

Dairy Flat

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Dairy Flat,
R.D. 4 Albany



School

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RSM Hayes Audit
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REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2017

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Dairy Flat School (the School) for the year ended 31 December 2017 for the purpose of expressing an independent opinion about whether the financial statements:

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

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand).

General representations

To the best of our knowledge and belief:

- the resources, activities, and any entities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud.

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87(3) of the Education Act 1989 and, in particular, that the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2017; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

- we believe the significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;
 - we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
 - we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
-
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.
 - we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements; and
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with one another, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2017. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, surrounding the adoption of the going concern basis of accounting by the School.

Throughout the year, the School has conformed with the requirements of its banking arrangements, debenture trust deeds, or negative pledge agreements, including those relating to its net tangible assets ratios.

Publication of the financial statements and related audit report on a website

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully


Chairperson


Principal


Date

Dairy Flat School

Financial Statements for the year ended 31 December 2017

School Address: 1220 Dairy Flat Highway, RD4, Albany 0794

School Postal Address: 1220 Dairy Flat Highway, RD4, Albany 0794

School Phone: 09 415 9071

School Email: office@dairyflat.school.nz

Ministry Number: 1258

Dairy Flat 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 - 10	Statement of Accounting Policies
11 - 18	Notes to the Financial Statements

Dairy Flat School Statement of Responsibility

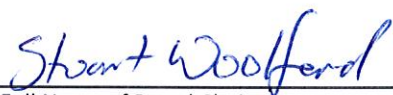
For the year ended 31 December 2017

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

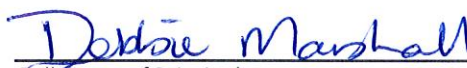
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.



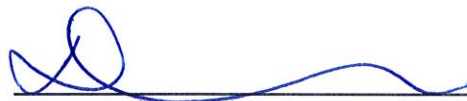
Full Name of Board Chairperson



Full Name of Principal



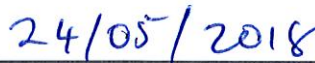
Signature of Board Chairperson



Signature of Principal



Date:



Date:

Dairy Flat School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	1,830,050	1,471,640	1,779,278
Local Raised Funds	3	187,179	122,500	228,826
Interest Earned		3,445	4,000	4,581
Gain on Sale of Property, Plant and Equipment		691	-	-
International Students	4	11,406	-	15,787
		<u>2,032,771</u>	<u>1,598,140</u>	<u>2,028,472</u>
Expenses				
Local Raised Funds	3	69,852	-	73,044
International Students	4	602	-	9,226
Learning Resources	5	1,396,817	1,085,493	1,441,028
Administration	6	125,450	96,320	116,029
Finance Costs		6,321	-	1,854
Property	7	349,422	351,684	329,412
Depreciation	8	101,364	80,000	79,937
Loss on Disposal of Property, Plant and Equipment		-	-	203
		<u>2,049,828</u>	<u>1,613,497</u>	<u>2,050,733</u>
Net (Deficit)		(17,057)	(15,357)	(22,261)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(17,057)</u>	<u>(15,357)</u>	<u>(22,261)</u>

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

Dairy Flat School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Balance at 1 January	676,526	676,526	650,297
Total comprehensive revenue and expense for the year	(17,057)	(15,357)	(22,261)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	9,750	-	48,490
Equity at 31 December	669,219	661,169	676,526
 Retained Earnings	669,219	661,169	676,526
Equity at 31 December	669,219	661,169	676,526

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

Dairy Flat School

Statement of Financial Position

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	57,710	31,470	104,833
Accounts Receivable	10	77,340	82,400	76,010
GST Receivable		14,455	5,000	11,648
Prepayments		10,212	5,000	38,475
Inventories	11	598	-	-
Investments	12	-	40,000	66,803
		<u>160,315</u>	<u>163,870</u>	<u>297,769</u>
Current Liabilities				
Accounts Payable	14	95,515	151,000	142,964
Revenue Received in Advance	15	29,659	5,000	25,457
Provision for Cyclical Maintenance	16	34,100	32,332	24,100
Finance Lease Liability - Current Portion	17	22,200	8,133	8,133
Funds Held for Capital Works Projects	18	771	-	-
		<u>182,245</u>	<u>196,465</u>	<u>200,654</u>
Working Capital Surplus/(Deficit)		(21,930)	(32,595)	97,115
Non-current Assets				
Property, Plant and Equipment	13	748,824	715,403	611,403
		<u>748,824</u>	<u>715,403</u>	<u>611,403</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	13,379	13,380	15,600
Finance Lease Liability	17	44,296	8,259	16,392
		<u>57,675</u>	<u>21,639</u>	<u>31,992</u>
Net Assets		<u>669,219</u>	<u>661,169</u>	<u>676,526</u>
Equity		<u>669,219</u>	<u>661,169</u>	<u>676,526</u>

