WAIPU SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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WAIPU SCHOOL

Financial Statements - For the year ended 31 December 2016

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Waipu School

Statement of Responsibility

For the year ended 31 December 2016

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 2016 fairly reflects the financial position and operations of the school.

The School's 2016 financial statements are authorised for issue by the Board.

Catherine Anahera Munro
Full Name of Board Chairperson

Signature of Board Chairperson

1/5/2017
Date

Paul Stewart Ramsay
Full Name of Principal

P J Ramsay
Signature of Principal

1-5-2017
Date:

Waipu School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2016

	Notes	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Revenue				
Government Grants	2	1,667,771	1,652,855	1,591,277
Locally Raised Funds	3	253,724	231,500	216,745
Interest Earned		16,892	9,000	16,522
		1,938,387	1,893,355	1,824,544
Expenses				
Locally Raised Funds	3	90,598	93,350	86,698
Learning Resources	4	1,229,423	1,200,719	1,196,980
Administration	5	132,345	124,700	134,720
Finance Costs		821	1,500	1,457
Property	6	410,863	428,366	360,765
Depreciation	7	49,449	47,940	57,466
		1,913,499	1,896,575	1,838,086
Net Surplus / (Deficit)		24,888	(3,220)	(13,542)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		24,888	(3,220)	(13,542)

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

Waipu School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2016

	Actual 2016 $	Budget (Unaudited) 2016 $	Actual 2015 $
Balance at 1 January	691,217	691,217	704,759
Total comprehensive revenue and expense for the year	24,888	(3,220)	(13,542)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	7,149	-	-
School House Sale	139,860	-	-
Equity at 31 December	863,114	687,997	691,217
Retained Earnings	863,114	687,997	691,217
Equity at 31 December	863,114	687,997	691,217

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

Waipu School

Statement of Financial Position

As at 31 December 2016

	Notes	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Current Assets				
Cash and Cash Equivalents	8	367,428	62,632	192,958
Accounts Receivable	9	79,879	107,095	107,095
GST Receivable		8,231	20,943	20,943
Prepayments		10,937	8,232	8,232
Inventories	10	6,397	5,763	5,763
Investments	11	307,662	106,050	201,065
Funds owed for Capital Works Projects	16	2,191	-	4,259
		782,725	310,715	540,315
Current Liabilities				
Accounts Payable	13	72,552	104,526	104,526
Provision for Cyclical Maintenance	14	77,727	-	78,790
Finance Lease Liability - Current Portion	15	3,895	5,320	5,320
		154,174	109,846	188,636
Working Capital Surplus/(Deficit)		628,551	200,869	351,679
Non-current Assets				
Property, Plant and Equipment	12	252,867	595,911	358,351
Work in Progress		-	400	400
		252,867	596,311	358,751
Non-current Liabilities				
Provision for Cyclical Maintenance	14	9,850	96,950	6,980
Finance Lease Liability	15	-	3,895	3,895
John MacDonald Trust		8,454	8,338	8,338
		18,304	109,183	19,213
Net Assets		863,114	687,997	691,217
Equity		863,114	687,997	691,217

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

Waipu School

Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Cash flows from Operating Activities				
Government Grants		399,168	392,900	406,701
Locally Raised Funds		254,600	230,200	217,866
Goods and Services Tax (net)		12,712	-	(16,261)
Payments to Employees		(254,730)	(249,700)	(242,224)
Payments to Suppliers		(488,330)	175,822	(359,172)
Interest Paid		(821)	(1,500)	(1,457)
Interest Received		12,219	9,000	17,840
Net cash from / (to) the Operating Activities		(65,182)	556,722	23,293
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		268,932	-	-
Purchase of PPE (and Intangibles)		(73,037)	(285,000)	(6,266)
Purchase of Investments		(100,000)	-	-
Proceeds from Sale of Investments		-	-	81,444
Net cash from / (to) the Investing Activities		95,895	(285,000)	75,178
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,149	-	-
Owners Contributions		139,860	-	-
Finance Lease Payments		(5,320)	(6,140)	(6,141)
Funds Administered on Behalf of Third Parties		2,068	-	6,794
Net cash from Financing Activities		143,757	(6,140)	653
Net increase/(decrease) in cash and cash equivalents		174,470	265,582	99,124
Cash and cash equivalents at the beginning of the year	8	192,958	(202,950)	93,834
Cash and cash equivalents at the end of the year	8	367,428	62,632	192,958

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 omitted.

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

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Waipu 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 2016 to 31 December 2016 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 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 operation 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 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. 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) Inventories
Inventories are consumable items held for sale and comprise of 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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 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 73 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 $750 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Computer Equipment	4 years
Plant & Equipment	5 years
Furniture & Fittings	15 years
Vehicles	5 years
Playground & Ground Improve	18 years
Buildings	40 years
Leased Assets	4 years
Library Books	8 years

Leased assets are depreciated over the life of the lease.

