

TE AWAMUTU PRIMARY SCHOOL

2016 Annual Report

and

Financial Statements

For the Year Ended 31 December 2016

School Number 2002

TE AWAMUTU PRIMARY SCHOOL

FINANCIAL STATEMENTS AND ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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TE AWAMUTU PRIMARY SCHOOL

STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 31 DECEMBER 2016

The Board of Trustees accepts responsibility for the preparation of the Annual Financial Statements and the judgements used in these Financial Statements.

The Management (including the Principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the School's Financial Reporting.

It is the opinion of the Board and Management that the Annual Financial Statements for the Financial year ended 31 December 2016 fairly reflects the Financial Position and operations of the School.

The School's 2016 Financial Statements are authorised for issue by the Board.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date

Date

TE AWAMUTU PRIMARY SCHOOL

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
REVENUE				
Government Grants	2	2,798,599	2,740,085	2,665,584
Locally Raised Funds	3	308,049	289,100	360,855
Interest Earned		11,613	10,000	17,448
		<u>3,118,261</u>	<u>3,039,185</u>	<u>3,043,887</u>
EXPENSES				
Locally Raised Funds	3	217,522	209,700	239,764
Learning Resources	4	1,926,682	1,872,883	1,905,753
Administration	5	277,232	309,757	306,707
Finance Costs	6	9,526	-	-
Property	7	657,979	660,077	543,743
Depreciation	8	91,292	47,000	48,701
		<u>3,180,233</u>	<u>3,099,417</u>	<u>3,044,668</u>
NET SURPLUS (DEFICIT)		(61,972)	(60,232)	(781)
Other Comprehensive Revenue and Expenses		1,279	-	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		<u>\$(60,692)</u>	<u>\$(60,232)</u>	<u>\$(781)</u>

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

Bailey Ingham Limited
Chartered Accountants

**STATEMENT OF CHANGES IN NET ASSETS/EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
BALANCE AT 1 JANUARY	684,097	684,097	684,851
Total Comprehensive Revenue & Expenses for the year	(60,692)	(60,232)	(781)
Transport Network Equity Distribution	78	-	27
EQUITY AT 31 DECEMBER	<u>\$623,482</u>	<u>\$623,865</u>	<u>\$684,097</u>
Retained Earnings	623,482	623,865	684,097
Reserves	-	-	-
EQUITY AT 31 DECEMBER	<u>\$623,482</u>	<u>\$623,865</u>	<u>\$684,097</u>

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

Bailey Ingham Limited
Chartered Accountants

TE AWAMUTU PRIMARY SCHOOL

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

		2016 Actual	2016 Budget (Unaudited)	2015 Actual
		\$	\$	\$
CURRENT ASSETS				
Cash and Cash Equivalents	9	363,687	243,710	310,908
Accounts Receivable	10	140,067	108,857	149,115
GST Receivable		16,303	16,290	9,043
Inventories	11	5,729	5,750	11,495
Prepayments		712	750	716
Transport Cluster		2,707	2,500	2,710
Investments	12	121,376	121,000	116,788
		<u>650,580</u>	<u>498,857</u>	<u>600,775</u>
CURRENT LIABILITIES				
Cash and Cash Equivalents	9	2,342	-	6,966
Accounts Payable	14	246,953	221,859	211,785
Revenue Received in Advance	15	1,440	-	5,627
Painting Contract Liability - Current Portion	17	18,395	18,395	18,395
Finance Lease Liability - Current Liability	18	39,738	20,000	-
Funds Held for Capital Work Projects	19	47,929	-	(3,360)
		<u>356,797</u>	<u>260,254</u>	<u>239,412</u>
WORKING CAPITAL SURPLUS OR (DEFICIT)		293,782	238,603	361,364
NON CURRENT ASSETS				
Property, Plant and Equipment	13	528,019	563,789	458,399
		<u>528,019</u>	<u>563,789</u>	<u>458,399</u>
NON CURRENT LIABILITIES				
Provision for Cyclical Maintenance	16	146,730	146,730	117,907
Painting Contract Liability	17	4,797	4,797	17,759
Finance Lease Liability	18	46,791	27,000	-
		<u>198,318</u>	<u>178,527</u>	<u>135,666</u>
NET ASSETS		<u>\$623,482</u>	<u>\$623,865</u>	<u>\$684,097</u>
EQUITY		<u>\$623,482</u>	<u>\$623,865</u>	<u>\$684,097</u>

