

# Tauhei Combined School

## Financial Statements

for the year ended 31 December 2017

School Address:	860 Tauhei Road, RD5, Morrinsville
School Postal Address:	861 Tauhei Road, RD5, Morrinsville 3375
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Ministry Number:	1985

## **Tauhei Combined School**

### **Financial Statements**

for the year ended 31 December 2017

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**Tauhei Combined School**

**Statement of Responsibility**

for the year ended 31 December 2017

The Commissioner 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 Commissioner) 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 Commissioner 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 Commissioner.

CHRISTOPHER CALVER  
Full Name of Commissioner

Anne-louise Erceg  
Full Name of Acting Principal

[Signature]  
Signature of Commissioner

[Signature]  
Signature of Acting Principal

3/9/2018  
Date

3/9/18  
Date

# **Tauhei Combined 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	469,586	429,135	554,706
Locally raised funds	3	57,232	27,400	51,867
Interest earned		1,480	594	1,468
		<u>528,298</u>	<u>457,129</u>	<u>608,041</u>
<b>Expenses</b>				
Locally raised funds	3	15,809	8,000	11,630
Learning resources	4	312,764	289,720	389,757
Administration	5	44,111	33,270	38,960
Property	6	125,225	118,669	122,416
Depreciation	7	17,503	4,000	17,646
		<u>515,412</u>	<u>453,659</u>	<u>580,409</u>
<b>Net Surplus / (Deficit) for the year</b>		<u>12,886</u>	<u>3,470</u>	<u>27,632</u>
Other comprehensive revenue and expenses		-	-	-
<b>Total comprehensive revenue and expense for the year</b>		<u><u>12,886</u></u>	<u><u>3,470</u></u>	<u><u>27,632</u></u>

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



**Tauhei Combined School**

**Statement of Changes in Net Assets / Equity**

for the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Balance at 1 January	<u>163,115</u>	<u>163,115</u>	<u>130,886</u>
Total comprehensive revenue and expense for the year	12,886	3,470	27,632
Capital contributions from the Ministry of Education:			
Contribution - furniture and equipment grant	917	-	-
Contribution - SNUP	-	-	4,597
Equity at 31 December	<u><u>176,918</u></u>	<u><u>166,585</u></u>	<u><u>163,115</u></u>
Retained Earnings	176,918	166,585	163,115
Reserves	-	-	-
Equity at 31 December	<u><u>176,918</u></u>	<u><u>166,585</u></u>	<u><u>163,115</u></u>

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



# Tauhei Combined 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	176,964	68,924	56,854
Accounts receivable	9	16,828	20,415	20,415
Prepayments		1,434	712	713
Inventories	10	1,659	1,858	1,858
Investments	11	20,500	20,688	20,688
Funds owed for capital works	16	-	-	12,290
		<u>217,385</u>	<u>112,597</u>	<u>112,818</u>
<b>Current Liabilities</b>				
Accounts payable	13	25,568	34,395	38,480
GST payable		20,079	9,107	9,107
Provision for cyclical maintenance	14	27,454	24,870	3,334
Finance lease liability - current portion	15	4,015	4,015	4,015
Funds held for capital works projects	16	81,399	-	-
		<u>158,515</u>	<u>72,387</u>	<u>54,936</u>
<b>Working Capital Surplus</b>		58,870	40,210	57,882
<b>Non Current Assets</b>				
Property, plant and equipment	12	122,063	130,800	134,800
<b>Non Current Liabilities</b>				
Provision for cyclical maintenance	14	-	410	21,536
Finance lease liability	15	4,015	4,015	8,031
		<u>4,015</u>	<u>4,425</u>	<u>29,567</u>
<b>Net Assets</b>		<u>176,918</u>	<u>166,585</u>	<u>163,115</u>
<b>Equity</b>		<u>176,918</u>	<u>166,585</u>	<u>163,115</u>

