

NGONGOTAHA SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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NGONGOTAHA SCHOOL

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NGONGOTAHA 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 control designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

In the opinion of the Board and management, 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.

Rebecca Moore

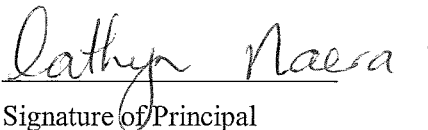
Full Name of Chairperson

Cathryn Naera

Full Name of Principal



Signature of Chairperson



Signature of Principal

29th May 2017

Date

29th May 2017

Date

NGONGOTAHA SCHOOL

School Road
Ngongotaha

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

FOR THE YEAR ENDED 31 DECEMBER, 2016

	Notes	Actual 2016 \$	Budget (Unaudited) 2016 \$	Actual 2015 \$
Income				
Government Grants	2	2,334,021	2,294,476	2,343,493
Locally Raised Funds	3	162,613	145,906	132,572
Interest Earned		2,533	9,000	10,009
		<u>2,499,167</u>	<u>2,449,382</u>	<u>2,486,074</u>
Expenditure				
Locally Raised Funds	3	60,678	43,860	31,933
Learning Resources	4	1,777,198	1,758,433	1,787,176
Administration	5	167,584	151,252	152,626
Property	6	413,852	389,450	387,404
Depreciation	7	85,781	95,000	94,661
Finance Costs		575	-	-
Loss on Disposal of Assets		1,143	-	3,241
		<u>2,506,812</u>	<u>2,437,995</u>	<u>2,457,041</u>
Net Surplus/(Deficit)		(7,645)	11,387	29,033
Other Comprehensive Revenue & Expenses		-	-	-
Total Comprehensive Revenue & Expenses for the Year		<u>(7,645)</u>	<u>11,387</u>	<u>29,033</u>

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit report

NGONGOTAHA SCHOOL

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
Equity at start of the year	844,136	844,136	807,393
Total Comprehensive Revenue & Expense for the Year	(7,645)	11,387	29,033
Capital Contribution from MOE - Furniture & Equipment Grant	11,171	-	7,710
Total Recognised Income & Expenses	<u>3,526</u>	<u>11,387</u>	<u>36,743</u>
Equity at end of year	<u><u>847,662</u></u>	<u><u>855,523</u></u>	<u><u>844,136</u></u>
Retained Earnings	847,662	855,523	844,136
Reserves	-	-	-
Equity at end of year	<u><u>847,662</u></u>	<u><u>855,523</u></u>	<u><u>844,136</u></u>

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit report

NGONGOTAHA SCHOOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 Actual	2016 Budget (Unaudited)	2015 Actual
		\$	\$	\$
Equity		847,662	855,523	844,136
TOTAL EQUITY		847,662	855,523	844,136
Represented by				
CURRENT ASSETS				
Cash and Cash Equivalents	8	243,091	195,428	362,003
Accounts Receivable	9	74,922	116,098	116,098
Prepayments		10,848	16,486	16,486
Stock on Hand	10	1,702	1,829	1,829
GST Holding Account		10,868	20,385	20,385
Total Current Assets		341,431	350,226	516,801
CURRENT LIABILITIES				
Accounts Payable	11	121,531	167,692	167,692
Finance Leases	12	3,672	-	-
Cyclical Maintenance Provision	13	-	-	-
Programme Maintenance	14	15,821	16,618	16,618
Revenue in Advance	15	17,291	-	80,718
Funds held for Capital Works Projects	17	36,629	-	77,451
Total Current Liabilities		194,944	184,310	342,479
WORKING CAPITAL SURPLUS		146,487	165,916	174,322
NON-CURRENT ASSETS				
Property, Plant & Equipment	16	763,993	731,704	711,911
Total Non-Current Assets		763,993	731,704	711,911
NON-CURRENT LIABILITIES				
Finance Leases	12	4,921	-	-
Provision for Cyclical Maintenance	13	57,897	31,759	31,759
Programme Maintenance	14	-	10,338	10,338
Total Non-Current Liabilities		62,818	42,097	42,097
Net Assets		847,662	855,523	844,136