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

Bailey Ingham Limited
Chartered Accountants

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
OPERATING ACTIVITIES			
Cash was provided from:			
Government Grants	718,391	670,608	694,487
Locally Raised Funds	300,522	289,100	367,008
Goods and Services Tax (net)	(5,981)	-	(8,270)
Payments to Employees	(425,469)	(389,239)	(399,707)
Payments to Suppliers	(513,268)	(593,701)	(563,422)
Interest Received	12,850	10,000	16,709
Funds Administered on Behalf of Third Parties	51,289	-	(1,409)
Net Cash Inflow (Outflow) from Operating Activities	<u>138,334</u>	<u>(13,232)</u>	<u>105,396</u>
INVESTING ACTIVITIES			
Cash was provided from:			
Purchase of PPE (and Intangibles)	(40,575)	(47,000)	(79,427)
Purchase of Investments	(4,588)	-	-
Proceeds from Sale of Investments	-	-	154,541
Net Cash Inflow (Outflow) from Investing Activities	<u>(45,163)</u>	<u>(47,000)</u>	<u>75,114</u>
FINANCING ACTIVITIES			
Cash was provided from:			
Finance Lease Payments	(28,688)	-	-
Painting Contract Payments	(7,158)	-	(11,596)
Transport Network Equity Distribution	78	-	27
Net Cash Inflow (Outflow) from Financing Activities	<u>(35,768)</u>	<u>-</u>	<u>(11,569)</u>
Net Increase (Decrease) in Cash Held	57,403	(60,232)	168,941
Add Opening Cash brought forward	<u>303,942</u>	<u>303,942</u>	<u>135,001</u>
Ending Cash Carried Forward	<u>\$361,345</u>	<u>\$243,710</u>	<u>\$303,942</u>
Cash Balances in Balance Sheet			
ANZ Call Account	190,793	123,710	144,933
ANZ TAPS FM	80	-	145
ANZ Term Investment	172,814	120,000	165,830
ANZ Cheque Account	(1,986)	-	(5,363)
ANZ Business MasterCard	(356)	-	(1,603)
Ending Cash Carried Forward	<u>\$361,345</u>	<u>\$243,710</u>	<u>\$303,942</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1 STATEMENT OF ACCOUNTING POLICIES

A) REPORTING ENTITY

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

B) BASIS OF PREPARATION

REPORTING PERIOD

The Financial Reports have been prepared for the period 1 January 2016 to 31 December 2016 and in accordance with the requirements of the Public Finance Act 1989.

BASIS OF PREPARATION

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

FINANCIAL REPORTING STANDARDS APPLIED

The Education Act 1989 requires the School, as a Crown entity, to prepare Financial Statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying 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 2016**

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 2016**

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.

INVENTORIES

Inventories are consumable items held for sale, and comprise of stationery and school uniforms. They are stated at the lower of the cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is 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 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 73 of the Education Act 1989 in relation to the acquisitions of securities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 \$1,000 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 2016**

Depreciation

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

The estimated useful lives of the assets are:

Building improvements - Crown - 50 years

Furniture and equipment - 6-10 years

Information and communication technology - 8 years

Library resources - 10-20 years

Leased assets held under a Finance Lease - 3 Years

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 2016**

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.

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2 GOVERNMENT GRANTS	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Operational Grants	592,964	569,132	594,309
Teachers Salaries Grants	1,647,611	1,642,000	1,681,288
Use of Land & Buildings Grant	427,477	427,477	303,578
Other MoE Grants	103,947	65,476	48,933
Other Government Grants	26,600	36,000	37,475
	<u>\$2,798,599</u>	<u>\$2,740,085</u>	<u>\$2,665,584</u>
3 LOCALLY RAISED FUNDS	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Local funds raised within the School's community are made up of:			
Revenue			
Donations	14,560	13,000	44,937
Fundraising	34,023	27,000	30,142
Activities	35,051	27,300	27,641
Trading	224,415	221,800	258,135
	<u>308,049</u>	<u>289,100</u>	<u>360,855</u>
Expenditure			
Activities	38,252	24,500	35,071
Trading	161,604	171,000	192,381
Fundraising (Cost of Raising Funds)	17,666	14,200	12,312
	<u>217,522</u>	<u>209,700</u>	<u>239,764</u>
Surplus for the year Locally Raised Funds	<u>\$90,528</u>	<u>\$79,400</u>	<u>\$121,091</u>

