

# **TIKOKINO SCHOOL**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address:	Owen Street Tikokino
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Ministry Number:	2704

# Tikokino School

Financial Statements - For the year ended 31 December 2017

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# Analysis of Variance 2017

## Target 1

**Strategic Aim:** All students are able to access the New Zealand Curriculum as evidenced by achievement in relation to the National Standards.

Annual Aim No 1		Led by	Resourcing	Timeframe
<p><b>Baseline Data</b></p> <p>80.8% of all students are operating at or above the National Standard in maths.</p> <p>14.9% are operating below National Standards.</p> <p>4.3 % of students are operating well below National Standards (all male).</p>	<p>All students achieving below the National Standards in mathematics will make accelerated progress towards achieving at or above the standard.</p> <p><b>Targets:</b></p> <ul style="list-style-type: none"> <li>Students operating below the National Standard in mathematics will make accelerated progress towards operating at the National Standard.</li> <li>All other students make at least one years progress.</li> </ul>	Hamish	\$1000	Term 1 - 4 Term 1 - 4 Term 1 - 4 Term 1 - 4 Term 2
<p><b>Actions to achieve targets</b></p> <p>Continue to implement our new maths programme, Prime Mathematics.</p> <p>Cater for individual students by grouping children with similar achieving students.</p> <p>Stream between classes where necessary so individual needs can be better cater for.</p> <p>Closely monitor assessment data and use it to plan next learning intentions. Target students assessed at least termly.</p> <p>Implement number knowledge books for all students.</p> <p>Maths camp for students achieving highly in mathematics and enter mathematics.</p>	<p><b>Progress</b></p> <p>There has been a significant jump in National Standard Data (93% at or above) However, much of this is to do with the students who have left and arrived at Tikokino.</p> <p>We are starting to see the benefit of PRIME Mathematics with some excellent results shown by individual students. The increase in PAT data is the best I've seen in my 10 years of teaching. We can still improve our teaching of PRIME.</p> <p>The implementation of number knowledge books can still be monitored/used better by all staff. We must continue to focus on this next year and beyond.</p> <p>Better analysis of PAT testing.(send test away to be analysed and then reports are sent back)</p> <p>Maths Camp and mathematics was a success with both our Year 7 and 8s achieving well</p>			







# Analysis of variance 2017

## Target 3

**Strategic Aim:** Encourage and nurture the student's creativity, critical thinking, problem solving, individual expression and enjoyment of learning.

Annual Aim No 3	
<p><b>Baseline Data</b></p> <p>Tikokino School is very well resourced with a range of digital devices.</p> <p>Students have the option to BYOD.</p> <p>One management unit has been used to promote ICT.</p> <p>Currently 10 ipads and 10 notebooks.</p>	<p>All students will become confident users of ICT technology to enhance their learning.</p>
<p><b>Targets:</b></p> <p>Google Docs and Teacher Dashboard will become a daily part of teaching and learning at Tikokino School.</p> <p>Greater use of Apps to support student learning.</p> <p>Lexia Reading Programme is used as part of a well-rounded literacy programme in all classrooms.</p>	
<p><b>Actions to achieve targets</b></p> <p>Increase number of devices.</p> <p>Seek support to setup google docs and teacher dashboard.</p> <p>Attend PD if needed.</p> <p>Google docs used by Room 2 and 3.</p> <p>Have programmes delivered around keeping students safe in a digital world.</p>	<p><b>Progress</b></p> <p>The school now owns 26 new chrome books. This has transformed how we use digital devices at school.</p> <p>Kath has attended PD in the use of devices in this digital age. She then shares knowledge with staff.</p> <p>Google docs is being used in Rooms 2 and 3. Keeping oneself safe on the internet was apart of our annual visit by the Life Ed Trust. We are steering away from BYOD. Supplying devices to each student takes away many issues.</p>
	<p><b>Led by</b></p> <p>Hamish and Kath</p> <p style="text-align: center;">↓</p>
	<p><b>Resourcing</b></p> <p>\$5000</p>
	<p><b>Timeframe</b></p> <p>Term 1</p> <p>Term 1 – 4</p> <p>Term 2</p> <p>Term 1 - 2</p>