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 or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under $1,000 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. It's 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 useful life. The useful life of software is estimated as three 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, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements
Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

- the present value of the estimated future cash flows

p) Revenue Received in Advance
Revenue received in advance relates to fees received from students and grants received 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.

q) Funds Held in Trust
Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds
Shared Funds are held on behalf of participating schools within a cluster of schools. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) 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.

u) Borrowings
Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

v) 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.

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

x) 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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Operational grants	312,780	319,400	305,623
Teachers' salaries grants	959,482	955,869	929,605
Use of Land and Buildings grants	304,086	304,086	254,840
Acc	-	-	1,709
Cyps/msd	-	-	3,373
Other MoE Grants	24,125	3,500	16,183
Transport grants	67,298	70,000	79,944
	1,667,771	1,652,855	1,591,277

3. Locally Raised Funds

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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Revenue			
Donations	98,544	115,700	45,376
Fundraising	9,154	13,000	4,790
Other revenue	27,379	34,500	29,030
Trading	17,649	17,000	18,865
Activities	61,440	9,300	75,016
Oscar	39,558	42,000	43,668
	253,724	231,500	216,745
Expenses			
Activities	1,769	-	1,835
Trading	12,720	17,000	12,692
Fundraising (costs of raising funds)	315	-	-
Other Locally Raised Funds Expenditure	28,720	34,000	26,642
Oscar	47,074	42,350	45,529
	90,598	93,350	86,698
Surplus for the year Locally raised funds	163,126	138,150	130,047

4. Learning Resources

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Curricular	48,888	49,850	43,120
Extra-curricular activities	52,488	9,400	52,997
Library resources	3,103	3,700	2,579
Employee benefits - salaries	1,087,450	1,086,569	1,045,872
Staff development	19,443	20,000	20,961
R&m & Purchases <$750	18,051	31,200	31,451
	1,229,423	1,200,719	1,196,980

5. Administration

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Audit Fee	3,320	3,900	3,370
Board of Trustees Fees	3,370	3,000	3,335
Board of Trustees Expenses	1,351	2,400	276
Communication	5,872	3,800	3,917
Consumables	15,153	13,700	14,523
Operating Lease	6,015	2,500	6,015
Other	10,357	11,400	7,241
Employee Benefits - Salaries	Sensitive information.		
Insurance	5,411	6,500	6,175
Service Providers, Contractors and Consultancy	9,960	9,500	9,960
	132,345	124,700	134,720

6. Property

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Caretaking and Cleaning Consumables	6,457	6,700	6,474
Cyclical Maintenance Provision	1,807	13,980	7,149
Grounds	11,642	22,300	9,121
Heat, Light and Water	12,062	15,000	13,333
Rates	9,055	4,600	7,781
Repairs and Maintenance	14,140	10,200	13,301
Use of Land and Buildings	304,086	304,086	254,840
Security	-	500	74
Employee Benefits - Salaries	51,614	51,000	48,692
	410,863	428,366	360,765

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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Computer Equipment	14,041	12,614	15,120
Plant & Equipment	7,505	7,717	9,250
Furniture & Fittings	6,974	6,862	8,225
Vehicles	2,400	2,002	2,400
Playground & Ground Improve	9,132	7,567	9,071
Buildings	2,170	5,187	6,218
Leased Assets	4,843	4,040	4,843
Library Books	2,384	1,951	2,339
	49,449	47,940	57,466

8. Cash and Cash Equivalents

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Bank Account	64,461	51,127	181,453
ASB 50 Account-Discretionary fund	509	504	504
ASB 51 Account-Teacher Pledge	1,552	1,540	1,540
ASB 52 Account-Special Projects	10	10	10
ASB 53 Account-Ian McKay Award	1,088	1,080	1,080
ASB 54 Account	33	33	33
ASB John MacDonald Trust	8,454	8,338	8,338
Short-term Bank Deposits	291,321	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	367,428	62,632	192,958

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

9. Accounts Receivable

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Receivables	15,763	17,334	17,334
Receivables from the Ministry of Education	4,155	-	-
Interest Receivable	6,059	1,386	1,386
Teacher Salaries Grant Receivable	53,902	88,375	88,375
	79,879	107,095	107,095
Receivables from Exchange Transactions	21,822	18,720	18,720
Receivables from Non-Exchange Transactions	58,057	88,375	88,375
	79,879	107,095	107,095

10. Inventories

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Canteen	201	875	875
Stationery	6,196	4,888	4,888
	6,397	5,763	5,763

11. Investments

The School's investment activities are classified as follows:

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Current Asset			
Short-term Bank Deposits	307,662	106,050	201,085

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2016.