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit report

NGONGOTAHA SCHOOL

Cash Flow Statement For the year ended 31 December 2016

	2016	2016	2015
Note	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	626,331	529,243	960,825
Other Grants	1,739	-	-
Locally Raised Funds	103,035	82,971	193,942
Goods and Services Tax (net)	9,646	-	(4,547)
Payments to Employees	(355,848)	(330,080)	(385,805)
Payments to Suppliers	(370,484)	(342,916)	(459,065)
Interest Received	2,533	9,000	10,009
Net cash from / (to) the Operating Activities	16,952	(51,782)	315,359
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(127,735)	(114,793)	(104,151)
Net cash from / (to) the Investing Activities	(127,735)	(114,793)	(104,151)
Cash flows from Financing Activities			
Furniture and Equipment Grant	11,171	-	7,710
Finance Lease Payments	(721)	-	-
Painting contract payments	(18,579)	-	(27,579)
Net cash from Financing Activities	(8,129)	-	(19,869)
Net increase/(decrease) in cash and cash equivalents	(118,912)	(166,575)	191,339
Cash and cash equivalents at the beginning of the year	8 362,003	362,003	170,664
Cash and cash equivalents at the end of the year	8 243,091	195,428	362,003

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

NGONGOTAHA SCHOOL

Notes to the Financial Statements For the year ended 31 December 2016

1. Statement of Significant Accounting Policies

a) Reporting Entity

Ngongotaha 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 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 the 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 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.

NGONGOTAHA SCHOOL

Notes to the Financial Statements For the year ended 31 December 2016

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 16.

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 12.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

Operational grants are recorded as revenue when the School has the rights to the funding, which is 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 but are paid directly to teachers by the Ministry of Education (the Ministry).

Use of land and building 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 income in the period it is earned.

NGONGOTAHA SCHOOL

Notes to the Financial Statements For the year ended 31 December 2016

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry 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. They 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, for example 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. The 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.

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 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.

NGONGOTAHA SCHOOL

Notes to the Financial Statements For the year ended 31 December 2016

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 \$1,200 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:

Property Improvements	15-20 years
Buildings & Improvements	8-40 years
Classroom Furniture	4-15 years
Information and communication technology	3-15 years
Office Furniture & Equipment	5-15 years
Audio Visual Material	4 years
Textbooks	4 years
Sports Equipment	2 years
Other Equipment	5-15 years
Leased Assets held under a Finance Lease	4 years
Library resources	15 years
Library Books	12.5% Diminishing value

1) Impairment of property, plant and equipment

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 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.

**Notes to the Financial Statements
For the year ended 31 December 2016**

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.

m) 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.

n) 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.

o) Revenue Received in Advance

Revenue received in advance relates to grants received where there are unfulfilled obligations for the School to provide services in the future. When those services are fulfilled the funds will be recorded as revenue.

p) 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 (10YP).

q) 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, painting contract liability, 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.

r) 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.

NGONGOTAHA SCHOOL

Notes to the Financial Statements For the year ended 31 December 2016

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.

s) Budget figures

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

t) 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 Expenses.

NGONGOTAHA SCHOOL

School Road
Ngongotaha

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
NOTE 2 Government Grants			
Income			
Operational Grant	553,657	555,834	574,627
Teachers Salaries Grant	1,478,383	1,450,000	1,447,040
Use of Land & Buildings Grant	221,083	220,000	214,215
Other Government Grants	79,639	68,642	107,611
Other Grants	1,259	-	-
	<u>2,334,021</u>	<u>2,294,476</u>	<u>2,343,493</u>

NOTE 3 Locally Raised Funds

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

Revenue

Voluntary Donations	9,104	8,000	9,609
Fundraising	120,621	99,246	92,308
Activities	21,410	27,560	19,261
Trading	11,479	11,100	11,393
	<u>162,613</u>	<u>145,906</u>	<u>132,572</u>

Expenditure

Fundraising Costs	13,800	2,800	4,494
Activities	41,119	35,560	22,912
Trading	5,760	5,500	4,527
	<u>60,679</u>	<u>43,860</u>	<u>31,933</u>
	<u>101,934</u>	<u>102,046</u>	<u>100,639</u>

NOTE 4 Learning Resources

Curricular	27,234	39,283	31,287
Extra-Curricular Activities	8,303	10,950	12,344
Information & Communications Technology	8,762	12,700	8,907
Employee Benefits - Salaries	1,702,881	1,665,400	1,714,512
Staff Development	30,018	30,100	20,126
	<u>1,777,198</u>	<u>1,758,433</u>	<u>1,787,176</u>

