

# Onewhero Area School

## Financial Statements for the year ended 31 December 2017

<b>School Address:</b>	Hall Road, Tuakau
<b>School Postal Address:</b>	Hall Road, Onewhero, RD 2, Tuakau
<b>School Phone:</b>	09 232 8866
<b>School Email:</b>	<a href="mailto:office@onewhero.school.nz">office@onewhero.school.nz</a>
<b>Ministry Number:</b>	108

# Onewhero Area School

## Financial Statements

For the year ended 31 December 2017

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**Onewhero Area School**  
**Statement of Responsibility**

For the year ended 31 December 2017

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

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

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

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

Rosemarie Costar  
Full Name of Board Chairperson

R Costar  
Signature of Board Chairperson

31/5/18  
Date:

Simon Craggs  
Full Name of Principal

S Craggs  
Signature of Principal

31/5/2018  
Date:

Onewhero Area School

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	4,805,214	4,303,659	4,580,705
Locally Raised Funds	3	482,751	167,350	466,880
Interest Earned		3,018	4,500	5,055
International Students	4	43,109	36,000	36,670
		<u>5,334,092</u>	<u>4,511,509</u>	<u>5,089,310</u>
<b>Expenses</b>				
Locally Raised Funds	3	239,998	5,500	258,702
International Students	4	17,763	20,000	20,433
Learning Resources	5	3,568,917	3,367,563	3,554,003
Administration	6	287,280	194,789	258,839
Finance Costs		6,597	-	3,432
Property	7	1,129,315	888,500	968,487
Depreciation	8	110,546	80,000	81,933
		<u>5,360,416</u>	<u>4,556,352</u>	<u>5,145,829</u>
<b>Net Surplus / (Deficit)</b>		<b>(26,324)</b>	<b>(44,843)</b>	<b>(56,519)</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(26,324)</u></b>	<b><u>(44,843)</u></b>	<b><u>(56,519)</u></b>

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



## Onewhere Area School

### Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Balance at 1 January	1,009,895	1,009,895	972,701
Total comprehensive revenue and expense for the year	(26,324)	(44,843)	(56,519)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	93,713
Equity at 31 December	983,571	965,052	1,009,895
Retained Earnings	983,571	965,052	1,009,895
Reserves	20,000	-	20,000
Equity at 31 December	1,003,571	965,052	1,029,895

#### Reserved Equity

Reserved equity comprises funds that have been received by the school for a specific purpose.

The school guarantees to hold sufficient monies to enable the funds to be used for their intended purpose at any time. These funds arose from a bequest from W Wynn of \$20,000. These funds are held for use solely on Calf Club as required by the terms of the bequest. The school is not required to repay these funds, however.



Onewhero Area School  
**Statement of Financial Position**

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	198,600	197,890	239,733
Accounts Receivable	10	258,135	189,054	189,054
GST Receivable		9,166	21,269	21,269
Prepayments		6,017	4,268	7,268
Inventories	11	13,202	25,284	25,284
Investments	12	30,089	29,212	29,212
		<u>515,209</u>	<u>466,977</u>	<u>511,820</u>
<b>Current Liabilities</b>				
Accounts Payable	14	245,242	230,542	230,542
Revenue Received in Advance	15	15,147	39,088	39,088
Provision for Cyclical Maintenance	16	56,462	58,422	58,422
Painting Contract Liability - Current Portion	17	19,281	30,385	30,385
Finance Lease Liability - Current Portion	18	39,533	20,795	20,795
		<u>375,665</u>	<u>379,232</u>	<u>379,232</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>139,544</b>	<b>87,745</b>	<b>132,588</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	13	1,065,338	1,048,386	1,048,386
		<u>1,065,338</u>	<u>1,048,386</u>	<u>1,048,386</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	16	184,172	129,444	129,444
Painting Contract Liability	17	-	8,930	8,930
Finance Lease Liability	18	37,139	32,705	32,705
		<u>221,311</u>	<u>171,079</u>	<u>171,079</u>
<b>Net Assets</b>		<u><u>983,571</u></u>	<u><u>965,052</u></u>	<u><u>1,009,895</u></u>
<b>Equity</b>		<u><u>983,571</u></u>	<u><u>965,052</u></u>	<u><u>1,009,895</u></u>