12. Property, Plant and Equipment

2016	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Computer Equipment	18,989	27,769	-	-	14,041	**32,717**
Plant & Equipment	13,612	17,372	-	-	7,505	**23,479**
Furniture & Fittings	29,254	1,470	-	-	6,974	**23,750**
Vehicles	8,620	-	-	-	2,400	**6,220**
Playground & Ground Improve	98,032	-	-	-	9,132	**88,900**
Buildings	170,230	26,062	129,072	-	2,170	**65,050**
Leased Assets	8,506	-	-	-	4,843	**3,663**
Library Books	11,108	364	-	-	2,384	**9,088**
Balance at 31 December 2016	358,351	73,037	129,072	-	49,449	252,867

2016	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Computer Equipment	321,872	289,155	**32,717**
Plant & Equipment	112,635	89,156	**23,479**
Furniture & Fittings	157,739	133,989	**23,750**
Vehicles	34,550	28,330	**6,220**
Playground & Ground Improve	180,820	91,920	**88,900**
Buildings	95,555	30,505	**65,050**
Leased Assets	19,373	15,710	**3,663**
Library Books	117,837	108,749	**9,088**
Balance at 31 December 2016	1,040,381	787,514	252,867

2015	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Computer Equipment	32,008	2,101	-	-	15,120	18,989
Plant & Equipment	21,867	995	-	-	9,250	13,612
Furniture & Fittings	37,479	-	-	-	8,225	29,254
Vehicles	11,020	-	-	-	2,400	8,620
Playground & Ground Improve	105,303	1,800	-	-	9,071	98,032
Buildings	176,449	-	-	-	6,218	170,230
Leased Assets	13,349	-	-	-	4,843	8,506
Library Books	10,495	2,952	-	-	2,339	11,108
Balance at 31 December 2015	407,970	7,848	-	-	57,466	358,351

Accumulated Depreciation

2015	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Computer Equipment	294,103	275,114	18,989
Plant & Equipment	95,264	81,652	13,612
Furniture & Fittings	156,269	127,015	29,254
Vehicles	34,550	25,930	8,620
Playground & Ground Improve	180,820	82,788	98,032
Buildings	248,743	78,513	170,230
Leased Assets	19,373	10,867	8,506
Library Books	117,473	106,365	11,108
Balance at 31 December 2015	1,146,595	788,244	358,351

13. Accounts Payable

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Operating creditors	7,832	5,275	5,275
Accruals	3,818	3,876	3,876
Employee Entitlements - salaries	53,902	88,375	88,375
Employee Entitlements - leave accrual	7,000	7,000	7,000
	72,552	104,526	104,526
Payables for Exchange Transactions	72,552	104,526	104,526
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	72,552	104,526	104,526

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Provision at the Start of the Year	85,770	85,770	82,680
Increase to the Provision During the Year	4,607	13,980	7,149
Use of the Provision During the Year	(2,800)	(2,800)	(4,059)
Provision at the End of the Year	87,577	96,950	85,770
Cyclical Maintenance - Current	77,727	-	78,790
Cyclical Maintenance - Term	9,850	96,950	6,980
	87,577	96,950	85,770

15. Finance Lease Liability

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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
No Later than One Year	4,094	5,320	6,141
Later than One Year and no Later than Five Years	-	3,895	4,094
Future finance charges	(199)	-	(1,020)
	3,895	9,215	9,215

16. Funds Owed (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:

	2016	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Classroom Ugrades (Rm 6-9)	*in progress*	4,259	87,876	85,808	-	2,191
Totals		4,259	87,876	85,808	-	2,191

Represented by:	
Funds Held on Behalf of the Ministry of Education	-
Funds Due from the Ministry of Education	2,191
	2,191

	2015	Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
Block 1 Upgrade	*completed*	6,894	5,895	(999)	-	-
Drainage Upgrade	*completed*	4,159	-	(4,159)	-	-
Classroom Ugrades (Rm 6-9)	*in progress*	-	-	4,259	-	4,259
Totals		11,053	5,895	(899)	-	4,259

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.

	2016 Actual $	2015 Actual $
Board Members		
Remuneration	3,370	3,335
Full-time equivalent members	0.11	0.11
Leadership Team		
Remuneration	303,317	297,799
Full-time equivalent members	3.00	2.89
Total key management personnel remuneration	306,687	301,134
Total full-time equivalent personnel	3.11	3.00

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:

	2016 Actual $000	2015 Actual $000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration $000	2016 FTE Number	2015 FTE Number
100 - 110	-	-
	0.00	0.00

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:

	2016 Actual	2015 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2016 (Contingent liabilities and assets at 31 December 2015: nil).