# 2017 National Standards Reporting

Date: 25/11/2017  
 Number: 2704  
 Name: Tikokino School

Reading	Well below		Below		At		Above		Total Number
	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	
All students	1	1.8%	3	5.3%	33	57.9%	20	35.1%	57
Māori	0		0		1	25.0%	3	75.0%	4
Pasifika									
Asian									
European/Pakeha/Other European	1	1.9%	3	5.7%	32	60.4%	17	32.1%	53
All other ethnicities including MELAA (not published)									
Male	1	3.8%	2	7.7%	14	53.8%	9	34.6%	26
Female			1	3.2%	19	61.3%	11	35.5%	31

Reading	Well below		Below		At		Above		Total Number
	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	
After 1 year at school			2	33.3%	4	66.7%			6
After 2 years at school	1	12.5%			3	37.5%	4	50.0%	8
After 3 years at school					3	60.0%	2	40.0%	5
End of Year 4					5	62.5%	3	37.5%	8
End of Year 5					3	100.0%			3
End of Year 6			1	8.3%	8	66.7%	3	25.0%	12
End of Year 7					4	57.1%	3	42.9%	7
End of Year 8					3	37.5%	5	62.5%	8

# 2017 National Standards Reporting

Date: 25/11/2017  
 Number: 2704







98.

	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	Number
All students	4	7.0%	43	75.4%	10	17.5%	57		
Māori			3	75.0%	1	25.0%	4		
Pasifika									
Asian									
European/Pakeha/Other European	4	7.5%	40	75.5%	9	17.0%	53		
All other ethnicities including MELAA (not published)									
Male	3	11.5%	17	65.4%	6	23.1%	26		
Female	1	3.2%	26	83.9%	4	12.9%	31		

	Well below		Below		At		Above		Total Number
	Number	Proportion	Number	Proportion	Number	Proportion	Number	Proportion	
Maths									
After 1 year at school	1	16.7%	5	83.3%					6
After 2 years at school			5	62.5%	3	37.5%			8
After 3 years at school			5	100.0%					5
End of Year 4			6	75.0%	2	25.0%			8
End of Year 5			3	100.0%					3
End of Year 6	2	16.7%	9	75.0%	1	8.3%			12
End of Year 7	1	14.3%	4	57.1%	2	28.6%			7
End of Year 8			6	75.0%	2	25.0%			8



# Tikokino Primary School

Tikokino Primary School  
R.D.3 Waipawa 4273  
Central Hawkes Bay

Phone: 06 856 5833  
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e-mail: [office@tikokino.school.nz](mailto:office@tikokino.school.nz)  
Principal: Hamish Natusch



## Kiwisport Accountability Report 2017

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2017, the school received total Kiwisport funding of \$870 (excluding GST).

Tikokino School continues to have a high number of children participating in organised sport, with only 11 children of our total roll who did not participate in organised sport. This participation involves a huge commitment from parents in to transporting their children weekly to competitions up to 30 kilometres away, as well as transporting children to practices after school. This funding along with a grant that was received from the Central Hawke's Bay District Council SPARC Rural Travel Fund has ensured that children continue to participate in organised sport.

With a bottom heavy roll, we only have two teams solely made up of children from our school – the remainder of our winter teams were combined with OngaOnga School. Practices for many of these teams for netball, rugby and football were held at OngaOnga School on a Friday afternoon so it was necessary to put on a bus to take these children to practices at OngaOnga. Money received from this Kiwisport funding was used to help subsidise this bus to OngaOnga.

Children played cricket, miniball, tennis, hockey and indoor hockey in the local competition. We had coaches for cricket visit the school, along with 4 coaching sessions of Grasshopper tennis for the senior class. Every Wednesday staff take afterschool sport. Every term different sports were coached with over half of our 58 students attending.

We always encourage active play outside during morning tea and lunch breaks. Once again our wooden fence battens have been well utilised in creative play. Capture the flag and bull-rush continue to be favourites.

Along with participation in organised sport, many students also participate in individual sports outside of school hours such as swimming lessons and gymnastics.