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

4	LEARNING RESOURCES	2016	2016	2015
		Actual	Budget	Actual
			(Unaudited)	
		\$	\$	\$
	Curricular	43,626	47,500	44,734
	Employee Benefits - Salaries	1,844,044	1,778,079	1,813,525
	Information and Communication Technology	4,042	9,804	10,522
	Library Resources	1,166	1,500	2,030
	Staff Development	33,803	36,000	34,942
		<u>\$1,926,682</u>	<u>\$1,872,883</u>	<u>\$1,905,753</u>
5	ADMINISTRATION	2016	2016	2015
		Actual	Budget	Actual
			(Unaudited)	
		\$	\$	\$
	Audit Fees	4,030	4,000	4,071
	Board of Trustees Fees	2,930	3,000	1,765
	Board of Trustees Expenses	13,862	15,400	8,215
	Communication	8,233	12,000	11,571
	Consumables	21,648	20,596	22,020
	Employee Benefits - Salaries	144,610	148,600	163,498
	Insurance	9,405	7,000	6,681
	Operating Leases	41,636	77,404	71,054
	Other	27,952	18,757	14,982
	Service Providers, Contractors and Consultancy	2,925	3,000	2,850
		<u>\$277,232</u>	<u>\$309,757</u>	<u>\$306,707</u>
6	FINANCE	2016	2016	2015
		Actual	Budget	Actual
			(Unaudited)	
	Finance Costs	<u>9,526</u>	<u>-</u>	<u>-</u>

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7	<i>PROPERTY</i>	2016	2016	2015
		Actual	Budget (Unaudited)	Actual
		\$	\$	\$
	Caretaking and Cleaning Consumables	14,348	15,000	12,351
	Cyclical Maintenance Provision	41,414	23,040	47,317
	Employee Benefits - Salaries	89,886	106,560	111,271
	Grounds	17,957	17,000	14,507
	Heat, Light and Water	32,562	32,500	30,771
	Rates	5,191	5,000	4,843
	Repairs and Maintenance	29,144	33,500	19,105
	Use of Land and Buildings	427,477	427,477	303,578
		<u>\$657,979</u>	<u>\$660,077</u>	<u>\$543,743</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	<i>DEPRECIATION OF PROPERTY, PLANT & EQUIPMENT</i>	2016	2016	2015
		Actual	Budget (Unaudited)	Actual
		\$	\$	\$
	ICT Equipment	13,065	9,500	11,437
	Buildings	10,185	8,500	10,609
	Library Resources	3,300	5,000	3,268
	Plant & Equipment	25,878	24,000	23,387
	Leased Assets	38,864	-	-
		<u>\$91,292</u>	<u>\$47,000</u>	<u>\$48,701</u>

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

9	CASH AND CASH EQUIVALENTS	2016 Actual	2016 Budget (Unaudited)	2015 Actual
		\$	\$	\$
	ANZ Call Account	190,793	123,710	144,933
	ANZ TAPS FM	80	-	145
	ANZ Term Investment	172,814	120,000	165,830
	ANZ Cheque Account	(1,986)	-	(5,363)
	ANZ Business MasterCard	(356)	-	(1,603)
	Net Cash & Cash Equivalents and Bank Overdraft for Cash Flow Statement	\$361,345	\$243,710	\$303,942

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

Of the \$361,345 Cash and Cash Equivalents, \$61,658 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2017 on crown owned buildings under the School's Five Year Property Plan.

10	ACCOUNTS RECEIVABLE	2016 Actual	2016 Budget (Unaudited)	2015 Actual
		\$	\$	\$
	Debtors	32,001	6,300	2,952
	Debtor Ministry of Education	5,511	-	-
	Interest Accrued	5,748	5,750	6,985
	Teacher Salaries Grant Receivable	96,807	96,807	139,179
		\$140,067	\$108,857	\$149,115
	Receivables from Exchange Transactions	43,260	12,050	9,936
	Receivables from Non-Exchange Transactions	96,807	96,807	139,179
		\$140,067	\$108,857	\$149,115
11	INVENTORIES	2016 Actual	2016 Budget (Unaudited)	2015 Actual
		\$	\$	\$
	School Uniforms	5,375	5,400	11,141
	Stationery	354	350	354
		\$5,729	\$5,750	\$11,495

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

12 INVESTMENTS	2016 Actual	2016 Budget (Unaudited)	2015 Actual
Current Assets	\$	\$	\$
Short-Term Bank Deposits with Maturities Greater than 3 months and no Greater than 1 year	121,376	121,000	116,788