21. Commitments

(a) Capital Commitments

As at 31 December 2016 the Board has entered into contract agreements for capital works as follows:
(a) $440,000 multipurpose building project with Trigg Construction. This project is funded by the Board.

(Capital commitments at 31 December 2015: nil)

(b) Operating Commitments

As at 31 December 2016 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2016 Actual $	2015 Actual $
No later than One Year	6,255	9,181
Later than One Year and No Later than Five Years	-	6,255
Later than Five Years	-	-
	6,255	15,436

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

	2016 Actual $	2016 Budget (Unaudited) $	2015 Actual $
Cash and Cash Equivalents	367,428	62,632	192,958
Receivables	79,879	107,095	107,095
Investments - Term Deposits	307,662	106,050	201,065
Total Loans and Receivables	754,969	275,777	501,118

Financial liabilities measured at amortised cost

Payables	72,552	104,526	104,526
Borrowings - Loans	-	-	-
Finance Leases	3,895	9,215	9,215
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	76,447	113,741	113,741

24. Events After Balance Date

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

S.K. Bennett, C.A.
Director

BENNETT & ASSOCIATES
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE READERS OF WAIPU SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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The Auditor-General is the auditor of Waipu School (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, 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 20, that comprise the statement of financial position as at 31 December 2016, 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 2016; 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 Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 5 May 2017. 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 comprises the information included on pages 2 to 20, 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.

Steve Bennett
BENNETT & ASSOCIATES
On behalf of the Auditor-General
Whangarei, New Zealand

Board of Trustee Members

Board Chair	-	*Anthony Uphof*
Principal	-	*Paul Ramsay*
Staff Rep	-	*Glenice Andrews (Deputy Principal)*
Board Secretary	-	*Cindy Hughes*
Board Member	-	*Clark Pullan*
Board Member	-	*Nick Wigram*
Board Member	-	*Catherine Munroe*
Board Member	-	*Kylie Welford*

Specific Curriculum Goals for 2016 Analysis of Variance

Action needed	Responsibility	Costs	Target date	Expected Outcome	Actual Outcome
Literacy Currently 65% of our Year 5 boys are at or above the National Standard.	Year 5/6 teachers and teacher aide help	Time	Nov 2016	As Year 6 boys these students will be reading on par with the rest of the school. (Around 90%)	The reading level reached by this group was 93% so our goal was achieved.
Literacy Currently 83% of boys are writing at or above the National Standards level.	All teaching staff	PD on Effective writing $2000	Nov 2016	The writing level of this group will lift to the school average of around 88%	The level reached was 77% so a slight decline in this area.
Numeracy Our overall numeracy level is 78%. Of these 20 % are in the below category.	ALIM teacher Teaching Staff Teacher Aides	Funded by MOE	Nov 2016	These students who are below will be operating in the at or above level for National Standards. This should improve our overall Maths result to 85-90% at or above National Standards% at	Overall Numeracy level was 84% so the goal was very close to being achieved.
Numeracy Our numeracy level for Year 3 girls is 63% at or above the National Standard.	Year 4 teachers Teacher Aides possibly ALIM teacher	Time MOE funding	Nov 2016	This cohort to have their standard lifted to around the school average of 85-90%	Level reached was 68%. A slight increase but still not what we wanted.
Numeracy Year 5 numeracy level for Year 5 boys is 59% at or above the National Standards level.	Year 6 teachers ALIM teacher Teacher Aides	time MOE funding	Nov 2016	As Year 6 boys they will be achieving at the school average of 85-90%	Level reached was 85 % so the goal was achieved.

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Principal: Raul Ramsay
BOT chair: Anthony Uphof

KIWISPORT 2016 –DIRECT FUND TO SCHOOLS

$3200 has been allocated to promoting Kiwisport within schools in 2016. This will be looked at by ERO in their reviews. The purposes of Kiwisport that need to be taken in to account are :

- Increasing the numbers of school aged children participating in organized sport –during school, after school, and strengthening links with sports clubs
- Increasing the availability and accessibility of sport opportunities for all school aged children
- Supporting children in developing skills that will enable them to participate effectively in sport at both primary and secondary level

We have interpreted this as follows:

Suggested activity	Person responsible	Actual cost	What actually happened
Sport Northland contacts in swimming	PE leaders	$621	Lots of opportunities to try different sports
Fitness instructor who takes whole school sessions 2x per week	PE leaders	$400	Engaged students involved and enjoying the sessions
Jump Jam for whole school (Tues to Thurs)	PE leaders	$392	As above
Gymnastics for the whole school by outside providers	PE leaders	$1800	All students had the opportunity to do learn some rhythmic gymnastic skills