NGONGOTAHA SCHOOL

School Road
Ngongotaha

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
NOTE 5 Administration			
ACC Levies	4,719	1,500	6,272
Audit Fees	4,557	4,490	4,565
Board of Trustee Fees	5,745	5,300	4,930
Board of Trustees Expenses	15,844	15,062	10,826
Communication	2,735	2,500	2,436
Consumables	16,230	13,000	11,141
Operating Leases	14,999	12,600	15,624
Postage & Freight	491	400	292
Other	6,316	5,220	4,691
Employee Benefits - Salaries	83,071	78,680	78,439
Insurance	6,876	6,500	7,409
Service Providers, Contractors & Consultancy	6,000	6,000	6,000
	<u>167,584</u>	<u>151,252</u>	<u>152,626</u>

NOTE 6 Property

5 YP Planning Costs	5,650	-	-
Caretaking & Cleaning Consumables	45,366	49,500	50,727
Cyclical Maintenance Provision	26,138	20,000	28,742
Grounds	9,977	10,000	13,408
Heat, Light & Water	18,432	18,500	20,076
Rates	7,929	7,000	6,990
Repairs & Maintenance	41,575	28,450	15,960
Use of Land & Buildings	221,083	220,000	214,215
Employee Benefits - Salaries	37,702	36,000	37,285
	<u>413,852</u>	<u>389,450</u>	<u>387,404</u>

The use of Land & 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.

NGONGOTAHA SCHOOL

School Road
Ngongotaha

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
NOTE 7 Depreciation			
Property Improvements	16,625	14,000	13,804
Buildings	18,644	17,000	17,128
Classroom Furniture	8,752	9,000	8,833
Info-Tech Assets	26,706	35,000	35,603
Office Furniture & Equipment	754	1,000	768
Other Equipment	7,717	15,000	14,577
Library Resources	4,118	4,000	3,948
Leased Assets	2,465	-	-
	<u>85,781</u>	<u>95,000</u>	<u>94,661</u>

NOTE 8 Cash and Cash Equivalents

Cash on Hand	50	50	50
Westpac - Cheque Account	1,626	1,378	31,641
Kiwibank Account	1,195	1,000	895
Westpac - Imprest Account	812	1,000	790
Westpac - Online Saver Account	239,409	192,000	328,628
	<u>243,091</u>	<u>195,428</u>	<u>362,003</u>

Of the \$243,091 Cash & Cash Equivalents \$36,629 is held by the school on behalf of the Ministry of Education. These funds are required to be spent in 2017 on Crown owned school buildings under the Special Needs Modification Project.

Of the \$243,091 Cash & Cash Equivalents \$17,291 of unspent grant funding is held by the school. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

NOTE 9 Accounts Receivable

Teachers Salaries Grant Receivable	<u>74,922</u>	<u>116,098</u>	<u>116,098</u>
	<u>74,922</u>	<u>116,098</u>	<u>116,098</u>
Receivables from Non-Exchange Transactions	<u>74,922</u>	<u>116,098</u>	<u>116,098</u>
	<u>74,922</u>	<u>116,098</u>	<u>116,098</u>

NGONGOTAHA SCHOOL

School Road
Ngongotaha

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
NOTE 10 Stock on Hand			
Stationery on Hand	1,702	1,829	1,829
	1,702	1,829	1,829

NOTE 11 Accounts Payable

Trade Creditors	36,899	35,692	35,851
Employee Benefits - salaries accrual	74,922	122,000	122,084
Employee Benefits - leave accrual	9,710	10,000	9,757
	121,531	167,692	167,692
Payables from Exchange Transactions	121,531	167,692	167,692
Payables from Non-Exchange Transactions	-	-	-
	121,531	167,692	167,692

The carrying value of payables approximates their fair value.

NOTE 12 Finance Leases

The school has entered into a number of finance lease agreements for laptops for teachers.

Minimum lease payments payable:

Not later than one year	3,672	-	-
Later than 1 year but not more than 5 years	4,921	-	-
Later than 5 years	-	-	-
	8,593	-	-

NGONGOTAHA SCHOOL

School Road
Ngongotaha

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
NOTE 13 Cyclical Maintenance Provision			
Provision at Start of Year	31,759	26,762	26,762
Increase in Provision during the Year	26,138	28,742	28,742
Use of Provision	-	(23,745)	(23,745)
Provision at the end of the Year	<u>57,897</u>	<u>31,759</u>	<u>31,759</u>
Current Liability	-	-	-
Non Current Liability	<u>57,897</u>	<u>31,759</u>	<u>31,759</u>
	<u>57,897</u>	<u>31,759</u>	<u>31,759</u>

The School has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of estimate of the expenditure required to settle the present obligations at the balance sheet date. Present obligations are identified in the School's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the effect of the time value of money.

