

NGUTUNUI ENVIRO SCHOOL

2017 Annual Report

and

Financial Statements

For the Year Ended 31 December 2017

School Number 1853

**FINANCIAL STATEMENTS AND ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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NGUTUNUI ENVIRO 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.

Karen Marie Crake

Full Name of Board Chairperson

Karen Crake
Signature of Board Chairperson

Date

29/05/18

Michelle Anthea Chettleburgh

Full Name of Principal

M Chettleburgh
Signature of Principal

Date

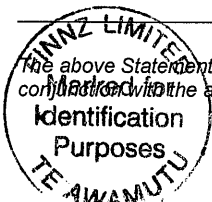
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NGUTUNUI ENVIRO SCHOOL

**STATEMENT OF COMPREHENSIVE REVENUE AND
FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
REVENUE				
Government Grants	2	512,032	514,924	448,681
Locally Raised Funds	3	44,970	22,825	36,292
Interest Earned		3,484	400	2,461
		<u>560,486</u>	<u>538,149</u>	<u>487,434</u>
EXPENSES				
Locally Raised Funds	3	9,275	10,250	8,394
Learning Resources	4	367,384	387,154	266,505
Administration	5	48,061	48,415	44,732
Finance Costs	6	365	100	466
Property	7	148,293	130,710	118,387
Depreciation	8	12,820	10,000	10,672
		<u>586,197</u>	<u>586,629</u>	<u>449,157</u>
NET SURPLUS (DEFICIT)		(25,711)	(48,480)	38,277
Other Comprehensive Revenue and Expenses		-	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		\$(25,711)	\$(48,480)	\$38,277

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



Bailey Ingham Limited
Chartered Accountants

NGUTUNUI ENVIRO 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	184,653	184,653	146,157
Total Comprehensive Revenue & Expenses for the year	(25,711)	(48,480)	38,277
Contribution - Furniture & Equipment Grant	2,272	-	-
Transport Network Equity Distribution	-	-	218
EQUITY AT 31 DECEMBER	\$161,214	\$136,173	\$184,653
Retained Earnings	161,214	136,173	184,653
Reserves	-	-	-
EQUITY AT 31 DECEMBER	\$161,214	\$136,173	\$184,653



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

Bailey Ingham Limited
Chartered Accountants

NGUTUNUI ENVIRO SCHOOL

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

		2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
CURRENT ASSETS				
Cash and Cash Equivalents	9	42,241	-	37,148
Accounts Receivable	10	18,216	21,626	24,251
Transport Cluster		7,531	-	7,487
Investments	11	72,114	72,000	55,836
		<u>140,102</u>	<u>93,626</u>	<u>124,722</u>
CURRENT LIABILITIES				
GST Payable		4,180	4,300	3,673
Cash and Cash Equivalents	9	-	46,225	-
Accounts Payable	13	31,806	15,887	25,923
Finance Lease Liability - Current Liability	15	1,273	425	1,769
Funds Held for Capital Work Projects	16	10,517	-	(4,901)
		<u>47,776</u>	<u>66,837</u>	<u>26,464</u>
		92,325	26,789	98,259
WORKING CAPITAL SURPLUS OR (DEFICIT)				
NON CURRENT ASSETS				
Property, Plant and Equipment	12	106,302	29,268	93,586
		<u>106,302</u>	<u>29,268</u>	<u>93,586</u>
NON CURRENT LIABILITIES				
Provision for Cyclical Maintenance	14	33,800	8,350	6,636
Finance Lease Liability	15	3,614	-	556
		<u>37,414</u>	<u>8,350</u>	<u>7,192</u>
NET ASSETS		<u>\$161,214</u>	<u>\$47,707</u>	<u>\$184,653</u>
EQUITY		<u>\$161,214</u>	<u>\$136,173</u>	<u>\$184,653</u>