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



# Onewhero Area School

## Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,120,938	1,068,659	1,096,346
Locally Raised Funds		415,815	206,438	485,018
International Students		43,041	36,000	36,670
Goods and Services Tax (net)		12,103	(5,769)	(247)
Payments to Employees		(594,268)	(478,847)	(499,815)
Payments to Suppliers		(909,946)	(724,403)	(1,009,611)
Interest Paid		(6,597)	-	(3,432)
Interest Received		3,018	4,500	5,365
<b>Net cash from / (to) the Operating Activities</b>		<b>84,104</b>	<b>106,578</b>	<b>110,294</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(75,273)	(122,650)	(108,653)
Purchase of Investments		(877)	(29,212)	(1,183)
<b>Net cash from / (to) the Investing Activities</b>		<b>(76,150)</b>	<b>(151,862)</b>	<b>(109,836)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	93,713
Finance Lease Payments		(29,053)	53,500	(11,490)
Painting contract payments		(20,034)	965	(18,060)
Loans Received/ Repayment of Loans		-	-	(2,460)
<b>Net cash from / (to) Financing Activities</b>		<b>(49,087)</b>	<b>54,465</b>	<b>61,703</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(41,133)</b>	<b>9,181</b>	<b>62,161</b>
Cash and cash equivalents at the beginning of the year	9	239,733	188,709	177,572
Cash and cash equivalents at the end of the year	9	198,600	197,890	239,733

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.



# Onewhero Area School

## Notes to the Financial Statements

For the year ended 31 December 2017

### 1. Statement of Accounting Policies

#### Reporting Entity

Onewhero Area 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.

#### Basis of Preparation

##### Reporting Period

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

##### Basis of Preparation

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

##### Financial Reporting Standards Applied

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

##### PBE Accounting Standards Reduced Disclosure Regime

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

##### Measurement Base

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

##### Presentation Currency

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

##### Specific Accounting Policies

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

##### Critical Accounting Estimates And Assumptions

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

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

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.





## Onewhero Area School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### *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 18.

### *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.

## 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.

### *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.

### *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.

### *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.



## Onewhero Area School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 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.

### 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.

### 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.

### Investments

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

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

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

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

### Property, Plant and Equipment

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

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

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

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

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



## Onewhero Area School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### *Leased Assets*

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

### *Depreciation*

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

The estimated useful lives of the assets are:

Building improvements to Crown owned assets	40 years
Furniture and equipment	4-10 years
Information and communication technology	3 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Over the term of the lease
Library resources	12.5% Diminishing value

### **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.

### **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.

### **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.



## Onewhero Area School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### *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.

### Revenue Received in Advance

Revenue received in advance relates to fees received from Star income 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 the above revenue received in advance, should the School be unable to provide the services to which they relate.

### 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).

### Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable, finance lease liability, and 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.

### Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

### Budget Figures

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

### 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.



Onewhero Area School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

2 Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	956,770	959,212	974,494
Teachers' salaries grants	2,969,113	2,670,000	2,889,544
Use of Land and Buildings grants	682,653	565,000	594,815
Resource teachers learning and behaviour grants	981	1,000	12,525
Other MoE Grants	131,046	70,922	66,226
Other government grants	64,651	37,525	43,101
	<u>4,805,214</u>	<u>4,303,659</u>	<u>4,580,705</u>

3 Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	24,916	23,000	23,719
Fundraising	10,960	8,500	2,306
Other revenue	115,875	49,750	51,378
Trading	80,701	17,500	126,452
Activities	250,299	68,600	263,025
	<u>482,751</u>	<u>167,350</u>	<u>466,880</u>
<b>Expenses</b>			
Activities	157,071	5,500	128,627
Trading	75,183	-	125,211
Fundraising (costs of raising funds)	7,744	-	4,864
	<u>239,998</u>	<u>5,500</u>	<u>258,702</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>242,753</u>	<u>161,850</u>	<u>208,178</u>

4 International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	0	0	0
<b>Revenue</b>			
International student fees	43,109	36,000	36,670
<b>Expenses</b>			
Employee Benefit - Salaries	11,097	-	4,548
Other Expenses	6,666	20,000	15,885
	<u>17,763</u>	<u>20,000</u>	<u>20,433</u>
<i>Surplus for the year International Students'</i>	<u>25,346</u>	<u>16,000</u>	<u>16,237</u>



Onewhero Area School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**5 Learning Resources**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	229,680	297,863	320,072
Equipment repairs	3,101	2,000	190
Information and communication technology	63,262	79,500	73,691
Library resources	2,537	6,000	1,570
Employee benefits - salaries	3,248,527	2,963,800	3,141,467
Staff development	21,810	18,400	17,013
	<u>3,568,917</u>	<u>3,367,563</u>	<u>3,554,003</u>

