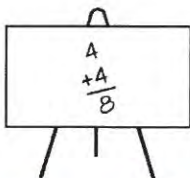


TAHUNA SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address: Tahuna Ohinewai Rd
School Postal Address: Matamata 3373
School Phone: 07 887 5848
School Email: office@tahuna.school.nz
Ministry Number: 1972



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TAHUNA SCHOOL

Financial Statements - For the year ended 31 December 2017

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Tahuna 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.

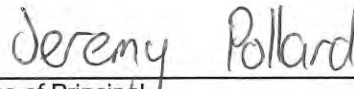
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.



Full Name of Board Chairperson



Full Name of Principal



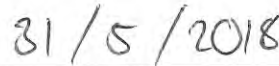
Signature of Board Chairperson



Signature of Principal



Date:



Date:

Tahuna School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	747,083	328,200	608,789
Locally Raised Funds	3	73,048	50,700	102,563
Interest Earned		7,900	1,000	1,410
Gain on Sale of Property, Plant and Equipment		-	-	393
		<u>828,031</u>	<u>379,900</u>	<u>713,155</u>
Expenses				
Locally Raised Funds	3	6,958	3,300	13,517
Learning Resources	4	505,162	248,900	420,767
Administration	5	63,967	63,395	56,898
Property	6	158,986	51,900	128,404
Depreciation	7	33,833	5,000	30,617
Loss on Disposal of Property, Plant and Equipment		-	-	-
		<u>768,906</u>	<u>372,495</u>	<u>650,203</u>
Net Surplus / (Deficit) for the year		59,125	7,405	62,952
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>59,125</u></u>	<u><u>7,405</u></u>	<u><u>62,952</u></u>

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



Tahuna School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	344,661	344,661	281,709
Total comprehensive revenue and expense for the year	59,125	7,405	62,952
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	403,786	352,066	344,661
Retained Earnings	403,786	352,066	344,661
Reserves	-	-	-
Equity at 31 December	403,786	352,066	344,661

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



Tahuna School
Statement of Financial Position
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	8	61,421	117,549	67,502
Accounts Receivable	9	33,385	23,000	30,134
Investments	10	85,484	54,890	194,890
		<u>180,290</u>	<u>195,439</u>	<u>292,526</u>
Current Liabilities				
GST Payable		3,324	21,046	21,046
Accounts Payable	12	34,254	40,000	32,071
Revenue Received in Advance	13	1,883	-	-
Finance Lease Liability - Current Portion	15	4,849	3,540	3,540
Funds held for Capital Works Projects	16	3,893	-	110,421
		<u>48,203</u>	<u>64,586</u>	<u>167,078</u>
Working Capital Surplus/(Deficit)		132,087	130,853	125,448
Non-current Assets				
Property, Plant and Equipment	11	304,536	248,709	248,709
		<u>304,536</u>	<u>248,709</u>	<u>248,709</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	20,275	19,335	15,335
Finance Lease Liability	15	12,562	8,161	14,161
		<u>32,837</u>	<u>27,496</u>	<u>29,496</u>
Net Assets		<u>403,786</u>	<u>352,066</u>	<u>344,661</u>
Equity		<u>403,786</u>	<u>352,066</u>	<u>344,661</u>

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



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

	Note	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash flows from Operating Activities				
Government Grants		210,366	148,200	154,714
Locally Raised Funds		73,048	43,945	102,563
Goods and Services Tax (net)		(17,722)	-	15,214
Payments to Employees		(95,362)	(92,000)	(69,286)
Payments to Suppliers		(88,888)	(69,677)	(97,074)
Interest Received		7,900	1,000	1,410
Net cash from / (to) the Operating Activities		89,342	31,468	107,541
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(85,912)	(5,000)	(42,211)
Proceeds from Sale of Investments		105,000	140,000	-
Purchase of Investments		-	-	(155,000)
Net cash from / (to) the Investing Activities		19,088	135,000	(197,211)
Cash flows from Financing Activities				
Finance Lease Payments		(7,983)	(6,000)	(4,722)
Funds Held for Capital Works Projects		(106,528)	(110,421)	59,238
Net cash from Financing Activities		(114,511)	(116,421)	54,516
Net increase/(decrease) in cash and cash equivalents		(6,081)	50,047	(35,154)
Cash and cash equivalents at the beginning of the year	8	67,502	67,502	102,656
Cash and cash equivalents at the end of the year	8	61,421	117,549	67,502

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.



Tahuna School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Tahuna 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 carryforward 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.

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.