Hamish Natusch,

Principal

**Tikokino 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.

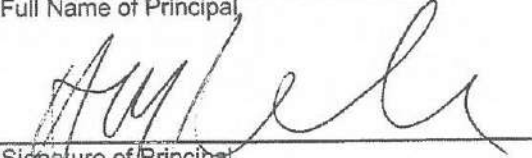
~~Linda Wedd~~ Matt Wade  
Full Name of Board Chairperson

  
Signature of Board Chairperson

23 May 2018

Date:

Hamish Natusch  
Full Name of Principal

  
Signature of Principal

23 May 2018

Date:



**Tikokino School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	516,145	510,835	525,080
Locally Raised Funds	3	47,450	36,010	62,421
Interest Earned		1,388	-	2,192
Gain on Sale of Property, Plant and Equipment		2,796	-	-
		<hr/>	<hr/>	<hr/>
		567,779	546,845	589,693
<b>Expenses</b>				
Locally Raised Funds	3	9,553	2,200	32,106
Learning Resources	4	355,964	352,325	351,527
Administration	5	47,220	44,614	48,338
Finance		774	-	532
Property	6	113,717	125,752	120,148
Depreciation	7	16,744	18,000	17,594
Loss on Disposal of Property, Plant and Equipment		-	-	130
		<hr/>	<hr/>	<hr/>
		543,972	542,891	570,375
<b>Net Surplus / (Deficit) for the year</b>		23,807	3,954	19,318
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		23,807	3,954	19,318

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

**Tikokino School**  
**Statement of Changes in Net Assets/Equity**  
 For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	434,453	434,453	415,135
Total Comprehensive Revenue and Expense for the Year	23,807	3,954	19,318
<b>Equity at 31 December</b>	458,260	438,407	434,453
Retained Earnings	458,260	438,407	434,453
Reserves	-	-	-
<b>Equity at 31 December</b>	458,260	438,407	434,453

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



**Tikokino School**  
**Statement of Financial Position**  
As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	209,588	225,225	208,396
Accounts Receivable	9	20,586	24,063	24,063
GST Receivable		2,684	13,867	13,867
Prepayments		3,807	4,278	4,278
Inventories	10	-	3,000	3,000
Investments	11	20,299	-	-
		<hr/>	<hr/>	<hr/>
		256,964	270,433	253,604
<b>Current Liabilities</b>				
Accounts Payable	13	26,441	28,838	28,838
Revenue Received in Advance	14	123	3,969	3,969
Finance Lease Liability - Current Portion	16	4,582	2,056	3,883
Funds Held for Capital Works Projects	17	(3,074)	2,792	2,792
		<hr/>	<hr/>	<hr/>
		28,072	37,655	39,482
<b>Working Capital Surplus/(Deficit)</b>		228,892	232,778	214,122
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	235,656	213,860	225,660
		<hr/>	<hr/>	<hr/>
		235,656	213,860	225,660
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	3,263	2,902	-
Finance Lease Liability	16	3,025	5,329	5,329
		<hr/>	<hr/>	<hr/>
		6,288	8,231	5,329
<b>Net Assets</b>		<hr/>	<hr/>	<hr/>
		458,260	438,407	434,453
<b>Equity</b>				
		<hr/>	<hr/>	<hr/>
		458,260	438,407	434,453

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

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

	2017	2017	2016
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	139,477	132,938	149,146
Locally Raised Funds	46,860	36,010	63,655
Goods and Services Tax (net)	11,183	-	(11,218)
Payments to Employees	(61,052)	(57,301)	(52,164)
Payments to Suppliers	(84,171)	(86,791)	(146,235)
Interest Paid	(774)	-	(532)
Interest Received	1,383	-	2,192
Net cash from / (to) the Operating Activities	52,906	24,856	4,844
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of PPE (and Intangibles)	2,869	-	5
Purchase of PPE (and Intangibles)	(25,109)	(6,200)	(1,856)
Purchase of Investments	(20,299)	-	-
Net cash from / (to) the Investing Activities	(42,539)	(6,200)	(1,851)
<b>Cash flows from Financing Activities</b>			
Finance Lease Payments	(3,309)	(1,827)	(1,163)
Funds Administered on Behalf of Third Parties	-	-	2,792
Funds Held for Capital Works Projects	17 (5,866)	-	-
Net Cash from Financing Activities	(9,175)	(1,827)	1,629
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	1,192	16,829	4,622
Cash and Cash Equivalents at the beginning of the year	8 208,396	208,396	203,774
<b>Cash and Cash Equivalents at the end of the year</b>	8 209,588	225,225	208,396

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.