**6 Administration**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	5,365	4,800	5,286
Board of Trustees Fees	5,680	6,000	4,998
Board of Trustees Expenses	53,429	41,800	42,418
Communication	7,956	5,800	5,982
Consumables	5,811	4,500	5,785
Operating Lease	15,444	23,250	2,846
Postage	4,819	4,000	6,982
Other	44,263	23,550	54,148
Employee Benefits - Salaries	127,630	69,500	110,736
Insurance	10,155	5,013	9,642
Service Providers, Contractors and Consultancy	6,728	6,576	10,016
	<u>287,280</u>	<u>194,789</u>	<u>258,839</u>

**7 Property**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	21,572	19,000	20,080
Consultancy and Contract Services	5,500	3,500	7,500
Cyclical Maintenance Provision	60,905	34,500	83,560
Grounds	41,614	25,500	52,729
Heat, Light and Water	44,434	49,000	42,799
Repairs and Maintenance	105,995	77,500	36,419
Use of Land and Buildings	682,653	565,000	594,815
Employee Benefits - Salaries	166,642	114,500	130,585
	<u>1,129,315</u>	<u>888,500</u>	<u>968,487</u>

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



Onewhero Area School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

8 Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Building Improvements - Crown	18,991	18,500	18,991
Furniture and Equipment	31,496	21,000	21,312
Information and Communication Technology	19,923	21,000	21,017
Motor Vehicles	5,833	5,000	5,080
Leased Assets	30,935	12,000	12,555
Library Resources	3,368	2,500	2,978
	<u>110,546</u>	<u>80,000</u>	<u>81,933</u>

9 Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Bank Current Account	-	7,333	49,176
Bank Call Account	210,965	190,557	190,557
Bank Overdraft	(12,365)	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>198,600</u>	<u>197,890</u>	<u>239,733</u>

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

10 Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	52,068	9,005	9,005
Interest Receivable	6	6	6
Bank Staffing Underuse	32,510	-	-
Teacher Salaries Grant Receivable	173,551	180,043	180,043
	<u>258,135</u>	<u>189,054</u>	<u>189,054</u>
Receivables from Exchange Transactions	52,074	9,011	9,011
Receivables from Non-Exchange Transactions	206,061	180,043	180,043
	<u>258,135</u>	<u>189,054</u>	<u>189,054</u>

11 Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Stationery	3,603	3,603	3,603
School Uniforms	9,599	20,703	20,703
Canteen	-	978	978
	<u>13,202</u>	<u>25,284</u>	<u>25,284</u>

12 Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	30,089	29,212	29,212
	<u>30,089</u>	<u>29,212</u>	<u>29,212</u>

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2017.



Onewhero Area School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land	285,000	-	-	-	-	285,000
Building improvements	572,428	-	-	-	(18,991)	553,437
Furniture and equipment	83,404	37,433	-	-	(31,496)	89,341
Information and communication technology	24,123	32,555	-	-	(19,923)	36,755
Motor vehicles	10,152	4,522	-	-	(5,833)	8,841
Leased assets	52,435	52,225	-	-	(30,935)	73,725
Library resources	20,844	-	-	-	(2,605)	18,239
Balance at 31 December 2017	1,048,386	126,735	-	-	(109,783)	1,065,338

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	285,000	-	285,000
Building improvements	759,652	(206,215)	553,437
Furniture and equipment	474,790	(385,449)	89,341
Information and communication technology	294,443	(257,688)	36,755
Motor vehicles	58,824	(49,983)	8,841
Leased assets	117,215	(43,490)	73,725
Library resources	85,140	(66,901)	18,239
Balance at 31 December 2017	2,075,064	(1,009,726)	1,065,338

The net carrying value of equipment held under a finance lease is \$73,725 (2016: \$52,435).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Land	285,000	-	-	-	-	285,000
Building improvements	591,419	-	-	-	(18,991)	572,428
Furniture and equipment	55,929	48,787	-	-	(21,312)	83,404
Information and communication technology	22,034	23,106	-	-	(21,017)	24,123
Motor vehicles	15,232	-	-	-	(5,080)	10,152
Leased assets	-	64,990	-	-	(12,555)	52,435
Library resources	23,822	-	-	-	(2,978)	20,844
Balance at 31 December 2016	993,436	136,883	-	-	(81,933)	1,048,386