13 PROPERTY, PLANT & EQUIPMENT

2016	<i>Opening Balance (NBV)</i>	<i>Additions</i>	<i>Disposals</i>	<i>Impairment</i>	<i>Depreciation</i>	<i>Total (NBV)</i>
Land & Buildings	254,613	-	-	-	(10,185)	244,428
Leased Assets	-	120,337	-	-	(38,864)	81,473
Plant & Equipment	133,002	26,809	-	-	(25,878)	133,932
Information and Communication	44,805	8,714	-	-	(13,065)	40,454
Library Resources	25,979	5,052	-	-	(3,300)	27,731
Balance at 31 December 2016	\$458,399	\$160,912	-	-	\$(91,292)	\$528,019

2016	<i>Cost or Valuation</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>
Plant & Machinery	746,838	612,905	133,932
Buildings	408,381	163,953	244,428
Library Resources	98,885	71,154	27,731
ICT Equipment	430,183	389,729	40,454
Leased Assets	120,337	38,864	81,473
Balance at 31 December 2016	\$1,804,624	\$1,276,606	\$528,019

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2015	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
Land & Buildings	265,222	-	-	-	(10,609)	254,613
Leased Assets	-	-	-	-	-	-
Plant & Equipment	96,224	60,165	-	-	(23,387)	133,002
Information and Communication	40,708	15,535	-	-	(11,437)	44,805
Library Resources	25,518	3,729	-	-	(3,268)	25,979
Balance at 31 December 2015	\$427,672	\$79,428	-	-	\$(48,701)	\$458,399

2015	Cost or Valuation	Accumulated Depreciation	Net Book Value
Plant & Machinery	720,029	587,027	133,002
Buildings	408,381	153,768	254,613
Library Resources	93,833	67,854	25,979
ICT Equipment	421,469	376,664	44,805
Leased Assets	-	-	-
Balance at 31 December 2015	\$1,643,713	\$1,185,314	\$458,399

14 ACCOUNTS PAYABLE	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Operating Creditors	139,235	125,052	52,055
Employee Benefits Payable - Salaries	96,807	96,807	139,179
Employee Benefits Payable - Leave Accrual	10,911	-	20,551
	\$246,953	\$221,859	\$211,785
Payables for Exchange Transactions	246,953	221,859	211,785
	\$246,953	\$221,859	\$211,785

The carrying value of payables approximates their fair value.

15 REVENUE RECEIVED IN ADVANCE	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Income Received in Advance	1,440	-	5,627

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

16	PROVISION FOR CYCLICAL MAINTENANCE	2016	2016	2015
		Actual	Budget (Unaudited)	Actual
		\$	\$	\$
	Provision at Start of the Year	117,907	146,730	94,567
	Increase to the Provision During the Year	28,823	-	23,340
	Provision at the end of the Year	146,730	146,730	117,907
	Cyclical Maintenance - Term	146,730	146,730	117,907
		\$146,730	\$146,730	\$117,907
17	PAINTING CONTRACT LIABILITY	2016	2016	2015
		Actual	Budget (Unaudited)	Actual
	Current Liability	18,395	18,395	18,395
	Non Current Liability	4,797	4,797	17,759
		\$23,192	\$23,192	\$36,154

The Board has an agreement with Programmed Maintenance Services (NZ) Ltd (the contractor) for an agreed programmed work to cover a ten to fourteen year period. The program provides for interior and exterior repair and maintenance of the ministry owned buildings.

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 date. The liability has not been adjusted for inflation and the effect of the time value of money.

18	FINANCE LEASE LIABILITY	2016	2016	2015
		Actual	Budget (Unaudited)	Actual
	The school has entered into finance lease agreements as follows:			
	Not later than one year	39,738	20,000	-
	Later than one year and not later than five years	46,791	27,000	-
		86,530	47,000	-
	Current Liability	39,738	20,000	-
	Non Current Liability	46,791	27,000	-
		\$86,530	\$47,000	-

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

FUNDS HELD FOR CAPITAL WORKS PROJECTS

19

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

	2016	Opening	Receipts from MOE	Payments	Closing Balance
GSE Ablution Block	In Progress	-	119,483	64,838	54,646
Rooms 15/16 MLE Upgrade	In Progress	(3,360)	195,640	206,009	(13,729)
Siteworks Drainage	In Progress	-	11,979	4,967	7,012
		<u>\$(3,360)</u>	<u>\$327,102</u>	<u>\$275,813</u>	<u>\$47,929</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	61,658
Funds Due from the Ministry of Education	(13,729)
	<u>\$47,929</u>

	2015	Opening	Receipts from MOE	Payments	Closing Balance
A Block Carpet Corridor	Completed	(1,951)	39,313	37,362	-
Hall & E Block Reroof	Completed	-	48,207	48,207	-
Rooms 15/16 MLE Upgrade	In Progress	-	-	3,360	(3,360)
		<u>\$(1,951)</u>	<u>\$87,520</u>	<u>\$88,929</u>	<u>\$(3,360)</u>

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.

