

# **Waimahia Intermediate School**

## **Financial Statements for the year ended 31 December 2017**

<b>School Address:</b>	44 Palmers Road, Manurewa
<b>School Postal Address:</b>	P O Box 88 034, Clendon Town Centre
<b>School Phone:</b>	09 266 7455
<b>School Email:</b>	<a href="mailto:christinai@waimahia.school.nz">christinai@waimahia.school.nz</a>
<b>Ministry Number:</b>	1569

# Waimahia Intermediate School

## Financial Statements

For the year ended 31 December 2017

### Index

<b>Page</b>	<b>Statement</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 10	Statement of Accounting Policies
11 - 18	Notes to the Financial Statements

**Waimahia Intermediate 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.

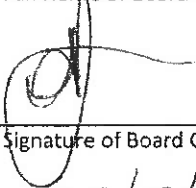
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

Alan Johnson

Full Name of Board Chairperson



Signature of Board Chairperson

26/6/2018

Date:

Melini Fasa Vaky

Full Name of Principal



Signature of Principal

26.6.18

Date:

**Waimahia Intermediate 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	2,691,862	2,109,466	2,610,276
Local Raised Funds	3	128,798	83,800	85,950
Interest Earned		7,286	3,350	3,465
		<hr/>	<hr/>	<hr/>
		2,827,946	2,196,616	2,699,691
<b>Expenses</b>				
Local Raised Funds	3	36,557	18,000	35,561
Learning Resources	4	1,404,416	1,127,658	1,459,755
Administration	5	179,956	176,150	208,511
Property	6	1,118,338	779,930	829,387
Depreciation	7	76,547	78,000	91,618
Loss on Uncollectable Accounts Receivable		-	-	7,321
		<hr/>	<hr/>	<hr/>
		2,815,814	2,179,738	2,632,153
<b>Net Surplus / (Deficit)</b>		12,132	16,878	67,538
Other Comprehensive Revenue and Expenses		-	-	-
		<hr/>	<hr/>	<hr/>
<b>Total Comprehensive Revenue and Expense for the Year</b>		12,132	16,878	67,538

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



**Waimahia Intermediate School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Balance at 1 January</b>	750,482	(16,878)	674,939
Total comprehensive revenue and expense for the year	12,132	16,878	67,538
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	10,493	-	8,005
<b>Equity at 31 December</b>	<b>773,107</b>	<b>-</b>	<b>750,482</b>
Retained Earnings	773,107	-	750,482
<b>Equity at 31 December</b>	<b>773,107</b>	<b>-</b>	<b>750,482</b>

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



**Waimahia Intermediate 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	8	148,100	-	526,064
Accounts Receivable	9	84,381	-	140,760
Prepayments		915	-	2,440
Inventories	10	9,995	-	11,743
		<u>243,391</u>	<u>-</u>	<u>681,007</u>
<b>Current Liabilities</b>				
GST Payable		(18,040)	-	28,902
Accounts Payable	13	166,777	-	219,107
Revenue Received in Advance	14	18,000	-	-
Provision for Cyclical Maintenance	15	99,172	-	52,306
Funds Held for Capital Works Projects	16	(33,870)	-	321,856
		<u>232,039</u>	<u>-</u>	<u>622,171</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>11,352</b>	<b>-</b>	<b>58,836</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	741,801	-	767,896
Capital Works in Progress	12	37,554	-	-
		<u>779,355</u>	<u>-</u>	<u>767,896</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	17,600	-	76,250
		<u>17,600</u>	<u>-</u>	<u>76,250</u>
<b>Net Assets</b>		<u><u>773,107</u></u>	<u><u>-</u></u>	<u><u>750,482</u></u>
<b>Equity</b>		<u><u>773,107</u></u>	<u><u>-</u></u>	<u><u>750,482</u></u>