# Tikokino School

## Notes to the Financial Statements

For the year ended 31 December 2017

### 1. Statement of Accounting Policies

#### a) Reporting Entity

Tikokino 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 are disclosed in note 12.

# Tikokino School

## Notes to the Financial Statements

For the year ended 31 December 2017

### ***Critical Judgements in applying accounting policies***

Management has exercised the following critical judgements in applying accounting policies:

#### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward 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 the 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) 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.

### **f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held on 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.



# Tikokino School

## Notes to the Financial Statements

For the year ended 31 December 2017

### g) 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.

### h) 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.

### i) Property, Plant and Equipment

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

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

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

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

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

### Leased Assets

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

# Tikokino School

## Notes to the Financial Statements

For the year ended 31 December 2017

### **Depreciation**

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

The estimated useful lives of the assets are:

Furniture and Equipment	3-10 years
Other Equipment	5-20 years
Information and Communication Technology	3-5 years
Building Improvements - Crown	50 years
Motor Vehicles	5 years
Library Resources	12.5% Diminishing value
Textbooks	3 years
Leased Assets held under a Finance Lease	3-5 years

### **j) 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.

### **k) 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.

### **l) 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.



# Tikokino School

## Notes to the Financial Statements

For the year ended 31 December 2017

### **m) Revenue Received in Advance**

Revenue received in advance relates to funds received from students 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.

### **n) 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).

### **o) 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.

### **p) 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.

### **q) Budget Figures**

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

### **r) 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.

### **s) Comparatives**

Some comparatives have been restated in order to conform with current year presentation, however the Total Comprehensive Revenue and Expense for 2016 remains unchanged.

**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**2. Government Grants**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational Grants	130,470	132,938	139,478
Teachers' Salaries Grants	288,899	288,899	286,448
Use of Land and Buildings Grants	88,998	88,998	86,677
Other MOE Grants	7,778	-	12,477
	516,145	510,835	525,080

**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	4,900	-	3,716
Fundraising	14,781	13,800	30,714
House Rentals	8,773	8,840	8,916
Trading	6,218	-	4,863
Activities	12,778	13,370	14,212
	47,450	36,010	62,421
<b>Expenses</b>			
Trading	3,474	-	4,001
House Expenses	6,079	2,200	28,105
	9,553	2,200	32,106
	37,897	33,810	30,315

*Surplus for the year Locally raised funds*

Income from Fundraising includes the following donations:  
\$2,400 from WWF

**4. Learning Resources**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	15,752	17,071	15,064
Equipment Repairs	2,125	2,000	167
Information and Communication Technology	1,076	1,166	2,898
Extra-Curricular Activities	19,338	12,021	24,722
Library Resources	81	150	241
Employee Benefits - Salaries	316,657	315,317	305,666
Staff Development	935	4,600	2,769
	355,964	352,325	351,527

**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**5. Administration**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,650	3,750	3,600
Board of Trustees Fees	3,090	3,000	3,200
Board of Trustees Expenses	677	900	3,509
Communication	1,290	1,360	1,489
Consumables	1,836	3,046	2,625
Operating Lease	352	-	492
Other	5,034	4,150	4,189
Employee Benefits - Salaries	24,730	22,183	24,076
Insurance	1,461	1,275	58
Service Providers, Contractors and Consultancy	5,100	4,950	5,100
	<u>47,220</u>	<u>44,614</u>	<u>48,338</u>

**6. Property**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	1,165	1,550	1,125
Consultancy and Contract Services	-	-	-
Cyclical Maintenance Expense	3,263	2,902	2,948
Grounds	3,432	8,890	9,805
Heat, Light and Water	7,148	12,800	9,635
Rates	159	12	3
Repairs and Maintenance	978	1,900	1,178
Use of Land and Buildings	88,998	88,998	86,677
Employee Benefits - Salaries	8,574	8,700	8,777
	<u>113,717</u>	<u>125,752</u>	<u>120,148</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 \$
Furniture and Equipment	426	750	731
Other Equipment	3,478	2,350	2,299
Information and Communication Technology	3,795	7,250	7,157
Buildings Improvements - Crown	4,899	5,000	4,881
Library Resources	932	930	925
Leased Assets	3,214	1,720	1,601
	<u>16,744</u>	<u>18,000</u>	<u>17,594</u>