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

Bailey Ingham Limited
Chartered Accountants

NGUTUNUI ENVIRO SCHOOL

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
OPERATING ACTIVITIES			
Cash was provided from:			
Government Grants	124,554	119,064	124,866
Locally Raised Funds	45,686	22,825	34,952
Goods & Services Tax (net)	571	-	1,663
Payments to Employees	(53,298)	(81,004)	(55,176)
Payments to Suppliers	(93,928)	(99,665)	(73,018)
Interest Received	2,525	400	2,708
Funds Administered on Behalf of Third Parties	15,418	-	(6,895)
Net Cash Inflow (Outflow) from Operating Activities	41,528	(38,380)	29,100
INVESTING ACTIVITIES			
Cash was provided from:			
Purchase of PPE (and Intangibles)	(21,035)	(10,000)	(11,678)
Purchase of Investments	(16,278)	-	(8,669)
Net Cash Inflow (Outflow) from Investing Activities	(37,313)	(10,000)	(20,347)
FINANCING ACTIVITIES			
Cash was provided from:			
Furniture & Equipment Grant	2,272	-	-
Finance Lease Payments	(1,394)	(100)	-
Net Cash Inflow (Outflow) from Financing Activities	878	(100)	-
Net Increase (Decrease) in Cash Held	5,093	(48,480)	8,753
Add Opening Cash brought forward	37,148	37,148	28,395
Ending Cash Carried Forward	\$42,241	(\$11,332)	\$37,148
Cash Balances in Balance Sheet			
BNZ Cheque A/c	34,893	(11,332)	29,598
BNZ Call A/c	7,338	-	7,056
BNZ Principal Account	10	-	494
Ending Cash Carried Forward	\$42,241	(\$11,332)	\$37,148

The Cash Flow Statement 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.



Bailey Ingham Limited
Chartered Accountants

NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 STATEMENT OF ACCOUNTING POLICIES

A) REPORTING ENTITY

NGUTUNUI ENVIRO SCHOOL (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a School as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

B) BASIS OF PREPARATION

REPORTING PERIOD

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

BASIS OF PREPARATION

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

FINANCIAL REPORTING STANDARDS APPLIED

The Education Act 1989 requires the School, as a Crown entity, to prepare Financial Statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying PBE Accounting Standards (PBE IPSAS) 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.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgement, 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 16.

Recognition of Grants

The School review 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.



NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

C) REVENUE RECOGNITION

GOVERNMENT GRANTS SCHOOLS

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.

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

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.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

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 three months 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.

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 investments are measured at amortised cost using the effective interest method less impairment.

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

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



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the Book Value). The gain or loss arising from the disposal of an item of Property, Plant and Equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Leased Assets

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



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

Depreciation

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

The estimated useful lives of the assets are:

Building improvements - Crown	20-50 years
Furniture and equipment -	5-10 years
Information and communication technology -	5 years
Motor Vehicles -	10 years
Leased assets -	3 years
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, 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.



NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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.

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, 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.

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



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.



NGUTUNUI ENVIRO SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2 GOVERNMENT GRANTS	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Operational Grants	103,333	112,198	108,641
Teachers Salaries Grants	303,201	300,000	230,592
Use of Land & Buildings Grant	95,860	95,860	90,775
Other MoE Grants	9,638	6,866	18,673
	<u>\$512,032</u>	<u>\$514,924</u>	<u>\$448,681</u>
3 LOCALLY RAISED FUNDS	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Local funds raised within the School's community are made up of:			
Revenue			
Donations	26,670	4,813	19,619
Activities	3,085	4,300	-
Trading	15,215	13,713	16,673
	<u>44,970</u>	<u>22,825</u>	<u>36,292</u>
Expenditure			
Activities	1,941	1,500	409
Trading	7,334	8,750	7,985
	<u>9,275</u>	<u>10,250</u>	<u>8,394</u>
Surplus for the year Locally Raised Funds	<u>\$35,695</u>	<u>\$12,575</u>	<u>\$27,898</u>



NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

4	LEARNING RESOURCES	2017 Actual	2017 Budget (Unaudited)	2016 Actual
		\$	\$	\$
	Curricular	6,659	11,950	10,093
	Employee Benefits - Salaries	340,776	354,004	252,576
	Extra-Curricular Activities	9,707	8,900	2,126
	Information and Communication Technology	1,484	-	-
	Library Resources	513	2,300	68
	Staff Development	8,245	10,000	1,642
		<u>\$367,384</u>	<u>\$387,154</u>	<u>\$266,505</u>
5	ADMINISTRATION	2017 Actual	2017 Budget (Unaudited)	2016 Actual
		\$	\$	\$
	Audit Fees	2,990	3,010	2,941
	Board of Trustees Fees	4,675	5,500	4,820
	Board of Trustees Expenses	609	1,000	1,429
	Communication	2,984	2,850	1,561
	Consumables	7,181	8,450	9,005
	Employee Benefits - Salaries	17,371	16,500	17,053
	Insurance	476	-	457
	Operating Leases	3,222	4,530	3,222
	Other	7,103	5,250	2,920
	Service Providers, Contractors and Consultancy	1,450	1,325	1,325
		<u>\$48,061</u>	<u>\$48,415</u>	<u>\$44,732</u>
6	FINANCE	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	Finance Costs	365	100	466