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



# Tauhei Combined School

## Statement of Cash Flows

for the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>				
Government grants		116,493	73,135	145,858
Locally raised funds		57,232	27,400	51,880
Goods and Services Tax (net)		10,972	-	3,030
Payments to employees		(80,438)	(38,500)	(81,313)
Payments to suppliers		(71,354)	(58,833)	(81,593)
Cyclical maintenance payments in the year		-	-	-
Interest paid		-	-	-
Interest received		1,193	594	1,468
<b>Net cash from / (to) the operating activities</b>		<u>34,098</u>	<u>3,796</u>	<u>39,330</u>
<b>Cash flows from Investing Activities</b>				
Proceeds from sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(4,766)	-	(5,051)
Purchase of investments		-	-	(688)
Proceeds from sale of investments		188	-	-
<b>Net cash from / (to) the investing activities</b>		<u>(4,578)</u>	<u>-</u>	<u>(5,739)</u>
<b>Cash flows from Financing Activities</b>				
Furniture and equipment grant		917	-	-
Finance lease payments		(4,016)	(4,016)	(4,015)
Painting contract payments		-	-	-
Loans received/ Repayment of loans		-	-	-
Funds administered on behalf of third parties		-	-	-
Funds held for capital works projects		93,689	12,290	(12,290)
<b>Net cash from Financing Activities</b>		<u>90,590</u>	<u>8,274</u>	<u>(16,305)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>120,110</u>	<u>12,070</u>	<u>17,286</u>
Cash and cash equivalents at the beginning of the year	8	56,854	56,854	39,568
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<u>176,964</u>	<u>68,924</u>	<u>56,854</u>

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.

The above Statement of Cash Flow should be read in conjunction with the accompanying notes.



## **Tauhei Combined School**

### **Notes to the Financial Statements**

for the year ended 31 December 2017

#### **1. Statement of Accounting Policies**

##### **a) Reporting entity**

Tauhei Combined 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 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 lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of 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 12.

### ***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 operating or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

#### ***Recognition of grants***

The School reviews the grant 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 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 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.

### ***Donation, 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 the 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) Inventories**

Inventories are consumable items held for sale and comprise stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

**j) 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.

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 securities.



#### **k) 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 - Crown	40 years
Furniture and equipment	5-15 years
Information and communication technology	5 years
Leased assets held under a finance lease	3 - 5 years
Library resources	12.5% diminishing value

#### **l) Intangible Assets**

##### ***Software costs***

Computer software acquired by the School is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software with individual values under \$500 are not capitalised. They are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.



Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its estimated useful life. The useful life of software is estimated as five years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

#### **m) 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.

#### **n) 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.

#### **o) 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 and annual leave earned but not yet taken at balance date.

#### **p) Revenue Received in Advance**

Revenue received in advance relates to fees received by the School 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.



**q) 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 the 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 10-year property plan (10YPP).

**r) 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, finance lease liability and funds held on behalf of the Ministry of Education. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**s) 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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

**t) Budget Figures**

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

**u) 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.



	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>2. Government grants</b>			
Operational grants	100,285	67,360	103,563
Teachers' salaries grants	264,248	264,000	314,157
Use of land and buildings grants	92,719	92,000	93,542
Other MOE grants	12,334	5,775	43,444
	<u>469,586</u>	<u>429,135</u>	<u>554,706</u>

### 3. Locally raised funds

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

#### Revenue

Donations	9,590	3,700	6,065
Fundraising	28,105	11,500	27,609
School house rent	13,480	9,800	13,000
Activities	1,805	-	3,056
Trading	4,252	2,400	2,137
	<u>57,232</u>	<u>27,400</u>	<u>51,867</u>

#### Expenses

Fundraising (cost of raising funds)	7,115	-	5,843
School house expenses	6,179	5,600	3,701
Trading	2,515	2,400	2,086
	<u>15,809</u>	<u>8,000</u>	<u>11,630</u>

#### Surplus (deficit) for the year locally raised funds

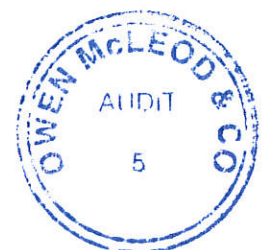
	<u>41,423</u>	<u>19,400</u>	<u>40,237</u>
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### 4. Learning resources

Curricular	2,080	2,850	2,138
Information and communication technology	1,995	2,970	2,122
Extra-curricular activities	2,422	1,200	5,333
Library resources	44	1,000	1,433
Employee benefits - salaries	305,034	280,200	377,609
Staff development	1,189	1,500	1,122
	<u>312,764</u>	<u>289,720</u>	<u>389,757</u>

### 5. Administration

Audit fees	3,100	3,200	3,000
Board of Trustees fees	4,320	2,997	3,056
Board of Trustees expenses	2,043	-	2,347
Communication	784	1,008	946
Consumables	826	4,725	3,058
Operating lease	589	531	-
Other	1,841	421	2,955
Employee benefits - salaries	25,453	16,000	20,760
Insurance	420	1,125	953
Service providers, contractors, consultancy	4,735	3,263	1,885
	<u>44,111</u>	<u>33,270</u>	<u>38,960</u>



	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>6. Property</b>			
Caretaking and cleaning consumables	634	1,125	9,630
Cyclical maintenance provision	2,584	3,744	3,076
Grounds	7,130	2,000	3,768
Heat, light, and water	9,883	7,200	10,942
Repairs and maintenance	4,058	6,300	1,458
Use of land and buildings	92,719	92,000	93,542
Employee benefits - salaries	8,217	6,300	-
	<u>125,225</u>	<u>118,669</u>	<u>122,416</u>