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

21 REMUNERATION

Key Management Personnel Compensation

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

	2016	2015
Board of Trustee and Committee Members		
Remuneration	2,930	1,765
Full-time equivalent members	0.13	0.13
Leadership Team		
Remuneration	220,430	230,273
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	\$223,360	\$232,038
Total full-time equivalent personnel	2.13	2.13

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:

	2016	2015
	Actual	Actual
	\$000	\$000
Salary & Payments	110 - 120	120 - 130
Benefits and other emoluments	0 - 10	
Termination Benefits		

TE AWAMUTU PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

24	COMMITMENTS	2016	2015
	Operating Lease Commitments		
	No later than One Year	37,827	104,000
	Later than One Year and No Later than Five Years	59	127,907
		<u>\$37,886</u>	<u>\$231,907</u>

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

- (a) operating lease for Laptops
- (b) operating lease for Tablets
- (c) operating lease for Photocopiers

Capital Commitments

As at 31 December 2016 the Board has entered into contract agreements for capital works as follows:

- (a) Contract to Upgrade GSE Ablution Block which will be funded by the Ministry of Education. \$119,483 has been received of which \$64,838 has been spent to date.
- (b) Contract to upgrade Rooms 15/16 which will be funded by the Ministry of Education. \$195,640 has been received to date with costs totalling \$209,369.
- (c) Contract to complete siteworks drainage which will be funded by the Ministry of Education. \$11,979 has been received of which \$4,967 has been spent to date.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016****26 FINANCIAL INSTRUMENTS**

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

Cash & Receivables

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Cash and Cash Equivalents	363,687	243,710	310,908
Receivables	140,067	108,857	149,115
Investments - Term Deposits	121,376	121,000	116,788
Total Cash and Receivables	<u>\$625,129</u>	<u>\$473,567</u>	<u>\$576,811</u>

Financial Liabilities measured at amortised cost

Payables	246,953	221,859	211,785
Borrowings - Loans	-	-	-
Finance Leases	86,530	47,000	-
Total Financial Liabilities Measured at Amortised Cost	<u>\$333,482</u>	<u>\$268,859</u>	<u>\$211,785</u>

27 EVENTS AFTER BALANCE DATE

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

28 BEFORE AND AFTER SCHOOL CARE PROGRAMME

The school provides a care programme for children outside normal school hours. The income and expenses for this programme are included in the Statement of Comprehensive Income and Notes.

Details of this programme are as follows:

	2016	2015
Income from Parents	158,122	149,377
MSD Funding	26,600	37,475
Operating Expenses	<u>(129,395)</u>	<u>(132,502)</u>
	<u>\$55,327</u>	<u>\$54,350</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

29 BREACH OF LEGISLATION - BORROWING

The Board of Trustees is allowed to borrow funds to the extent that their repayments in any financial year do not exceed 10% of the schools operations grant. The reclassification of Teacher's Laptop leases as finance leases and the resulting liability has resulted in the school having borrowings above this limit, which is a breach of Regulation 12 of the Crown Entities (Financial Powers) Regulations 2005.

TE AWAMUTU PRIMARY SCHOOL

Members of the Board of Trustees

Name	Position	How position on Board gained	Term expires / expired
Gareth Duncan	Principal	Ex Officio	End of Term 2 2016
Craig Sanders	Parent Rep	Re-elected May 2016	May 2019
Anne Mackey	Staff Rep	Re-elected May 2013	May 2016
Debbie Scott	Parent Rep	Re-elected May 2016	May 2019
Marty Ellis	Parent Rep	Co-opted Dec 2013	May 2016
Brett Denton	Parent Rep	Elected May 2016	May 2019
Valida White	Staff Rep	Elected May 2016	May 2019
Waimihi Hotere	Parent Rep	Co-opted June 2016	May 2019
Sharon Griffiths	Deputy Principal	Ex Officio	End of Term 3 2016
Craig Pentecost	Principal	Ex Officio	