NGUTUNUI ENVIRO SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7	PROPERTY	2017 <i>Actual</i>	2017 <i>Budget</i> <i>(Unaudited)</i>	2016 <i>Actual</i>
		\$	\$	\$
	Caretaking and Cleaning Consumables	1,986	1,900	1,810
	Consultancy and Contract Services	217	1,500	250
	Cyclical Maintenance Provision	27,164	7,000	1,759
	Employee Benefits - Salaries	11,098	10,500	10,690
	Grounds	4,269	3,450	3,643
	Heat, Light and Water	3,566	3,500	3,727
	Rates	1,520	3,000	4,788
	Repairs and Maintenance	2,612	4,000	945
	Use of Land and Buildings	95,860	95,860	90,775
		<u>\$148,293</u>	<u>\$130,710</u>	<u>\$118,387</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8	DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT	2017 <i>Actual</i>	2017 <i>Budget</i> <i>(Unaudited)</i>	2016 <i>Actual</i>
		\$	\$	\$
	ICT Equipment	2,123	1,700	1,975
	Buildings	2,707	2,200	2,707
	Library Resources	513	400	496
	Furniture & Equipment	4,939	4,000	3,467
	Leased Assets	1,903	1,200	1,392
	Vehicles	635	500	635
		<u>\$12,820</u>	<u>\$10,000</u>	<u>\$10,672</u>



NGUTUNUI ENVIRO SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9 CASH AND CASH EQUIVALENTS	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
BNZ Cheque A/c	34,893	(46,225)	29,598
BNZ Call A/c	7,338	-	7,056
BNZ Principal Account	10	-	494
Net Cash & Cash Equivalents and Bank Overdraft for Cash Flow Statement	\$42,241	\$(46,225)	\$37,148

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

Cash and cash equivalent of \$42,741 includes \$10,517 held on behalf of the Ministry for 5YA building projects.

10 ACCOUNTS RECEIVABLE	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Receivables	-	-	716
Receivables from the Ministry of Education	-	-	12,172
Interest Receivable	70	-	57
Teacher Salaries Grant Receivable	18,146	21,626	11,306
	\$18,216	\$21,626	\$24,251
Receivables from Exchange Transactions	70	-	12,945
Receivables from Non-Exchange Transactions	18,146	21,626	11,306
	\$18,216	\$21,626	\$24,251

11 INVESTMENTS	2017 Actual	2017 Budget (Unaudited)	2016 Actual
Current Assets	\$	\$	\$
Short-Term Bank Deposits with Maturities Greater than 3 months and no Greater than 1 year	72,114	72,000	55,836



NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12 PROPERTY, PLANT & EQUIPMENT

2017	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
Buildings	59,151	-	-	-	(2,707)	56,444
Leased Assets	1,986	4,500	-	-	(1,903)	4,583
Furniture & Equipment	19,527	15,988	-	-	(4,939)	30,575
Information and Communication	6,548	3,165	-	-	(2,123)	7,590
Motor Vehicles	2,432	-	-	-	(635)	1,797
Library Resources	3,943	1,883	-	-	(513)	5,313
Balance at 31 December 2017	\$93,586	\$25,536	-	-	\$(12,820)	\$106,302

2017	Cost or Valuation	Accumulated Depreciation	Net Book Value
Furniture & Equipment	91,024	60,449	30,575
Buildings	98,115	41,671	56,444
Library Resources	15,447	10,134	5,313
ICT Equipment	41,836	34,246	7,590
Vehicles	6,347	4,550	1,797
Leased Assets	8,805	4,222	4,583
Balance at 31 December 2017	\$261,574	\$155,272	\$106,302

2016	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
Buildings	61,858	-	-	-	(2,707)	59,151
Leased Assets	1,855	1,523	-	-	(1,392)	1,986
Furniture & Equipment	16,267	6,726	-	-	(3,467)	19,527
Information and Communication	4,136	4,386	-	-	(1,975)	6,548
Motor Vehicles	3,067	-	-	-	(635)	2,432
Library Resources	3,874	565	-	-	(496)	3,943
Balance at 31 December 2016	\$91,058	\$13,200	-	-	\$(10,672)	\$93,586