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 of Property, Plant and Equipment

Buildings - School	2,513		2,513
Furniture & equipment	4,826		5,759
Information and communication technology	5,643		4,815
Leased assets	4,015		4,015
Library resources	506		544
	<u>17,503</u>	<u>4,000</u>	<u>17,646</u>

#### 8. Cash and Cash Equivalents

ASB Current account	6,010	18,588	6,518
ASB Rental account 51	10,174	3,935	3,935
ASB Maintenance account 50	231	231	231
ASB Account 52	13,075	14,454	14,454
ASB PTA Current account	3,538	19,116	19,116
ASB PTA Call account	32,656	12,600	12,600
Short term bank deposits	111,280	-	-
Net cash and cash equivalents and bank overdraft for Statement of Cash Flows	<u>176,964</u>	<u>68,924</u>	<u>56,854</u>

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

Of the \$176,964 Cash and Cash Equivalents, \$81,399 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

#### 9. Accounts Receivable

Receivables	-	-	-
Interest receivable	404	117	117
Teacher salaries grant receivable	16,424	20,298	20,298
	<u>16,828</u>	<u>20,415</u>	<u>20,415</u>
Receivables from exchange transactions	404	117	117
Receivables from non-exchange transactions	16,424	20,298	20,298
	<u>16,828</u>	<u>20,415</u>	<u>20,415</u>



	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>10. Inventories</b>			
Stationery	200	210	210
School Uniforms	1,459	1,648	1,648
	<u>1,659</u>	<u>1,858</u>	<u>1,858</u>

#### 11. Investments

The School's investment activities are classified as follows:

##### **Current Asset:**

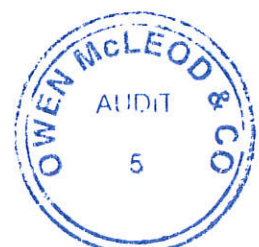
Short term bank deposits	20,500	20,688	20,688
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#### 12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2017</b>						
Building improvements	84,455	-	-	-	(2,513)	81,942
Furniture & equipment	18,603	3,450	-	-	(4,826)	17,227
Information & communication	15,890	1,074	-	-	(5,643)	11,321
Leased assets	12,046	-	-	-	(4,015)	8,031
Library resources	3,806	242	-	-	(506)	3,542
Balance at 31 December 2017	<u>134,800</u>	<u>4,766</u>	<u>-</u>	<u>-</u>	<u>(17,503)</u>	<u>122,063</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2017</b>			
Building improvements	120,522	38,580	81,942
Furniture & equipment	125,235	108,008	17,227
Information & communication	93,584	82,263	11,321
Leased assets	20,076	12,045	8,031
Library resources	24,734	21,192	3,542
Balance at 31 December 2017	<u>384,151</u>	<u>262,088</u>	<u>122,063</u>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2016</b>						
Building improvements	86,968	-	-	-	(2,513)	84,455
Furniture & equipment	24,015	347	-	-	(5,759)	18,603
Information & communication	10,255	10,450	-	-	(4,815)	15,890
Leased assets	16,061	-	-	-	(4,015)	12,046
Library resources	4,350	-	-	-	(544)	3,806
Balance at 31 December 2016	<u>141,649</u>	<u>10,797</u>	<u>-</u>	<u>-</u>	<u>(17,646)</u>	<u>134,800</u>



## 12. Property, Plant and Equipment (cont'd)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
<b>2016</b>			
Building improvements	120,522	36,067	84,455
Furniture & equipment	121,785	103,182	18,603
Information & communication	92,510	76,620	15,890
Leased assets	20,076	8,030	12,046
Library resources	24,492	20,686	3,806
Balance at 31 December 2016	379,385	244,585	134,800

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>13. Accounts Payable</b>			
Operating Creditors	6,483	13,101	13,101
Banking staffing overuse	1,898	-	4,085
Employee entitlements - salaries	16,424	20,298	20,298
Employee entitlements - leave accrual	763	996	996
	25,568	34,395	38,480
Payables for exchange transactions	25,568	34,395	38,480
Payables for non-exchange transactions - taxes payable (PAYE and rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	25,568	34,395	38,480

The carrying value of payables approximates their fair value

## 14. Provision for Cyclical Maintenance

Provision at the start of the year	24,870	24,870	21,537
Increase to the provision during the year	2,584	3,744	3,076
Adjustment to the provision	-	-	257
Use of the provision during the year	-	(3,334)	-
Provision at the end of the year	27,454	25,280	24,870
Cyclical maintenance - current	27,454	24,870	3,334
Cyclical maintenance - term	-	410	21,536
	27,454	25,280	24,870