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



**Waimahia Intermediate School**  
**Statement of Cash Flows**

For the year ended 31 December 2017

	2017	2017	2016
Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	728,707	623,220	599,693
Locally Raised Funds	122,607	93,800	83,684
Goods and Services Tax (net)	(46,943)	(30,000)	33,103
Payments to Employees	(326,378)	(279,300)	(231,859)
Payments to Suppliers	(430,441)	(604,248)	(334,052)
Interest Received	7,723	3,350	3,080
Net cash from / (to) the Operating Activities	55,275	(193,178)	153,649
<b>Cash flows from Investing Activities</b>			
Purchase of PPE (and Intangibles)	(88,006)	759,934	(26,580)
Net cash from / (to) the Investing Activities	(88,006)	759,934	(26,580)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	10,493	-	8,005
Funds Administered on Behalf of Third Parties	-	-	321,856
Funds Held for Capital Works Projects	(355,726)	(315,000)	-
Net cash from / (to) Financing Activities	(345,233)	(315,000)	329,861
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(377,964)</b>	<b>251,756</b>	<b>456,930</b>
Cash and cash equivalents at the beginning of the year	8 526,064	(251,756)	69,134
<b>Cash and cash equivalents at the end of the year</b>	<b>8 148,100</b>	<b>-</b>	<b>526,064</b>

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.



# Waimahia Intermediate School

## Notes to the Financial Statements

For the year ended 31 December 2017

### 1. Statement of Accounting Policies

#### Reporting Entity

Waimahia Intermediate 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 11.





## Waimahia Intermediate 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. The school has no finance leases.

#### *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.



## Waimahia Intermediate 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 \$200 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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



## Waimahia Intermediate 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 – Crown	50 years
Buildings - School	50 years
Furniture and equipment	5-10 years
Information and communication technology	4-5 years
Textbooks	10 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, 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.



## Waimahia Intermediate 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 Kiwi Grant received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of Kiwi Grant 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 and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

### **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.

## 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	560,948	568,220	578,515
Teachers' salaries grants	1,107,251	911,258	1,266,217
Use of Land and Buildings grants	926,722	614,988	673,548
Other MoE Grants	90,436	15,000	88,284
Transport grants	6,505	-	3,712
	<u>2,691,862</u>	<u>2,109,466</u>	<u>2,610,276</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	67,045	36,000	29,702
Fundraising	5,926	2,500	4,089
Trading	21,948	19,800	16,613
Activities	33,879	25,500	35,546
	<u>128,798</u>	<u>83,800</u>	<u>85,950</u>
<b>Expenses</b>			
Activities	9,084	3,500	8,873
Trading	23,367	13,000	23,400
Fundraising (costs of raising funds)	4,106	1,500	3,288
	<u>36,557</u>	<u>18,000</u>	<u>35,561</u>
	<u>92,241</u>	<u>65,800</u>	<u>50,389</u>

Surplus for the year Locally Raised Funds

### 4 Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	35,662	35,800	38,739
Equipment repairs	21,060	20,000	20,338
Information and communication technology	1,385	1,000	4,375
Extra-curricular activities	52,558	59,100	62,518
Employee benefits - salaries	1,280,974	998,758	1,327,587
Staff development	12,777	13,000	6,198
	<u>1,404,416</u>	<u>1,127,658</u>	<u>1,459,755</u>



Waimahia Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

5 Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	5,158	6,000	5,231
Board of Trustees Fees	5,610	5,500	6,620
Board of Trustees Expenses	7,706	6,150	11,292
Communication	6,717	6,000	6,546
Consumables	12,108	14,000	16,372
Postage	239	500	377
Other	21,205	20,600	25,510
Employee Benefits - Salaries	110,843	109,200	126,931
Insurance	3,825	2,200	4,268
Service Providers, Contractors and Consultancy	6,545	6,000	5,364
	<u>179,956</u>	<u>176,150</u>	<u>208,511</u>

6 Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	14,029	9,000	9,272
Consultancy and Contract Services	40,696	43,000	45,165
Cyclical Maintenance Provision	18,928	10,000	(419)
Grounds	10,462	8,150	10,082
Heat, Light and Water	30,669	33,500	35,430
Repairs and Maintenance	28,843	18,692	14,678
Use of Land and Buildings	926,722	614,988	673,548
Security	5,426	5,000	4,878
Employee Benefits - Salaries	42,563	37,600	36,753
	<u>1,118,338</u>	<u>779,930</u>	<u>829,387</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.

7 Depreciation of Property, Plant and Equipment

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Buildings - School	13,122	78,000	13,122
Furniture and Equipment	33,266	-	44,191
Information and Communication Technology	27,860	-	31,859
Textbooks	819	-	818
Library Resources	1,480	-	1,628
	<u>76,547</u>	<u>78,000</u>	<u>91,618</u>



Waimahia Intermediate School

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

For the year ended 31 December 2017

**8 Cash and Cash Equivalents**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Bank Current Account	122,374	-	68,701
Bank Call Account	25,726	-	107,363
Short-term Bank Deposits	-	-	350,000
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>148,100</u>	<u>-</u>	<u>526,064</u>

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

**9 Accounts Receivable**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	34,807	-	10,616
Interest Receivable	-	-	437
Bank Staffing Underuse	-	-	70,818
Teacher Salaries Grant Receivable	49,574	-	58,889
	<u>84,381</u>	<u>-</u>	<u>140,760</u>
Receivables from Exchange Transactions	34,807	-	11,053
Receivables from Non-Exchange Transactions	49,574	-	129,707
	<u>84,381</u>	<u>-</u>	<u>140,760</u>

**10 Inventories**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	200	-	745
School Uniforms	9,795	-	10,998
	<u>9,995</u>	<u>-</u>	<u>11,743</u>



Waimahia Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

11 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	549,506	-	-	-	(13,122)	536,384
Furniture and equipment	139,085	14,171	-	-	(33,266)	119,990
Information and communication technology	61,179	35,837	-	-	(27,860)	69,156
Textbooks	6,729	-	-	-	(819)	5,910
Library resources	11,397	444	-	-	(1,480)	10,361
<b>Balance at 31 December 2017</b>	<b>767,896</b>	<b>50,452</b>	<b>-</b>	<b>-</b>	<b>(76,547)</b>	<b>741,801</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	656,092	(119,708)	536,384
Furniture and equipment	911,637	(791,647)	119,990
Information and communication technology	644,238	(575,082)	69,156
Textbooks	24,400	(18,490)	5,910
Library resources	72,729	(62,368)	10,361
<b>Balance at 31 December 2017</b>	<b>2,309,096</b>	<b>(1,567,295)</b>	<b>741,801</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Buildings	562,628	-	-	-	(13,122)	549,506
Furniture and equipment	181,765	1,511	-	-	(44,191)	139,085
Information and communication technology	67,969	25,069	-	-	(31,859)	61,179
Textbooks	7,547	-	-	-	(818)	6,729
Library resources	13,025	-	-	-	(1,628)	11,397
<b>Balance at 31 December 2016</b>	<b>832,934</b>	<b>26,580</b>	<b>-</b>	<b>-</b>	<b>(91,618)</b>	<b>767,896</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Buildings	656,092	(106,586)	549,506
Furniture and equipment	897,465	(758,380)	139,085
Information and communication technology	608,402	(547,223)	61,179
Textbooks	24,400	(17,671)	6,729
Library resources	72,285	(60,888)	11,397
<b>Balance at 31 December 2016</b>	<b>2,258,644</b>	<b>(1,490,748)</b>	<b>767,896</b>





**Waimahia Intermediate School**

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

For the year ended 31 December 2017

**12 Capital Works In Progress**

Costs incurred to date on Block 2 Accessible Toilet

2017	2017	2016
Actual	Budget	Actual
\$	(Unaudited)	\$
37,554	-	-
<u>37,554</u>	<u>-</u>	<u>-</u>

**13 Accounts Payable**

Operating creditors  
Accruals  
Employee Entitlements - salaries  
Employee Entitlements - leave accrual

2017	2017	2016
Actual	Budget	Actual
\$	(Unaudited)	\$
105,161	-	148,909
10,389	-	10,406
50,416	-	58,889
811	-	903
<u>166,777</u>	<u>-</u>	<u>219,107</u>
166,777	-	219,107
<u>166,777</u>	<u>-</u>	<u>219,107</u>

Payables for Exchange Transactions

The carrying value of payables approximates their fair value.

**14 Revenue Received in Advance**

Other

2017	2017	2016
Actual	Budget	Actual
\$	(Unaudited)	\$
18,000	-	-
<u>18,000</u>	<u>-</u>	<u>-</u>

**15 Provision for Cyclical Maintenance**

Provision at the Start of the Year  
Increase to the Provision During the Year  
Use of the Provision During the Year  
Provision at the End of the Year

2017	2017	2016
Actual	Budget	Actual
\$	(Unaudited)	\$
128,556	128,556	128,975
18,928	10,000	(419)
(30,712)	(138,556)	-
<u>116,772</u>	<u>-</u>	<u>128,556</u>
99,172	-	52,306
17,600	-	76,250
<u>116,772</u>	<u>-</u>	<u>128,556</u>

Cyclical Maintenance - Current  
Cyclical Maintenance - Term



## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 16 Funds Held for Capital Works Projects

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

				BOT Contribution/ (Write-off to R&M)	
	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Block 1	<i>in progress</i>	83,262	-	98,958	(15,696)
Block 2	<i>in progress</i>	88,875	-	101,079	(12,204)
Block 3	<i>in progress</i>	88,359	-	99,848	(11,489)
Toilets	<i>in progress</i>	61,360	-	61,241	119
5YPP	<i>in progress</i>	-	5,400	-	5,400
Totals		<u>321,856</u>	<u>5,400</u>	<u>361,126</u>	<u>(33,870)</u>

**Represented by:**

Funds Held on Behalf of the Ministry of Education	<u>(33,870)</u>
	<u>(33,870)</u>

				BOT Contribution/ (Write-off to R&M)	
	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Block 1	<i>in progress</i>	-	89,249	5,987	83,262
Block 2	<i>in progress</i>	-	92,698	3,823	88,875
Block 3	<i>in progress</i>	-	92,161	3,802	88,359
Toilets	<i>in progress</i>	-	64,037	2,677	61,360
Totals		<u>-</u>	<u>338,145</u>	<u>16,289</u>	<u>321,856</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.



Waimahia Intermediate School

Notes to the Financial Statements (cont.)

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 Principals and Heads of Departments.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	5,610	6,620
Full-time equivalent members	-	-
<i>Leadership Team</i>		
Remuneration	217,665	173,671
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	223,275	180,291
Total full-time equivalent personnel	3.00	3.00

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

*Principal*

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Principal 1		
Salary and Other Payments	120-130	40-50
Benefits and Other Emoluments	-	0-5
Termination Benefits	-	-
Principal 2		
Salary and Other Payments	-	90-100
Benefits and Other Emoluments	-	0-5
Termination Benefits	-	-
Principal 3		
Salary and Other Payments	-	30-40
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

*Other Employees*

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

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

**19 Compensation and Other Benefits Upon Leaving**

There were no compensation or other benefits paid or payable to persons upon leaving.

**20 Contingencies**

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

(Contingent liabilities and assets as at 31 December 2016: nil)



Waimahia Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

21 Commitments

(a) Capital Commitments

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(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 on computer equipment

No later than One Year

	2017 Actual \$	2016 Actual \$
	-	152
	-	152

22 Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but "attempts" to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

23 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Loans and Receivables</b>			
Cash and Cash Equivalents	148,100	-	526,064
Receivables	84,381	-	140,760
Total Loans and Receivables	<u>232,481</u>	<u>-</u>	<u>666,824</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	166,777	-	219,107
Total Financial Liabilities Measured at Amortised Cost	<u>166,777</u>	<u>-</u>	<u>219,107</u>

24 Events After Balance Date

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

25 Failure to comply with section 87 of the Education Act 1989

The Board of Trustees has failed to comply with section 87C(1) of the Education Act 1989 in that the Board did not report by 31 May 2018, the date fixed by the Minister of Education, by which schools were required to have sent their financial statements to the Ministry of Education.



**JOLLY DUNCAN & WELLS**  
CHARTERED ACCOUNTANTS | BUSINESS ADVISORS  
INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF WAIMAHIA INTERMEDIATE SCHOOL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Waimahia Intermediate School (the School). The Auditor-General has appointed me, Brian Sheridan, using the staff and resources of Jolly Duncan & Wells, to carry out the audit of the financial statements of the School on his behalf.

**Opinion**

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 4 July 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 for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of the Board of Trustees for the financial statements**

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

**Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Statement of Responsibility, the List of Trustees and the Kiwisport Note, which form part of the Annual Report, 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.



Brian Sheridan  
**JOLLY DUNCAN & WELLS**  
On behalf of the Auditor-General  
Auckland, New Zealand

## Waimahia Intermediate School Members of the Board of Trustess

<b>Name</b>	<b>Position</b>	<b>How Position on Board Gained</b>	<b>Occupation</b>	<b>Term Expires</b>
Melini Fasavalu	Principal	Appointed October 2016		
Alan Johnson	Chairperson	Co-opted	Policy Analyst	June 2019
Thomas Irvine	Board Member	Co-opted	Manager	June 2019
Dale Williams	Board Member	Elected 2016		July 2019
Melesala Malesala	Board Member	Elected 2016	NZ Police	July 2019
Sago Broughton	Deputy Chair	Re elected 2016		July 2019
Tania Ratana	Secretary	Re elected 2016	Social Worker	July 2019
Denise Enuu	Staff Rep	Elected 2016		June 2019
Malcolm Sinclair	Treasurer	Elected 2016	General Manager	June 2019