NGUTUNUI ENVIRO SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2016	Cost or Valuation	Accumulated Depreciation	Net Book Value
Furniture & Equipment	75,037	55,510	19,527
Buildings	98,115	38,964	59,151
Library Resources	13,564	9,621	3,943
ICT Equipment	38,671	32,123	6,548
Vehicles	6,347	3,915	2,432
Leased Assets	4,305	2,319	1,986
Balance at 31 December 2016	\$236,038	\$142,452	\$93,586

13 ACCOUNTS PAYABLE	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Operating creditors	10,196	7,261	6,528
Employee Entitlements - salaries	19,042	8,626	11,306
Employee Entitlements - leave accrual	2,568	-	8,089
	\$31,806	\$15,887	\$25,923
Payables for Exchange Transactions	31,806	15,887	25,923
	\$31,806	\$15,887	\$25,923

The carrying value of payables approximates their fair value.



NGUTUNUI ENVIRO SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14	PROVISION FOR CYCLICAL MAINTENANCE	2017	2017	2016
		Actual	Budget (Unaudited)	Actual
		\$	\$	\$
	Provision at Start of the Year	6,636	6,600	4,877
	Increase to the Provision During the Year	1,759	1,750	1,759
	Adjustment to Provision	25,405	-	-
	Provision at the end of the Year	<u>33,800</u>	<u>8,350</u>	<u>6,636</u>
	Cyclical Maintenance - Term	<u>33,800</u>	<u>8,350</u>	<u>6,636</u>
		<u>\$33,800</u>	<u>\$8,350</u>	<u>\$6,636</u>

The Board 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 the expenditure required to settle the present obligations at the balance sheet date. The provision has not been adjusted for inflation and the effect of the time value of money.

15	FINANCE LEASE LIABILITY	2017	2017	2016
		Actual	Budget (Unaudited)	Actual
	The school has entered into finance lease agreements as follows:			
	Not later than one year	1,273	425	1,900
	Later than one year and not later than five years	3,614	-	556
		<u>4,887</u>	<u>425</u>	<u>2,456</u>
	Future Finance Charges	-	-	(131)
		<u>\$4,887</u>	<u>\$425</u>	<u>\$2,325</u>
	Current Liability	1,273	425	1,769
	Non Current Liability	3,614	-	556
		<u>\$4,887</u>	<u>\$425</u>	<u>\$2,325</u>



NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

FUNDS HELD FOR CAPITAL WORKS

16 PROJECTS

During the year the school received and applied funding from the Ministry of Education for the following capital works projects:

	2017	Opening	Receipts from MOE	Payments	Closing Balance
Library/Workspace Extension	In Progress	(4,901)	24,617	9,199	10,517
		<u>\$(4,901)</u>	<u>\$24,617</u>	<u>\$9,199</u>	<u>\$10,517</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	10,517
Funds Due from the Ministry of Education	-
	<u>\$10,517</u>

	2016	Opening	Receipts from MOE	Payments	Closing Balance
Repair & Extension of Fence	Completed	2,791	1,166	3,958	-
Library/Workspace Extension	In Progress	(700)	-	4,201	(4,901)
		<u>\$2,091</u>	<u>\$1,166</u>	<u>\$8,159</u>	<u>\$(4,901)</u>

17 RELATED PARTY TRANSACTIONS

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.



NGUTUNUI ENVIRO SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

18 REMUNERATION

Key Management Personnel Compensation

Key Management Personnel of the School include all Trustees of the Board, Principal, Deputy Principal and Heads of Departments.

	2017	2016
<i>Board of Trustee and Committee Members</i>		
Remuneration	4,675	4,820
Full-time equivalent members	0.1	0.1
<i>Leadership Team</i>		
Remuneration	98,758	98,788
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	\$103,433	\$103,608
Total full-time equivalent personnel	1.1	1.1

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 the remuneration paid or payable to the Principal is in the following bands:

	2017 Actual \$000	2016 Actual \$000
Principal C		20 - 30
Benefits and other emoluments		0 - 3
Termination Benefits		
Principal A	90 - 100	60 - 70
Benefits and other emoluments	1 - 2	0 - 3
Termination Benefits		



NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Other Employees

No other Employee received total remuneration over \$100,000 (2016: Nil)

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

19	COMPENSATION AND OTHER BENEFITS UPON LEAVING	2017	2016
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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:

\$Nil	\$Nil
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20 CONTINGENCIES

There are no Contingent Liabilities(except as noted below) and no Contingent Assets as at 31 December 2017 (Contingent Liabilities and Assets at 31 December 2016:Nil)

21	COMMITMENTS	2017	2016
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Operating Lease Commitments

No later than One Year

61	3,460
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Later than One Year and No Later than Five Years

-	61
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<u>\$61</u>	<u>\$3,521</u>
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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.