## 15. Finance Lease Liability

The School has entered into finance lease agreements for a photocopier. Minimum lease payments payable:

No later than one year	4,015	4,015	4,015
Later than one year and no later than five years	4,015	4,015	8,031
Later than five years	-	-	-
	8,030	8,030	12,046



## 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 \$	Closing Balances \$
Outside Learning Station (in progress)	(12,290)	96,765	3,076	81,399
	(12,290)	96,765	3,076	81,399
Funds held on behalf of the Ministry of Education				81,399
Funds due from the Ministry of Education				-
				81,399
2016	Opening Balances \$	Receipts from MOE \$	Payments \$	Closing Balances \$
Outside Learning Station (in progress)	-	-	12,290	(12,290)
	-	-	12,290	(12,290)

## 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 it is reasonable to expect the school would have adopted if dealing with that entity at arms' 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 conditions 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.

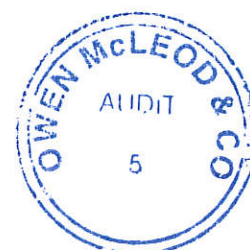
## 18. Remuneration

### Key management personnel compensation

Key management personnel of the School includes all Trustees of the Board, Principal, Deputy Principals and Heads of Department.

	2017 Actual \$	2016 Actual \$
<b>Board Members</b>		
Remuneration	4,320	3,056
Full time equivalent members	0.46	0.46
<b>Leadership Team</b>		
Remuneration	108,814	107,816
Full time equivalent members	1.00	1.00
Total key management personnel remuneration	113,134	110,872
Total full time equivalent personnel	1.46	1.46

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.



## 18. Remuneration (cont'd)

### *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	100 - 110	100 - 110
Benefits and other emoluments	0 - 5	0 - 5
Termination benefits	-	-

### *Other Employees*

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

Remuneration \$000	2017 FTE	2016 FTE
100 - 110	Nil	Nil

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 members, 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 Actual	2016 Actual
Total value	Nil	Nil
Number of people	Nil	Nil

## 20. Contingencies

There are no contingent liabilities or contingent assets as at 31 December 2017 ( 2016 - no contingent liabilities or contingent assets).

## 21. Commitments

### *(a) Capital Commitments*

As at 31 December 2017 the Board has not entered into any contract agreements for capital works.  
(Capital commitments at 31 December 2016 - nil).

### *(b) Operating Commitments*

As at 31 December 2017 the Board has not entered into any operating lease commitments. (2016 - Nil)  
(a) operating leases for laptops:



## 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 revenue 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:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<i>Cash and receivables</i>			
Cash and cash equivalents	176,964	68,924	56,854
Receivables	16,828	20,415	20,415
Investments - term deposits	20,500	20,688	20,688
Total cash and receivables	214,292	110,027	97,957
<i>Financial liabilities measured at amortised cost</i>			
Payables	25,568	34,395	38,480
Finance leases	8,030	8,030	12,046
Total financial liabilities measured at amortised cost	33,598	42,425	50,526

## 24. Events After Balance Date

The Board of Trustees resigned in February 2018 and a Commissioner was appointed in March 2018.

## 25. Comparative Figures

Some comparative figures have been restated to ensure compliance with the Ministry of Education's Kiwi Park School model financial statements. This change does not materially alter the financial statements.

## 26. Breach of Law - Failure to Meet Statutory Reporting Deadline

The Board of Trustees did not comply with section 87A(1) of the Education Act 1989 in that it did not submit its annual financial statements for audit by the 31 March 2018.

## 27. Breach of Law - Failure to Meet Statutory Reporting Deadline

The Board of Trustees did not comply with section 87C(1) of the Education Act 1989 in that it did not submit its audited annual financial statements to the Ministry of Education by the 31 May 2018.



## Tauhei Combined School

### Members of the Board of Trustees

for the year ended 31 December 2017

Name	Position	How position on Board gained	Term expires
Rita Dewhurst	Parent Rep Chairperson	Re-elected March 2016	February 2018
Gaylene Brown	Principal	Appointed	
Sarah Hansen	Staff Rep	Re-elected March 2016	February 2018
Carlene Jackson	Parent Rep	Elected March 2016	February 2018
Shannon Bell	Parent Rep	Re-elected March 2016	February 2018
Greg Rushbrooke	Parent Rep	Re-elected March 2016	February 2018
Rex Stentiford	Community Member	Elected March 2016	February 2018

## **Tauhei Combined School**

### **Kiwisport Note**

for the year ended 31 December 2017

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2017 the school received total Kiwisport funding of \$608 excluding GST (2016 - \$673).