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 Proprietor 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 Proprietor 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 \$1,000 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	20–50 years
Furniture and equipment	5–10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	4 years
Motor Vehicles	5 years
Library resources	12.5% Diminishing value

k) Impairment of property, plant, and equipment and intangible assets



The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

l) 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.

m) 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.

n) Revenue Received in Advance

Revenue received in advance relates to fees received from international students fees where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

o) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Crown, and is vested in 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 of 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

p) Financial Assets and Liabilities

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

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

q) 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.

r) Budget Figures

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

s) 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	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	168,034	131,200	132,913
Teachers' salaries grants	425,807	180,000	365,625
Use of Land and Buildings grants	116,975	-	84,139
Other MoE Grants	35,577	17,000	25,765
Other government grants	690	-	347
	<u>747,083</u>	<u>328,200</u>	<u>608,789</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	52,205	27,000	68,712
Trading	4,612	3,150	1,703
Activities	16,231	20,550	32,148
	<u>73,048</u>	<u>50,700</u>	<u>102,563</u>
Expenses			
Activities	3,204	2,550	11,722
Trading	3,754	750	1,795
	<u>6,958</u>	<u>3,300</u>	<u>13,517</u>
<i>Surplus for the year Locally raised funds</i>	<u>66,090</u>	<u>47,400</u>	<u>89,046</u>

4. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	10,844	9,600	12,738
Employee benefits - salaries	492,415	228,000	404,935
Staff development	1,903	6,700	3,094
	<u>505,162</u>	<u>248,900</u>	<u>420,767</u>



5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,612	3,250	3,066
Board of Trustees Fees	3,450	3,500	3,900
Communication	2,552	1,800	2,434
Consumables	699	4,800	2,690
Operating Lease	948	600	498
Other	22,152	15,670	12,634
Employee Benefits - Salaries	28,754	30,000	29,976
Service Providers, Contractors and Consultancy	1,800	2,000	1,700
	<u>63,967</u>	<u>63,395</u>	<u>56,898</u>

6. Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	1,391	1,250	1,305
Consultancy and Contract Services	12,680	-	12,582
Cyclical Maintenance Expense	4,940	4,000	4,940
Grounds	10,939	8,600	5,157
Heat, Light and Water	7,408	5,800	7,179
Rates	(145)	3,400	-
Repairs and Maintenance	4,798	14,600	13,102
Use of Land and Buildings	116,975	-	84,139
Employee Benefits - Salaries	-	14,250	-
	<u>158,986</u>	<u>51,900</u>	<u>128,404</u>

The use of land & building figures represents 8% of the school's total property value. This 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 year-end reporting purpose.

7. Depreciation

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Building Improvements	8,439	2,000	6,197
Furniture and Equipment	5,477	2,000	4,333
Information and Communication Technology	4,264	1,000	6,302
Motor Vehicles	8,785	-	8,785
Leased Assets	6,625	-	4,722
Library Resources	243	-	278
	<u>33,833</u>	<u>5,000</u>	<u>30,617</u>



8 Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cheque Account	13,298	97,549	8,929
Savings Account	48,123	20,000	58,573
Cash equivalents and bank overdraft for Cash Flow Statement	61,421	117,549	67,502

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

9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	887	-	6,755
Banked Staffing Underuse	3,458	-	-
Teacher Salaries Grant Receivable	29,040	23,000	23,379
	33,385	23,000	30,134
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	33,385	23,000	30,134
	33,385	23,000	30,134

10. Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	85,484	54,890	194,890
Non-current Asset			
Long-term Bank Deposits	-	-	-

11. Property, Plant and Equipment

2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	146,484	75,116	-	-	(8,439)	213,161
Furniture and Equipment	26,910	4,600	-	-	(5,477)	26,033
Information and Communication	10,656	6,196	-	-	(4,264)	12,588
Land	15,000	-	-	-	-	15,000
Motor Vehicles	30,014	-	-	-	(8,785)	21,229
Leased Assets	17,700	3,748	-	-	(6,625)	14,823
Library Resources	1,945	-	-	-	(243)	1,702
Balance at 31 December 2017	248,709	89,660	-	-	(33,833)	304,536



	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	274,846	(61,685)	213,161
Furniture and Equipment	55,997	(29,964)	26,033
Information and Communication	56,251	(43,663)	12,588
Land	15,000	-	15,000
Motor Vehicles	43,923	(22,694)	21,229
Leased Assets	21,448	(6,625)	14,823
Library Resources	23,632	(21,930)	1,702
Balance at 31 December 2017	491,097	(186,561)	304,536