NGUTUNUI ENVIRO SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

23 FINANCIAL INSTRUMENTS

The carrying amount of Financial Assets & Liabilities in each on the Financial Instrument are as follows:

Cash & Receivables

	<i>2017 Actual</i>	<i>2017 Budget (Unaudited)</i>	<i>2016 Actual</i>
	\$	\$	\$
Cash and Cash Equivalents	42,241	-	37,148
Receivables	18,216	21,626	24,251
Transport Cluster	7,531	-	7,487
Investments - Term Deposits	72,114	72,000	55,836
Total Cash and Receivables	<u>\$140,102</u>	<u>\$93,626</u>	<u>\$124,722</u>

Financial Liabilities measured at amortised cost

Payables	31,806	15,887	25,923
Borrowings - Loans	-	-	-
Finance Leases	4,887	425	2,325
Total Financial Liabilities Measured at Amortised Cost	<u>\$36,693</u>	<u>\$16,312</u>	<u>\$28,248</u>

24 EVENTS AFTER BALANCE DATE

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



INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Ngutunui School (the School). The Auditor-General has appointed me, Jonathan Hurst, using the staff and resources of Finnz Limited, to carry out the audit of the financial statements of the School on his behalf.

We have audited the financial statements of the School on pages 4 to 26 that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue & expense, statement of changes in net assets/equity, and statement of cashflows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2017; and
 - financial performance and cashflows for the year then ended; and
 -
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity (PBE) Standards, Reduced Disclosure Regime.

Our audit was completed on 30th May 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis of 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 arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance Report, Kiwisport Note, and Trustee list, but does not include the financial statements, and our auditor's report thereon.

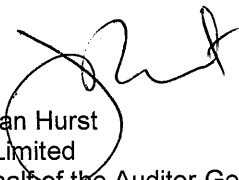
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Jonathan Hurst
Finnz Limited
On behalf of the Auditor-General
Te Awamutu, New Zealand

NGUTUNUI ENVIRO SCHOOL

Members of the Board of Trustees

Name	Position	How position on Board gained	Term expires / expired
Karen Crake	Chairperson	Elected 2016	May 2019
Kath Riley	Treasurer	Elected June 2016	May 2019
Sue Bethell	Property	Elected June 2016	May 2019
Sarah Barron	Parent Rep	Elected June 2016	May 2019
Mark Harrop	Principal	Ex Officio May 2016	
Leanne Oldfield	Parent Rep	Elected June 2016	May 2019
Rebecca Penny	Staff Rep	Elected 2016	May 2019

Ngutunui Enviro School

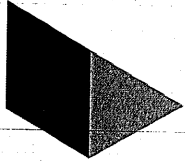
KIWISPORT FUNDING IN OUR SCHOOL

Please find herewith information regarding our school's spending of the 2017 KiwiSport Funding provided by the Ministry of Education in our school's Bulk Grant; \$685.98.

- Hart Sport – \$255.00 (July 2017) – Classic Sof-Crosse Set
- Kawhia School - \$40.75 (February 2017) – Kawhia Moana Cluster Interschool Sports' events
- Athletics Waikato-Bay of Plenty Incorporated - \$50.00 (October 2017) – Jump Elastics
- Edsport - \$321.85 (July 2017) – Winter sports equipment (Netball/Rugby)
- Direct group - \$801.30 (February 2017) – Sport Uniforms

This totals \$1468.90 excluding GST. This figure exceeds the KiwiSport Funding allocation but has been topped up by additional funds from the Bulk Grant.