**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**8. Cash and Cash Equivalents**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Bank Current Account	28,857	76,725	59,896
Bank Call Account	180,731	148,500	148,500
Cash equivalents and bank overdraft for Cash Flow Statement	<u>209,588</u>	<u>225,225</u>	<u>208,396</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	-	3,256	3,256
Receivables from the Ministry of Education	1,580	2,809	2,809
Interest Receivable	5	-	-
Teacher Salaries Grant Receivable	19,001	17,998	17,998
	<u>20,586</u>	<u>24,063</u>	<u>24,063</u>
Receivables from Exchange Transactions	5	3,256	3,256
Receivables from Non-Exchange Transactions	20,581	20,807	20,807
	<u>20,586</u>	<u>24,063</u>	<u>24,063</u>

**10. Inventories**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Livestock	-	3,000	3,000
	<u>-</u>	<u>3,000</u>	<u>3,000</u>

**11. Investments**

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	20,299	-	-
Non-current Asset			
Long-term Bank Deposits	-	-	-

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

**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**12. Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Furniture and Equipment	3,034	-	-	-	(426)	2,609
Other Equipment	6,514	15,239	(3)	-	(3,478)	18,272
Information and Communication Technology	2,223	7,604	-	-	(3,795)	6,032
Buildings Improvements - Crown	199,718	1,215	-	-	(4,899)	196,034
Leased Assets	7,697	1,704	-	-	(3,214)	6,187
Library Resources	6,474	1,051	(71)	-	(932)	6,522
<b>Balance at 31 December 2017</b>	<b>225,660</b>	<b>26,813</b>	<b>(74)</b>	<b>-</b>	<b>(16,744)</b>	<b>235,656</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Furniture and Equipment	48,715	(46,106)	2,609
Other Equipment	80,026	(61,754)	18,272
Information and Communication Technology	77,500	(71,468)	6,032
Buildings Improvements - Crown	255,289	(59,255)	196,034
Leased Assets	12,931	(6,744)	6,187
Library Resources	26,575	(20,053)	6,522
<b>Balance at 31 December 2017</b>	<b>501,036</b>	<b>(265,380)</b>	<b>235,656</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Furniture and Equipment	3,768	(2)	(1)	-	(731)	3,034
Other Equipment	7,764	1,050	(1)	-	(2,299)	6,514
Information and Communication Technology	9,381	(1)	-	-	(7,157)	2,223
Buildings Improvements - Crown	204,599	-	-	-	(4,881)	199,718
Leased Assets	4,163	5,135	-	-	(1,601)	7,697
Library Resources	6,723	806	(130)	-	(925)	6,474
<b>Balance at 31 December 2016</b>	<b>236,398</b>	<b>6,988</b>	<b>(132)</b>	<b>-</b>	<b>(17,594)</b>	<b>225,660</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Furniture and Equipment	48,715	(45,681)	3,034
Other Equipment	75,743	(69,229)	6,514
Information and Communication Technology	69,896	(67,673)	2,223
Buildings Improvements - Crown	254,074	(54,356)	199,718
Leased Assets	11,227	(3,530)	7,697
Library Resources	25,807	(19,333)	6,474
<b>Balance at 31 December 2016</b>	<b>485,462</b>	<b>(259,802)</b>	<b>225,660</b>

**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**13. Accounts Payable**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating Creditors	3,174	6,634	6,634
Accruals	3,650	3,600	3,600
Employee Entitlements - Salaries	19,001	17,998	17,998
Employee Entitlements - Leave Accrual	616	606	606
	<u>26,441</u>	<u>28,838</u>	<u>28,838</u>
Payables for Exchange Transactions	26,441	28,838	28,838
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>26,441</u>	<u>28,838</u>	<u>28,838</u>

The carrying value of payables approximates their fair value.

