	Farmer	Apr 2016	Chairperson
Katrina Hampton	Principal		Principal		Curriculum/Finances
Hedi Stephens	Treasurer	Elected	Farmer	Apr 2016	Finances/Secretary
Rachel Napier	Parent Rep	Elected	Farmer	Apr 2016	Health and Safety
Angela Osborne	Parent Rep	Elected	Homemaker	Apr 2016	Fund Raising
Russell White	Parent Rep	Elected	Farmer	Apr 2016	Property*

\* left BOT in October 2017



*From small seeds grow forest giants*

Kiwisport Funding 2017

Objectives:

1. To increase the numbers of school-aged children participating in organised sport; during and after school, and with sports clubs.
2. To increase the availability and accessibility of sport opportunities for school-aged children.
3. To support children in developing skills to help them participate effectively in sport at both primary and secondary levels.

MOE Funding 2017      \$118.72

Item	Cost	Total
Sports Activator	82.80	82.80
Transport to pool – Owaka for swimming lessons	350.00	432.80
Instructor for swimming one week	465.92	898.72

Total spent in 2017      \$898.72

Sports Activator

Comes out to school teaching and coaching the children in skills related to different seasonal sports – Rippa Rugby, softball skills, netball and basketball skills

Swimming

As the school no longer operates their own swimming pool, the children go into Owaka to the local community pool for two weeks over the summer period providing them swimming skills and life saving skills.

## 2017 Analysis of Variance for Literacy = Writing

<b>Focus:</b> Literacy = Writing	
<b>Strategic Aim:</b> In collaboration, the BoT and staff will provide the highest possible learning outcomes for our students as evidenced by achievement against the National Standards.	
<b>Target:</b> All children will continue to make progress against the National Standards. Children who are achieving below and/or well below their expected standard will make greater than a year's progress in order to reduce the gap between their level of achievement and the standard.	
<b>Baseline data:</b>  41.6% of children ( they are all boys) are below or well below their expected National Standard. Primarily in writing due to lack of detail and use of powerful words to create images in the readers mind, playing with words. They currently write for themselves and not the reader. All of the children enjoy writing and can orally express great ideas and events.  4 of the class are below 1 of the class are well below from data gathered during term 4 of 2016 (unassisted writing tasks, class work, spelling, etc).	
<b>Actions (what will we do?)</b>	<b>Outcomes (what happened?)</b>
Continue with vivid vocabulary programme and alphabet programmes as appropriate with focus on trying to include words in own writing.  Teach recrafting skills to whole class, to improve writing.  Explicitly teach how to write different genre and provide scaffolding to do so, giving time to practice new skills before working independently on them. 3-tiered learning.  Set goals that are managable and achievable for each child, more individualised programme in writing. (relate to reading, unit work etc) skills level in front of book.	17% - of the children are now below their expected National Standard.  2 of the class are below 0 of the class are well below
<b>Reasons for the variance (why did it happen?) Evaluation (where to next?)Planning for next year:</b> Some of the children have achieved a full year of progress but still require to achieve at a greater rate to reacch the expected level and for some of the children this is a very big task, but attitudes to writing ae great and all willingly write and share their work.  Continue with the current programme and create a more individualised programme tobetter meet learning needs as they arise. Increase the use of Google classroom as a learning tool for children as a resource place to go and use as they need to develop skills and confidence.	

# 2017 Analysis of Variance for Mathematics = Problem Solving

<b>Focus:</b> Numeracy= with an emphasis on basic facts	
<b>Strategic Aim:</b> In collaboration, the BoT and staff will provide the highest possible learning outcomes for our students as evidenced by achievement against the National Standards.	
<b>Target:</b> All children will continue to make progress against the National Standards. Children who are achieving below and/or well below their expected standard will make greater than a year's progress in order to reduce the gap between their level of achievement and the standard.	
<b>Baseline data:</b> 50% children would rather guess answers than work them out in maths. 58% of children have a difference between their basic fact level and their use of these skills (strategies) level. Of these children 85% of them are working below their basic fact level, meaning they have the knowledge but not the skills to use this knowledge in other areas. They have not made the connection with what they know and that it can be used in other areas in maths and learning. 15% of the group are actually working beyond their basic fact level to solve problems making it harder on themselves when they solve problems  Data gathered in November 2016 via GLOSS .	
Actions (what will we do?)	Outcomes (what happened?)
Continue with ten week cycle programme for basic facts Mental maths books to be used daily Increase the number games used in maths time Explicitly teach how to solve problems and provide scaffolding to do so, giving time to practice new skills before working independently on them. 3-tiered learning.  Set goals that are manageable and achievable for each child, individualised programme in maths. (relate to reading, writing, unit work etc) skills level in front of book.  Set daily problem solving tasks at different levels that need to be completed Get Mathletics for the school so children can use this both at school and at home	0% are guessing answers, all now using different strategies to solve problems  50% are working at their basic facts level 30% are working above their basic fact level  50% are at or above their expected level in maths for the National Standard.
<b>Reasons for the variance (why did it happen?) Evaluation (where to next?)Planning for next year:</b> Not using their excellent reading skills in this area of their learning, need to make the connections for them and make it more pointed, thinking as they read just as they do in reading work. Still Maths is not seen as a great skill to have or need, more real life situations are required, could use the coming camp in 2018 as an excellent way to do this. Need to extend basic facts thinking beyond just times tables.  Continue to work on this area so they can apply their knowledge and skills with more confidence, use of Google classroom as a resource and place to go if help is required, learning to learn skills and attitudes. Make the most of real life situations as they come around, find what interests the children and relate that to them. Make problems real.	



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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE READERS OF TAHAKOPA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Tahakopa School (the School). The Auditor-General has appointed me, G N Thomas, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on his behalf.

#### **Opinion**

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2017; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 29 May 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

#### **Responsibilities of the Board of Trustees for the financial statements**

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.



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The Board of Trustees' responsibilities arise from the Education Act 1989.

### **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.



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We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the analysis of variance, kiwisport paragraph and BOT listing included on pages 19 to 22, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.

G N Thomas  
BDO Invercargill  
On behalf of the Auditor-General  
Invercargill, New Zealand