Analysis of Variance Report 2017



School Name:	Ngutunui Enviro School	School Number:	1853
Strategic Aim:	All students are able to access the New Zealand Curriculum as evidenced by progress and achievement in relation to the National Standards.		
Annual Aim:	80% percent of the 2017 cohort of Year 1 to 6 students to achieve the National Standard for Writing.		
Target:	70% of Year 5 and 6 students to be At or Above the National Standard by the end of 2017.		
Baseline Data:	<ul style="list-style-type: none"> • 55% of the 2016 End of Year Data for the cohort of Year 1 to 8 students were achieving Below or Well below the Standard. • 48% of these students identify as European, 44% identify as Maori and 8% identify as Pasifika. • 20% of these students are male, 80% are female. • 56% of the 2017 Year 5 students were below the National Standard at the end of 2016 • 77% of the 2017 Year 6 students were below the National Standard at the end of 2016 		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> • Provided staff PLD for identified need to support teaching and learning for these targets. Writing students from the Institute for Professional Learning focused on setting up a teacher inquiry on target students. Worked with rural roses • Purchased Literacy resources to support Senior Classroom teacher. 3 Jeff Anderson Books for her professional development. • Developed strong moderation practices within the school to ensure accurate and consistent interpretation of assessments using E-Asttle writing samples. • Ensured robust and regular assessment occurs, including OTJ's, to inform deliberate acts of teaching. Moderation to be included cross cluster schools. • Involved students' parents/caregivers to assist in identifying learning barriers and provide strategies to support supplementary learning at home or in the 	<ul style="list-style-type: none"> • 73% (34 Students) of our school have met or exceeded the National Standard for writing Years 1-6 in 2017 compared to 45% at the end of 2016. • We have reduced the number of students below the National standard from 53% at the end of 2016 to now 27% (13 students) in 2017. • We have 83% (5 students) of our Year 5 students meeting the standard compared to 44% of the same cohort at the end of 2016. • Of the Year 5 group 100% of the boys (1 student) met the standard and 80% of the girls met the standard (4 students). The one Maori student of this cohort met the standard. • We have reduced the number of Year 6 students not meeting the standard from 83% as Year 5s at the end of 2016 to 63% (7 students) at the end of 2017. Of this cohort 36% (4 	<ul style="list-style-type: none"> • Teaching staff feel competent and equipped to provide specific, relevant and valuable learning experiences that promote accelerated progress for target students. • Teachers effectively reflecting and inquiring into their practice centred on accelerating the learning of their target students. • Appraisal and Staff meetings focused on writing and the teachers target groups helped to keep focus and work through issues and celebrate successes as a team • Students taking greater ownership of their learning through self-assessment of writing against Literacy Progression Exemplars. • Staff have access to the resources and equipment needed to support progress for these students. • Staff have an improved understanding of the Learning progressions for Writing and improved collaboration in making accurate OTJs through successful PD and 	<ul style="list-style-type: none"> • Year 6 still remains our "cohort of concern" with over half not meeting this year's standard however, every other year group only has one or two students under standard. • Teacher inquiry has led to significant improvements in their own learning and acceleration for their target learners. Professional development must continue in this area. • Continue to work collaboratively school wide on assessment practices and moderation through the e-Asttle tool, including developing a long term tracking tool for individual students as they move through the school.

- classroom.
- Ensure implementation and teacher modelling of the school values and ongoing development of an environment that promotes wellbeing and self-awareness for each student. This created a learning environment which helps motivate students and builds confidence for risk-taking with learning.
 - Applied for Learning Support RTLB and RLTlit for at risk learners and whole class support

students) met the standard one boy and three girls. The one Maori student in this cohort has global learning needs and is below the standard.

- unified assessment practices
- Staff have access to relevant and appropriate Writing assessment resources and are able to utilise these effectively when planning teaching and learning for individual students which is consistent throughout the school, supporting moderation.
 - Parents/caregivers feel empowered to support their children with learning which benefits and empowers students and promotes accelerated progress. They also have the confidence to understand how their individual students are progressing.
 - Students have access to ICT devices and Literacy programmes that are able to support and motivate them.
 - Students have the confidence to approach their learning positively and are motivated to make improvement.
 - Assessment of students' learning needs are supported by outside experts and who may be able to access further learning support in addition to that provided by the school, so increasing the acceleration of achievement.

Planning for next year:

- Writing should continue to be the focus for professional development and teacher inquiry moving into 2018
- Continue to track all students in google docs.
- Continue to use the E-AsTTle writing assessment tool once a term and moderate as a school.
- Examine our current spelling programme in class.
- Include our spelling programme into our writing.
- Continue staff development in this area with the support from the Institute for Professional learning and our Rural Roses Cluster.
- Investigate strategies to engage/motivate boys in writing
- Writing progressions in “kids speak” displayed in all classes as references for individual learning goals.