**14. Revenue Received in Advance**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Other	123	3,969	3,969
	<u>123</u>	<u>3,969</u>	<u>3,969</u>

**15. Provision for Cyclical Maintenance**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	-	-	26,121
Increase to the Provision During the Year	3,263	2,902	2,948
Use of the Provision During the Year	-	-	(29,069)
Provision at the End of the Year	<u>3,263</u>	<u>2,902</u>	-
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	3,263	2,902	-
	<u>3,263</u>	<u>2,902</u>	-



**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**16. Finance Lease Liability**

The School has entered into a number of finance lease agreements for Laptops and a Photocopier. Minimum lease payments payable:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	4,582	2,056	3,883
Later than One Year and no Later than Five Years	3,701	5,329	6,535
	8,283	7,385	10,418

**17. Funds Held for Capital Works Projects**

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

	2017	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block A Upgrade	<i>in progress</i>	2,792	-	5,866	-	(3,074)
Totals		2,792	-	5,866	-	(3,074)

**Represented by:**

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

3,074

3,074

	2016	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block A Upgrade	<i>in progress</i>	-	48,761	45,969	-	2,792
Totals		-	48,761	45,969	-	2,792

**18. 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 conditions 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.

**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**19. Remuneration**

*Key management personnel compensation*

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,090	3,200
Full-time equivalent members	0.08	0.05
<i>Leadership Team</i>		
Remuneration	98,835	93,993
Full-time equivalent members	1	1
Total key management personnel remuneration	101,925	97,193
Total full-time equivalent personnel	1.08	1.05

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	90 - 100
Benefits and Other Emoluments	0 - 0	0 - 0
Termination Benefits	0 - 0	0 - 0

*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
110 - 120	-	-
100 - 110	-	-
	0.00	0.00

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

**20. 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 \$0	2016 Actual \$0
Total	0	0
Number of People	0	0



**Tikokino School**  
**Notes to the Financial Statements**  
 For the year ended 31 December 2017

**21. Contingencies**

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

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

**22. Commitments**

**(a) Capital Commitments**

As at 31 December 2017 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2016: \$2,923)

**(b) Operating Commitments**

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

(a) operating leases for Computer Equipment;

No later than One Year

Later than One Year and No Later than Five Years

	2017 Actual \$	2016 Actual \$
	-	1,852
	-	-
	-	1,852

**23. 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.

**Tikokino School**  
**Notes to the Financial Statements**  
For the year ended 31 December 2017

**24. Financial Instruments**

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

**Loans and receivables**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Cash and Cash Equivalents	209,588	225,225	208,396
Receivables	20,586	24,063	24,063
Total Loans and Receivables	<u>250,473</u>	<u>249,288</u>	<u>232,459</u>

**Financial liabilities measured at amortised cost**

Payables	26,441	28,838	28,838
Finance Leases	7,607	7,385	9,212
Total Financial Liabilities Measured at Amortised Cost	<u>34,048</u>	<u>36,223</u>	<u>38,050</u>

**25. Events After Balance Date**

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



## Tikokino School

# Members of the Board of Trustees

For the year ended 31 December 2017

<u>Name</u>	<u>Position</u>	<u>How Appointed</u>	<u>Term Expire/Expires</u>
Linda Wedd	Chairperson	Elected	2019
Hamish Natusch	Principal	Appointed	N/A
Charly Butler	Parent Rep	Elected	2019
Matt Wade	Parent Rep	Elected	2019
Cheryl Walton	Parent Rep	Elected	2019
Kath Keir	Staff Rep	Elected	2019



## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Tikokino School (the School). The Auditor-General has appointed me, Victoria Jane Lawson, using the staff and resources of PricewaterhouseCoopers, 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 issued in New Zealand (PBE Standards RDR).

Our audit was completed on 23 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 information included within the Analysis of Variance 2017, the Kiwisport Accountability Report 2017, and the Members of the Board of Trustees 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.

A handwritten signature in blue ink that reads 'V. J. Lawson'.

**Victoria Jane Lawson**  
**PricewaterhouseCoopers**  
**On behalf of the Auditor-General**  
**Napier, New Zealand**