NOTE 14 Painting Contract Liability

Current Liability	15,821	16,618	16,618
Non Current Liability	-	10,338	10,338
	<u>15,821</u>	<u>26,956</u>	<u>26,956</u>

The School entered into a six year contract with Programmed Maintenance Services (NZ) Ltd on the 19th December 2012 to maintain a painting programme over that period. The total cost of the contract is \$90,366 gst exc with annual payments of \$15,061 plus CPI adjustments.

The actual liability of the school is determined by the percentage of work completed by the contractor for which the contractor has not been paid. The liability has not been adjusted for inflation and the effect of the time value

NOTE 15 Revenue Received in Advance

Grants in Advance - MOE	12,120	-	17,783
Other	5,171	-	2,935
Donations - Playground	-	-	60,000
	<u>17,291</u>	<u>-</u>	<u>80,718</u>

NGONGOTAHA SCHOOL

School Road
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

NOTE 16 Property, Plant & Equipment

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$		
31 Dec 2016					
Property Improvements	396,631	116,233	280,398		
Buildings	384,122	115,723	268,399		
Classroom Furniture	208,306	127,517	80,789		
Info-Tech Assets	443,897	399,456	44,441		
Office Furniture & Equipment	60,008	54,253	5,755		
Other Equipment	268,615	220,627	47,988		
Library Resources	83,107	55,256	27,850		
Leased Assets	10,837	2,465	8,372		
	<u>1,855,523</u>	<u>1,091,530</u>	<u>763,993</u>		
	Op/Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
Property Improvements	220,005	77,018	-	(16,625)	280,398
Buildings	274,791	12,252	-	(18,644)	268,399
Classroom Furniture	63,505	26,037	-	(8,752)	80,789
Info-Tech Assets	69,397	1,790	(40)	(26,706)	44,441
Office Furniture & Equipment	6,509	-	-	(754)	5,755
Other Equipment	49,712	6,945	(952)	(7,717)	47,988
Leased Assets	-	10,837	-	(2,465)	8,372
Library Resources	27,992	4,128	(152)	(4,118)	27,850
	<u>711,911</u>	<u>139,007</u>	<u>(1,143)</u>	<u>(85,781)</u>	<u>763,993</u>

The Net carrying value of Equipment held under a finance lease is \$8,372

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
31 December 2015			
Property Improvements	319,613	99,608	220,005
Buildings	371,870	97,079	274,791
Classroom Furniture	240,804	177,299	63,505
Info-Tech Assets	528,197	458,800	69,397
Office Furniture & Equipment	61,839	55,330	6,509
Other Equipment	299,658	249,946	49,712
Library Resources	79,719	51,727	27,992
	<u>1,901,701</u>	<u>1,189,789</u>	<u>711,911</u>

	Op/Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
Property Improvements	222,075	11,734	-	(13,804)	220,005
Buildings	259,823	32,096	-	(17,128)	274,791
Classroom Furniture	52,396	19,942	-	(8,833)	63,505
Info-Tech Assets	91,143	13,857	-	(35,603)	69,397
Office Furniture & Equipment	7,277	-	-	(768)	6,509
Other Equipment	40,994	23,295	-	(14,577)	49,712
Library Resources	31,954	3,227	(3,241)	(3,948)	27,992
	<u>705,662</u>	<u>104,151</u>	<u>(3,241)</u>	<u>(94,661)</u>	<u>711,911</u>

The Net carrying value of Equipment held under a finance lease is \$0.

NOTE 17 Funds Held for Capital Work Projects

During the year the school received and applied funding from the Ministry of Education for the following Capital Works Projects.

	Opening Balance \$	Funds Received \$	Money Spent \$	Balance Revenue \$	Closing Balance \$
2016					
Special Needs Building Upgrade (In progress)	77,451	-	40,822	-	36,629
	<u>77,451</u>	<u>-</u>	<u>40,822</u>	<u>-</u>	<u>36,629</u>

Represented by:

Funds held on behalf of Ministry of Education	36,629
Funds due from Ministry of Education	-
	<u>36,629</u>

2015

Special Needs Building Upgrade (In progress)	-	272,875	195,424	-	77,451
	<u>-</u>	<u>272,875</u>	<u>195,424</u>	<u>-</u>	<u>77,451</u>

NGONGOTAHA SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

NOTE 18 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 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.