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Land	-	-	-	-	-	-
Building Improvements	134,702	17,979	-	-	(6,197)	146,484
Furniture and Equipment	11,367	19,876	-	-	(4,333)	26,910
Information and Communication Technology	12,602	4,356	-	-	(6,302)	10,656
Land	15,000	-	-	-	-	15,000
Motor Vehicles	38,799	-	-	-	(8,785)	30,014
Leased Assets	11,018	17,700	(6,296)	-	(4,722)	17,700
Library Resources	2,223	-	-	-	(278)	1,945
Balance at 31 December 2016	225,711	59,911	(6,296)	-	(30,617)	248,709

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Building Improvements	199,730	(53,246)	146,484
Furniture and Equipment	51,397	(24,487)	26,910
Information and Communication Technology	50,055	(39,399)	10,656
Land	15,000	-	15,000
Motor Vehicles	43,923	(13,909)	30,014
Leased Assets	17,700	-	17,700
Library Resources	23,632	(21,687)	1,945
Balance at 31 December 2016	401,437	(152,728)	248,709



12. Accounts Payable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	5,214	17,000	8,692
Accruals	-	-	-
Banking staffing overuse	-	-	-
Employee Entitlements - salaries	29,040	23,000	23,379
Employee Entitlements - leave accrual	-	-	-
	<u>34,254</u>	<u>40,000</u>	<u>32,071</u>
Payables for Exchange Transactions	34,254	40,000	32,071
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>34,254</u>	<u>40,000</u>	<u>32,071</u>

The carrying value of payables approximates their fair value.

13. Revenue Received In Advance

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Grants in Advance	1,883	-	-
	<u>1,883</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	15,335	15,335	5,455
Increase to the Provision During the Year	4,940	4,000	9,880
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>20,275</u>	<u>19,335</u>	<u>15,335</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	20,275	19,335	15,335
	<u>20,275</u>	<u>19,335</u>	<u>15,335</u>



15. 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 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	4,849	3,540	3,540
Later than One Year and no Later than Five Years	12,562	8,161	14,161
Later than Five Years	-	-	-
	<u>17,411</u>	<u>11,701</u>	<u>17,701</u>

16. 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/ (To Asset)	Closing Balances \$
Learning Area	<i>In progress</i>	3,893	-	-	-	3,893
Toilets	<i>Complete</i>	106,528	-	106,528	-	-
Classrooms & roof	<i>Complete</i>	-	27,012	27,012	-	-
Totals		<u>110,421</u>	<u>27,012</u>	<u>133,540</u>	<u>-</u>	<u>3,893</u>

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

3,893

(3,893)

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Learning Area/Lighting	<i>In progress</i>	47,290	1,563	44,960	-	3,893
Toilets	<i>In progress</i>	-	106,528	-	-	106,528
Totals		<u>47,290</u>	<u>108,091</u>	<u>44,960</u>	<u>-</u>	<u>110,421</u>

17. 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.



18. 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	3,450	3,900
Full-time equivalent members	0.15	0.15
<i>Leadership Team</i>		
Remuneration	104,070	98,096
Full-time equivalent members	1	1
Total key management personnel remuneration	107,520	101,996
Total full-time equivalent personnel	1.15	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	2016
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100-110	90-100
Benefits and Other Emoluments	2-3	2-3
Termination Benefits	-	-

Other Employees

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

Remuneration	2017	2016
\$000	FTE Number	FTE Number
100-110	-	-
	<u>0.00</u>	<u>0.00</u>

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

19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2017	2016
	Actual	Actual
Total	-	-
Number of People	-	-

20. Contingencies

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

21. Commitments

(a) Capital Commitments

As at 31 December 2017 there are no Capital Commitments

(Capital commitments at 31 December 2016: nil)



(b) Operating Commitments

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

Nil

	2017 Actual \$	2016 Actual \$
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>-</u>

22. 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.

23. 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	61,421	117,549	67,502
Receivables	33,385	23,000	30,134
Investments - Term Deposits	85,484	54,890	194,890
Total Loans and Receivables	<u>180,290</u>	<u>195,439</u>	<u>292,526</u>

Financial liabilities measured at amortised cost

Payables	34,254	40,000	32,071
Finance Leases	17,411	11,701	17,701
Total Financial Liabilities Measured at Amortised Cost	<u>51,665</u>	<u>51,701</u>	<u>49,772</u>

24. Events After Balance Date

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



Tahuna School Kiwi Sport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2017, the school received total Kiwisport funding of \$1134.45 excluding GST. The funding was spent on soccer goal posts and equipment to enhance pupils skills and increase confidence in participating in team sports. It was also used to pay for entry to various local interschool sporting opportunities (e.g Rugby fun day, Basketball day etc.)