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Land	285,000	-	285,000
Building improvements	759,652	(187,224)	572,428
Furniture and equipment	437,356	(353,952)	83,404
Information and communication technology	261,888	(237,765)	24,123
Motor vehicles	54,302	(44,150)	10,152
Leased assets	64,990	(12,555)	52,435
Library resources	85,140	(64,296)	20,844
Balance at 31 December 2016	1,948,328	(899,942)	1,048,386





Onewhero Area School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**14 Accounts Payable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operating creditors	66,773	41,635	41,635
Accruals	5,539	-	-
Employee Entitlements - salaries	163,114	180,043	180,043
Employee Entitlements - leave accrual	9,816	8,864	8,864
	<u>245,242</u>	<u>230,542</u>	<u>230,542</u>
Payables for Exchange Transactions	245,242	230,542	230,542
	<u>245,242</u>	<u>230,542</u>	<u>230,542</u>

The carrying value of payables approximates their fair value.

**15 Revenue Received in Advance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
International Student Fees	(68)	-	-
Other	15,215	39,088	39,088
	<u>15,147</u>	<u>39,088</u>	<u>39,088</u>

**16 Provision for Cyclical Maintenance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	187,866	187,866	113,953
Increase to the Provision During the Year	60,905	34,500	83,560
Use of the Provision During the Year	(8,137)	(34,500)	(9,647)
Provision at the End of the Year	<u>240,634</u>	<u>187,866</u>	<u>187,866</u>
Cyclical Maintenance - Current	56,462	58,422	58,422
Cyclical Maintenance - Term	184,172	129,444	129,444
	<u>240,634</u>	<u>187,866</u>	<u>187,866</u>

**17 Painting Contract Liability**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Liability	19,281	30,385	30,385
Non Current Liability	-	8,930	8,930
	<u>19,281</u>	<u>39,315</u>	<u>39,315</u>

In 2004 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a fourteen year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2005 and 2012, with regular maintenance in subsequent years. The agreement has an annual commitment of \$19,281. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.



Onewhero Area School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

**18 Finance Lease Liability**

The school has entered into a number of finance lease agreements for ICT equipment.  
Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	45,057	20,795	25,151
Later than One Year and no Later than Five Years	39,541	32,705	35,381
	<u>84,598</u>	<u>53,500</u>	<u>60,532</u>

**19 Transport Network Group**

Onewhero Area School is a member of the Franklin Bus Transport Network Group. Tuakau College is the fund holder, they record all income and expenses for the Transport Network Group in their financial statements. Onewhero Area School will record income and expenditure as received or charged by the fund holder school.

**20 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.



Onewhero Area School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

21 Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	5,680	4,998
Full-time equivalent members	-	0.21
<i>Leadership Team</i>		
Remuneration	289,639	278,618
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	295,319	283,616
Total full-time equivalent personnel	3.00	3.21

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

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	80-90	140-150
Benefits and Other Emoluments	0-5	1-10
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100-110	1	-
	1	0

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

22 Compensation and Other Benefits Upon Leaving

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

	2017 Actual	2016 Actual
Total	\$21,000	-
Number of People	2	-

23 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017.

(Contingent liabilities and assets as at 31 December 2016: \$21,000)



Onewhero Area School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

24 Commitments

(a) Capital Commitments

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

(a) \$3,749 contract with Kiwilink Internet Services for Telephone System in 2018. Deposit of \$500 was paid 14 December 2017.

(Capital commitments as at 31 December 2016: nil)

(b) Operating Commitments

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

- operating lease of ICT equipment
- operating lease Eftpos Machine

No later than One Year

Later than One Year and No Later than Five Years

	2017 Actual \$	2016 Actual \$
	11,773	39,158
	100	11,760
	<u>11,873</u>	<u>50,918</u>

25 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.

26 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Loans and Receivables	198,600	197,890	239,733
Cash and Cash Equivalents	258,135	189,054	189,054
Receivables	30,089	29,212	29,212
Investments - Term Deposits			
Total Loans and Receivables	<u>486,824</u>	<u>416,156</u>	<u>457,999</u>
Financial liabilities measured at amortised cost			
Payables	245,242	230,542	230,542
Finance Leases	76,672	53,500	53,500
Painting Contract Liability	19,281	39,315	39,315
Total Financial Liabilities Measured at Amortised Cost	<u>341,195</u>	<u>323,357</u>	<u>323,357</u>

27 Events After Balance Date

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

28 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.