Donna Ngatai is employed by the School. Donna is the wife of BOT member Roger Ngatai.

No related party debts or transactions have been written off or forgiven during the year.

NGONGOTAHA SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

NOTE 19 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
<i>Board Members</i>	\$	\$
Remuneration	5,745	4,930
Full-time equivalent members	0.10	0.19
 <i>Leadership Team</i>		
Remuneration	331,243	404,631
Full-time Equivalent Members	3.00	4.00
Total key management personnel remuneration	336,988	409,561
Total full time equivalent personnel	3.10	4.19

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 plus the estimated time for Board members to prepare for meetings.

Principal

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

	2016 Actual \$000	2015 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and other payments	130 - 140	130 - 140
Benefits and other emoluments	3 - 4	3 - 4
Termination benefits	-	-

Other Employees

Number of other employee who received remuneration of over \$100,000 was in the following bands:

	2016 FTE Number	2015 FTE Number
Remuneration \$000		
110 - 120	-	-
100 - 120	-	-

The disclosure for "other employees" does not include remuneration of the Principal.

NOTE 20 Compensations and Other Benefits upon leaving Remuneration

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 as follows:

	2016	2015
Number of persons	2	0
Total Value	0	0

NGONGOTAHA SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

NOTE 21 Contingencies

There are no Contingent Liabilities (except as noted below) and no Contingent Assets at balance date. (Contingent Liabilities and Contingent Assets at 31 December 2015: Nil)

NOTE 22 Commitments

(a) Capital Commitments

At balance date the Board had not entered into contract agreements for Capital Works.

(a) \$303,194 contracted for Property Modifications Special Needs Project which is fully funded by Ministry of Education and \$272,875 has been received of which \$236,246 has been spent on the project to balance date. This project has been approved by the Ministry.

(b) \$9,450 contracted for purchase of photocopier on Finance Lease. 60 instalments x \$164.00. (Capital Commitments at 31 December 2015: \$363,198)

(b) Operating Commitments

As at balance date, the Board had entered into the following contracts:

- a) Painting the exterior of the school buildings
- b) Operating lease of Photocopier (ceased December 2016)
- c) Operating lease of Eftpos machine

	2016 Actual	2015 Actual
	\$	\$
No later than one year	19,861	14,992
Later than one year and no later than 5years	712	28,614
Later than 5years	-	-
	20,573	43,606

NOTE 23 Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, 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.

NGONGOTAHA SCHOOL

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2016 (continued)

NOTE 24 Financial Instruments

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

Loans & Receivables	2016	2016	2015
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	243,091	195,428	362,003
Receivables	74,922	116,098	116,098
Total Loans & Receivables	318,013	311,526	478,101
Payables	121,531	167,692	167,692
Finance Leases	8,593	-	-
Painting Contract	15,821	16,618	16,618
Total Financial Liabilities Measured at Amortised Cost	145,945	184,310	184,310

NOTE 25 Events after Balance Date

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

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MEMBERS OF THE BOARD OF TRUSTEES

Name		Position	How Position on Board Gained	Occupation	Term Expired/expires
Christina	Harkness	Parent Rep Chairperson	Elected May 2013	Receptionist	June 2016
Cathryn	Naera	Principal	Appointed	Principal	
Lee-Anne	Bidois	Staff Rep	Elected May 2016	Teacher	May 2019
Jeanette	Edwards	Parent Rep	Elected May 2013	Accountancy Clerk	June 2016
Dean	Henderson	Staff Rep	Elected May 2013	Teacher	June 2016
Rebecca	Moore	Parent Rep	Elected May 2016	Accountant	May 2019
Roger	Ngatai	Parent Rep	Elected May 2013	Lab Technician	June 2016
Andrea	Pollard	Parent Rep	Elected May 2016	Nurse	May 2019
Rob	Ryan	Parent Rep	Elected May 2016	Logger	May 2019
Rachel	Shaw	Parent Rep	Elected May 2016	Policewoman	May 2019
Aroha	Taipeti	Parent Rep	Elected May 2016	Timber Hand	May 2019

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

The Auditor-General is the auditor of Ngongotaha School (the School). The Auditor-General has appointed me, Stephen Graham, using the staff and resources of BDO Rotorua Limited, 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 22, 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 Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 29 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 23 to 25, 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.



Stephen Graham
BDO ROTORUA LIMITED
On behalf of the Auditor-General
Rotorua, New Zealand