Board of Trustees

Name	Address	Occupation	Position on Board	Date started and finished	Date re-election
CURRENT MEMBERS					
Jeremy Pollard	Tahuna Road R D 3 Morrinsville	Principal	Principal	January 2014	
Reon Williams	Tahuna Ohinewai Rd R D 4 Ohinewai	Farmer	Chairperson	June 2016-Aug 2017	
Greg Mills	Tahuna Morrinsville Rd R D 3 Morrinsville	Consultant	Treasurer	June 2016	May 2019
Andrew Mohring	Tahuna Ohinewai Rd R D 4 Ohinewai	Farmer	Friends of School Liaison	June 2016	May 2019
Brian Robinson	Tahuna Road R D 3 Morrinsville	Farmer	Property	June 2016	May 2019
Kirsty Hannah	Tahuna Ohinewai Rd R D 4 Ohinewai	Farmer	Secretary	June 2016	May 2019
Simon Pearce	191 Maukoro Landing Road R D 3 Morrinsville	Farmer	Special Projects	June 2016	December 2017
Joanne Wilson	131F Rototuna Rd Rototuna, Hamilton	Teacher	Staff rep	June 2016	May 2019
Amy Shewry	253 Old Hill Road R D 3 Morrinsville 3373	Account/payroll receptionist	Secretary	September 2017	May 2019
SERVICE CENTRE					
Education Finance	Wanganui	Accountant			
PRINCIPAL					
Jeremy Pollard	Full year				

Analysis of Variance Reporting



School Name:	Tahuna School	School Number:	1972
Strategic Aim:	All students are successfully able to access the New Zealand Curriculum as evidenced by achievement in relation to the National Standards.		
Annual Aim:	To increase the number of students achieving at or above the National Standard for maths.		
Target:	<p>To have 80% across the school achieving at/above the standard in maths.</p> <p>To have 80% of all Maori students achieving at / above the maths standard as determined in Dec. 2017.</p>		
Baseline Data:	<p>School wide data shows 79% at/above in Dec 2016.</p> <p>50% of Maori students (5/10) were achieving below the standard.</p>		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> Reviewed assessment data with staff to determine particular students learning needs. We subscribed to NZCER marking site and used their 'next steps' information. Monitored the students' progress on a regular basis. This included detailed reports to the BoT and regular meetings with the classroom teacher. After reviewing the impact of the Numeracy Programme we decided to trial Prime Mathematics in our two senior classrooms. We subscribed to Maths Buddy as a tool to encourage maths work at home and also used it for teaching new concepts and reinforcing basic facts. Student voice was used in selecting and revising current programmes and units. End of Year data was analysed to inform and develop the planning for the following year. 	<p>The analysis of the end of year National Standards data shows very positive gains in levels of achievement in mathematics. Of the 14 students in the initial data, all but one showed significant improvement. 78% of Maori students are now at or above the National Standards for Maths.</p>	<p>The one student from the cohort who did not make positive progress (greater than the expected 12 months) has significant learning difficulties and continues to receive ongoing support from a number of agencies. Such marked progress in this cohort comes down to all parties involved (students, parents, staff, RTLB) being aware of the target, revisiting this target throughout the year and resourcing accordingly.</p>	<p>Student goals need to be specific and clearly understood. Continue to utilise the Prime Maths programme. Continue with regular PD at Staff meetings – developing staff self-reflection.</p>
Planning for next year:			
<ul style="list-style-type: none"> Continue the Prime Maths programme in the Senior classrooms and trial the use of it in the Junior School Focus on analysing NZCER data and identifying individual next steps. Fostering the wider use of student voice in learning programmes. Teacher reflective practice is built into this year's performance management system. 			

INDEPENDENT AUDITOR'S REPORT

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

Level 3, Bridgewater Building
130 Grantham St
Hamilton 3204
PO Box 24009
Abels, Hamilton 3253
New Zealand

Tel +64 9 838 2180
Fax +64 7 838 2181

www.crowehorwath.co.nz

The Auditor-General is the auditor of Tahuna School (the School). The Auditor-General has appointed me, Richard Currie, using the staff and resources of Crowe Horwath New Zealand Audit Partnership, 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 19, 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 31 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.

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.

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 arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information obtained at the date of our report is the Kiwisport Report and the Analysis of Variance, 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.



Richard Currie Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand