

TANGOWAHINE SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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Ministry Number: 1105

TANGOWAHINE SCHOOL

Financial Statements - For the year ended 31 December 2017

Index

Page	Statement
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 - 11	Statement of Accounting Policies
12 - 19	Notes to the Financial Statements

Tangowahine 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.

Juanita Long
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

16-5-18
Date:

Wayne Steele
Full Name of Principal

[Signature]
Signature of Principal

16-5-18
Date:

Tangowahine School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	401,950	311,500	376,935
Locally Raised Funds	3	22,750	22,800	29,596
Interest Earned		2,617	3,000	3,426
		<hr/>	<hr/>	<hr/>
		427,317	337,300	409,957
Expenses				
Locally Raised Funds	3	12,977	7,400	20,800
Learning Resources	4	259,676	225,993	243,433
Administration	5	33,144	33,865	33,472
Finance Costs		235	235	429
Property	6	115,154	67,587	104,487
Depreciation	7	15,713	16,183	16,204
Loss on Uncollectable Accounts Receivable		-	-	117
		<hr/>	<hr/>	<hr/>
		436,899	351,263	418,942
Net Surplus / (Deficit)		(9,582)	(13,963)	(8,985)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/>	<hr/>	<hr/>
		(9,582)	(13,963)	(8,985)

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



Tangowahine School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	253,279	253,279	261,993
Total comprehensive revenue and expense for the year	(9,582)	(13,963)	(8,985)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	271
Equity at 31 December	243,697	239,316	253,279
 Retained Earnings	243,697	239,316	253,279
Equity at 31 December	243,697	239,316	253,279

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



Tangowahine School
Statement of Financial Position
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	8	21,184	55,113	60,745
Accounts Receivable	9	16,269	19,012	11,668
Prepayments		704	1,586	1,463
Inventories	10	2,942	1,846	1,260
Investments	11	70,000	50,922	60,000
		<u>111,099</u>	<u>128,479</u>	<u>135,136</u>
Current Liabilities				
GST Payable		5,457	5,353	2,093
Accounts Payable	13	19,942	21,963	38,121
Provision for Cyclical Maintenance	14	1,833	-	1,818
Finance Lease Liability - Current Portion	15	1,542	880	2,151
Funds held for Capital Works Projects	16	-	-	345
		<u>28,774</u>	<u>28,196</u>	<u>44,528</u>
Working Capital Surplus/(Deficit)		82,325	100,283	90,608
Non-current Assets				
Property, Plant and Equipment	12	174,100	153,961	173,335
		<u>174,100</u>	<u>153,961</u>	<u>173,335</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	12,728	14,928	9,122
Finance Lease Liability	15	-	-	1,542
		<u>12,728</u>	<u>14,928</u>	<u>10,664</u>
Net Assets		<u>243,697</u>	<u>239,316</u>	<u>253,279</u>
Equity		<u>243,697</u>	<u>239,316</u>	<u>253,279</u>

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



Tangowahine School
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		101,976	81,326	107,415
Locally Raised Funds		23,910	19,800	30,022
Goods and Services Tax (net)		3,364	-	(3,260)
Payments to Employees		(50,888)	(44,500)	(61,821)
Payments to Suppliers		(73,988)	(92,037)	(8,787)
Interest Paid		(235)	(235)	(429)
Interest Received		2,668	3,000	2,846
Net cash from / (to) the Operating Activities		6,807	(32,646)	65,986
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(16,479)	-	(3,945)
Purchase of Investments		(40,000)	-	(60,000)
Proceeds from Sale of Investments		30,000	-	-
Net cash from / (to) the Investing Activities		(26,479)	-	(63,945)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	271
Finance Lease Payments		(2,386)	(2,385)	(2,386)
Funds Held for Capital Works Projects		(17,503)	-	17,503
Net cash from Financing Activities		(19,889)	(2,385)	15,388
Net increase/(decrease) in cash and cash equivalents		(39,561)	(35,031)	17,429
Cash and cash equivalents at the beginning of the year	8	60,745	90,144	43,316
Cash and cash equivalents at the end of the year	8	21,184	55,113	60,745

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 excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.



Tangowahine School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Tangowahine 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 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 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 15.

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.

c) Revenue Recognition

Government Grants

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

Operational grants are recorded as revenue when the School has the rights to the funding, which is 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.

d) 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.



e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. 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.

i) 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.

j) 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 section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

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

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 \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.



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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication	4 years
Leased Assets	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.



n) 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.

o) 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.

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

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants 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 unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) 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.

u) Borrowings

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

v) 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.

w) Budget Figures

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

x) 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.



2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	83,954	76,326	80,180
Teachers' salaries grants	211,313	186,593	185,407
Use of Land and Buildings grants	86,696	43,581	83,551
Resource teachers learning and behaviour grants	1,912	-	721
Other MoE Grants	17,775	5,000	3,225
Other government grants	300	-	23,851
	<u>401,950</u>	<u>311,500</u>	<u>376,935</u>

3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
Donations	(300)	1,000	5,242
Fundraising	4,084	8,000	4,420
Other revenue	12,600	11,000	7,448
Trading	2,336	800	1,317
Activities	4,030	2,000	11,169
	<u>22,750</u>	<u>22,800</u>	<u>29,596</u>
Expenses			
Activities	2,961	3,000	12,514
Trading	1,452	800	2,321
Fundraising (costs of raising funds)	1,553	-	466
Other Locally Raised Funds Expenditure	7,011	3,600	5,499
	<u>12,977</u>	<u>7,400</u>	<u>20,800</u>
<i>Surplus for the year Locally raised funds</i>	<u>9,773</u>	<u>15,400</u>	<u>8,796</u>

4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	9,860	7,800	7,419
Library resources	279	350	383
Employee benefits - salaries	244,312	209,593	230,997
Staff development	2,951	6,250	2,593
R&m & Purchases <\$1,000	2,274	2,000	2,041
	<u>259,676</u>	<u>225,993</u>	<u>243,433</u>



5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,420	3,420	3,370
Board of Trustees Fees	2,010	2,800	2,855
Board of Trustees Expenses	529	1,300	671
Communication	1,202	1,650	1,303
Consumables	2,773	2,500	3,260
Operating Lease	562	-	562
Other	2,870	3,635	4,659
Employee Benefits - Salaries	14,686	13,000	11,727
Insurance	292	260	265
Service Providers, Contractors and Consultancy	4,800	5,300	4,800
	<u>33,144</u>	<u>33,865</u>	<u>33,472</u>

6. Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	1,303	1,500	2,291
Cyclical Maintenance Expense	3,621	3,806	3,623
Grounds	14,057	3,700	4,762
Heat, Light and Water	3,719	4,000	3,316
Repairs and Maintenance	1,431	2,500	2,440
Use of Land and Buildings	86,696	43,581	83,551
Employee Benefits - Salaries	4,327	8,500	4,504
	<u>115,154</u>	<u>67,587</u>	<u>104,487</u>

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

7. Depreciation

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Buildings	3,228	3,216	3,220
Building Improvements	870	869	870
Furniture and Equipment	9,372	7,872	7,883
Information and Communication Technology	388	2,306	2,309
Leased Assets	1,592	1,590	1,592
Library Resources	263	330	330
	<u>15,713</u>	<u>16,183</u>	<u>16,204</u>



8. Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
ASB Main Bank Account	12,879	55,113	16,944
ASB 50 Account	3,993	-	11,963
ASB 02 Rent Account	4,312	-	-
Short-term Bank Deposits	-	-	31,838
Cash equivalents and bank overdraft for Cash Flow Statement	21,184	55,113	60,745

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	82	1,918	1,428
Receivables from the Ministry of Education	427	-	-
Interest Receivable	845	316	896
Teacher Salaries Grant Receivable	14,915	16,778	9,344
	16,269	19,012	11,668
Receivables from Exchange Transactions	1,354	2,234	2,324
Receivables from Non-Exchange Transactions	14,915	16,778	9,344
	16,269	19,012	11,668

10. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	715	339	1,110
Uniforms	2,227	1,507	150
	2,942	1,846	1,260

11. Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	70,000	50,922	60,000



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land	8,000	-	-	-	-	8,000
Buildings	74,193	1,258	-	-	(3,228)	72,223
Building Improvements	31,568	-	-	-	(870)	30,698
Furniture and Equipment	54,742	11,226	-	-	(9,372)	56,595
Information and Communication Tech	90	3,995	-	-	(388)	3,697
Leased Assets	4,260	-	-	-	(1,592)	2,668
Library Resources	482	-	-	-	(263)	219
Balance at 31 December 2017	173,335	16,479	-	-	(15,713)	174,100

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	8,000	-	8,000
Buildings	109,133	(36,910)	72,223
Building Improvements	34,820	(4,122)	30,698
Furniture and Equipment	141,468	(84,873)	56,595
Information and Communication	58,509	(54,812)	3,697
Leased Assets	7,958	(5,290)	2,668
Library Resources	18,285	(18,066)	219
Balance at 31 December 2017	378,173	(204,073)	174,100

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Land	8,000	-	-	-	-	8,000
Buildings	77,413	-	-	-	(3,220)	74,193
Building Improvements	32,437	-	-	-	(870)	31,567
Furniture and Equipment	58,680	3,945	-	-	(7,883)	54,742
Information and Communication Technology	2,400	-	-	-	(2,309)	91
Leased Assets	5,852	-	-	-	(1,592)	4,260
Library Resources	812	-	-	-	(330)	482
Balance at 31 December 2016	185,594	3,945	-	-	(16,204)	173,335

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Land	8,000	-	8,000
Buildings	107,875	(33,682)	74,193
Building Improvements	34,820	(3,253)	31,567
Furniture and Equipment	130,243	(75,501)	54,742
Information and Communication	54,514	(54,423)	91
Leased Assets	7,958	(3,698)	4,260
Library Resources	18,285	(17,803)	482
Balance at 31 December 2016	361,695	(188,360)	173,335



13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	1,222	5,185	24,901
Accruals	3,420	-	3,876
Employee Entitlements - salaries	14,915	16,778	9,344
Employee Entitlements - leave accrual	385	-	-
	<u>19,942</u>	<u>21,963</u>	<u>38,121</u>
Payables for Exchange Transactions	19,942	21,963	38,121
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>19,942</u>	<u>21,963</u>	<u>38,121</u>

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	10,940	13,122	7,317
Increase to the Provision During the Year	3,621	3,806	3,623
Use of the Provision During the Year	-	(2,000)	-
Provision at the End of the Year	<u>14,561</u>	<u>14,928</u>	<u>10,940</u>
Cyclical Maintenance - Current	1,833	-	1,818
Cyclical Maintenance - Term	12,728	14,928	9,122
	<u>14,561</u>	<u>14,928</u>	<u>10,940</u>

15. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	1,591	880	2,386
Later than One Year and no Later than Five Years	-	-	1,591
Future finance charges	(49)	-	(284)
	<u>1,542</u>	<u>880</u>	<u>3,693</u>



16. Funds Held (Owed) for Capital Works Projects

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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Junior Toilet Block	<i>completed</i>	345	5,860	6,205	-	-
Totals		345	5,860	6,205	-	-

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

-

-

-

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Junior Toilet Block	<i>in progress</i>	-	53,638	53,293	-	345
Totals		-	53,638	53,293	-	345

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.



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	2,010	2,855
Full-time equivalent members	0.03	0.05
<i>Leadership Team</i>		
Remuneration	97,028	85,407
Full-time equivalent members	1.00	1.05
Total key management personnel remuneration	99,038	88,262
Total full-time equivalent personnel	1.03	1.10

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

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90 - 100	80 - 90
Benefits and Other Emoluments	2 - 3	2 - 3
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	-	-
	0.00	0.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2017 Actual	2016 Actual
Total	-	-
Number of People	-	-

20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).



21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2017 (Capital commitments at 31 December 2016: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2017 (Operating commitments at 31 December 2016: nil).

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:

Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	21,184	55,113	60,745
Receivables	16,269	19,012	11,668
Investments - Term Deposits	70,000	50,922	60,000
Total Loans and Receivables	107,453	125,047	132,413

Financial liabilities measured at amortised cost

Payables	19,942	21,963	38,121
Borrowings - Loans	-	-	-
Finance Leases	1,542	880	3,693
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	21,484	22,843	41,814

24. Events After Balance Date

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

25. Comparative Figures

Some figures have been restated to ensure compliance with the Ministry of Education's Kiwi Park School model financial statements. This change does not materially alter the financial statements.



**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
TANGOWAHINE SCHOOL'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The Auditor-General is the auditor of Tangowahine School (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, 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 19, 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 with Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 22 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 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 Analysis of Variance, the Kiwi Sport Statement, the List of Trustees and Statement of Responsibility 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.



Steve Bennett
BENNETT & ASSOCIATES
On behalf of the Auditor-General
Whangarei, New Zealand



Tangowahine School

36 Tangowahine Valley Road, RD 2, Dargaville 0372

Phone: 09 4397032 Email: office@tw.s.school.nz



Members of the Board of Trustees For the year ended 31 December 2017 Updated 01/08/17

Name	Position	Position Gained	Occupation	Term Expires
Amanda Ball	Staff Rep	November 2014	Teacher	
Janine Parsons	Parent Representative	27 May 2016	Lactation Consultant	21/02/17
Janine Parsons	Chairperson	21Feb 2017	Lactation Consultant	02/06/17
Wayne Steele	Principal	November 2014	School Principal	
Prudence Kena	Parent Representative	27 May 2016	Assistant	
Richard Amoroa	Parent Representative	03 April 2017	Teacher DHS	
Juanita Long	Financial Overseer	15 May 2017	Farmer	13/06/17
Juanita Long	Chairperson	13 June 2017	Farmer	

Kiwi Sport Funding Report for 2018

Tangowahine School received \$454.42 from the MOE as Kiwi Sport funding. Over 2016 the school engaged in various activities to promote physical activity and involvement in sport.

Term 1	Term 2	Term 3	Term 4
Swimsafe – Have a go day		Cross-Country	Athletics

Tangowahine School spent \$300 on sports and activities that included transport to venues, pool entry and sports equipment.

School name: Tangowahine School	School number: 1105
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Focus: Give priority to student achievement in literacy and numeracy

Strategic Aim: Priority 1

Annual Aim: Improve achievement in reading, writing and numeracy with a focus on achievement relative to the National Standards
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Target: To accelerate all students in years 2-8 so that 100% of the junior and senior school are achieving at or above expectation against the Reading National Standard. Those that are already achieving that to progress at least 1 Chronological year.

Baseline data: All Reading Data				
	Well Below	Below	At	Above
2017 (/24)	1(4.2)	1(4.2)	15(63%)	7(29.2)
2016 (/29)	2 (6.9%)	1 (3.5%)	13 (44.8%)	13 (44.8%)
2015 (26/30)		4 (15.4%)	12 (46.1%)	10 (38.5%)
2014 (/19)	1 (5.6%)	1 (5.6%)	10 (55.6%)	6 (33.3%)

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>Targeted students who were below NS and accelerated them through a Reading Mileage program.</p> <p>Carried out regular testing to monitor progress and adjust implementation of plan.</p>	<p>Most students that began the school year have progressed at least one complete year.</p> <p>A number of students enrolled part way through the year. 2 of these students came with a low achievement levels. This shows through the data.</p> <p>The student that is Well Below is receiving support from RTLB as well as extra T.Aide time.</p>	<p>Excellent planning, resourcing of Teacher Aid time and small class sizes have enabled us to have a one-to-one programme with students who were failing. This was successful in the reading programme.</p> <p>A focused effort on reading to learn in the senior class gives more meaning to the importance of reading.</p> <p>A reading Recovery trained teacher in the</p>	<p>Keep the staffing and reading mileage programme running. Use a buddy reading programme.</p> <p>Continue with this successful programme and fine tune it to develop inference skills, building it into the inquiry programme.</p> <p>School wide programme – STEPS, RTLB will implement this programme.</p>

		<p>junior class also supported great progress.</p> <p>Students enrolling into school throughout the year, come with a range of achievement levels.</p>	
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Planning for next year:

- Continue to resource this area of need
- Continue to complete needs analysis on target students
- Use T.Aide for targeted students to carry out a reading mileage programme.
- **Invest in the STEPS programme to support the literacy curriculum.**
- Principal to complete needs analysis on targeted kids.

Target:

To accelerate students in years 4 -8 so that 100% have reached at or above the National Standard in writing.

Baseline data: All Writing Data

	Well Below	Below	At	Above
2017(15)	2(13%)	8(53%)	3(20%)	2(13%)
2016 (/29)	3 (10.3%)	10 (34.5%)	13 (44.8%)	3 (10.3%)
2015 (26/30)	2 (7.8%)	5 (19.2%)	14 (53.8%)	5 (19.2%)
2014 (/19)	1 (5.6%)	5 (27.8%)	12 (66.7%)	

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>Targeted students who were below NS and accelerated them through planned focused programmes on individual needs</p> <p>Completed regular samples of work to re-assess priorities in their learning needs</p>	<p>Only 33% of students are at and above the NS in writing, this is not what we have expected.</p> <p>A small group of students did not progress, there are still 66% below or well below NS.</p> <p>A number of students enrolled part way through the year. These students</p>	<p>A consistency with the writing programme supported the students learning throughout the year.</p> <p>Spelling achievement results brought the writing results down.</p> <p>Writing has not been a major focus for the year.</p>	<p>Motivational tools need to be discovered and used for the students. STEM Programme will support this.</p> <p>Following a set programme that students are aware of and can self-manage. STEPS</p>

	were Below the NS when they enrolled.		Use other schools for assessment moderation purposes.
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Planning for next year:

Use the digital motivational tools available.

Make writing authentic for the students, using our inquiry as a focus point.

Use the 'Writing Book' Sheena Cameron PD in the classroom.

Use the STEM facilitator to create a plan of attack.

Principal to complete needs analysis on targeted kids.

Target:

To accelerate students in years 2-8, so that 100% of each cohort is achieving at or above expectation against the Mathematics National Standard.

Baseline data: All Mathematic Data

	Well Below	Below	At	Above
2017 (/24)	1(4.2%)	11(46.2%)	10(42%)	2(8.4%)
2016 (/29)	1 (3.5%)	11 (37.9%)	15 (51.7%)	2 (6.9%)
2015 (26/30)	1 (3.9%)	7 (26.9%)	13 (50%)	5 (19.2%)
2014 (/19)		5 (27.8%)	11 (61.1%)	2 (11.1%)

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
Targeted students who were below NS and accelerated them through planned focused programmes in small group needs. Focus on place value and basic fact knowledge	50% of students are achieving at or above the NS in mathematics. 50% of students are achieving below or well below the NS. Progress was made in Basic Facts. A number of students enrolled part way through	Low class numbers meant we were able to focus on the specific needs of individuals or small groups. Positive routines and timetabled maths were put in place to optimise the mathematics curriculum.	There still needs to be a push and focus on Place Value and Basic Facts in the junior class. PR1ME Maths. Use of authentic mathematics will make it motivational for the students.

	the year. These students were Below the NS when they enrolled.	Introducing authentic mathematics was a positive achievement. A rethink of the standards and resources we used to compare these assessments were used.	Use our knowledge of STEM to support the Mathematics Curriculum. More resources put into this curriculum.
Planning for next year: <ul style="list-style-type: none"> • Use NZCER testing analysis to plan programme in the senior school. • Find and use a resource that develops place value knowledge. – PR1ME • PLD for teachers in authentic mathematics programmes. • Use STEM facilitator to help out with ideas. • Principal to complete needs analysis on targeted kids. 			