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

Dairy Flat 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		394,104	378,636	399,158
Locally Raised Funds		190,519	127,500	247,487
International Students		12,272	-	15,787
Goods and Services Tax (net)		(2,807)	(2,000)	(8,665)
Payments to Employees		(262,838)	(220,098)	(233,144)
Payments to Suppliers		(251,958)	(196,083)	(363,724)
Interest Paid		(6,321)	-	(1,854)
Interest Received		3,690	4,200	4,864
Net cash from / (to) the Operating Activities		76,661	92,155	59,909
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		846	-	-
Purchase of PPE (and Intangibles)		(181,644)	(168,520)	(101,305)
Proceeds/(Purchase) of Investments		66,803	12,500	(14,315)
Net cash from / (to) the Investing Activities		(113,995)	(156,020)	(115,620)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,750	-	48,490
Finance Lease Payments		(20,310)	4,594	(4,176)
Funds Administered on Behalf of Third Parties		-	-	(15,543)
Funds Held for Capital Works Projects		771	-	-
Net cash from / (to) Financing Activities		(9,789)	4,594	28,771
Net increase/(decrease) in cash and cash equivalents		(47,123)	(59,271)	(26,940)
Cash and cash equivalents at the beginning of the year	9	104,833	90,741	131,773
Cash and cash equivalents at the end of the year	9	57,710	31,470	104,833

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been omitted.

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

Dairy Flat School

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of Accounting Policies

Reporting Entity

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

Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

Revenue Recognition

Government Grants

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

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

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

Operating Lease Payments

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

Finance Lease Payments

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

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

Cash and Cash Equivalents

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

Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

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

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

Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings - School	3-50 years
Furniture and equipment	3-15 years
Information and communication technology	3-10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment and intangible assets

The School does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Revenue Received in Advance

Revenue received in advance relates to fees received from international 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 the above revenue received in advance, should the School be unable to provide the services to which they relate.

Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

2 Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	378,918	321,136	350,596
Teachers' salaries grants	1,170,005	850,000	1,171,672
Use of Land and Buildings grants	221,915	243,004	195,036
Other MoE Grants	58,158	57,500	60,207
Other government grants	1,054	-	1,767
	<u>1,830,050</u>	<u>1,471,640</u>	<u>1,779,278</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	89,172	100,500	130,259
Fundraising	1,582	-	14,167
Other revenue	-	-	434
Trading	1,172	-	972
Activities	95,253	22,000	82,994
	<u>187,179</u>	<u>122,500</u>	<u>228,826</u>
Expenses			
Activities	69,022	-	66,252
Trading	830	-	1,237
Fundraising (costs of raising funds)	-	-	5,555
	<u>69,852</u>	<u>-</u>	<u>73,044</u>
	<u>117,327</u>	<u>122,500</u>	<u>155,782</u>

Surplus for the year Locally Raised Funds

4 International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	4	0	2
Revenue			
International student fees	11,406	-	15,787
Expenses			
Other Expenses	602	-	9,226
	<u>602</u>	<u>-</u>	<u>9,226</u>
	<u>10,804</u>	<u>-</u>	<u>6,561</u>

Surplus for the year International Students'

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

5 Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	51,109	43,095	50,203
Information and communication technology	16,317	28,500	31,958
Library resources	261	1,000	492
Employee benefits - salaries	1,315,984	1,003,898	1,346,298
Staff development	13,146	9,000	12,077
	<u>1,396,817</u>	<u>1,085,493</u>	<u>1,441,028</u>

6 Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	6,400	5,700	6,240
Board of Trustees Expenses	7,652	3,300	6,661
Communication	6,638	5,500	7,172
Consumables	8,643	8,900	8,604
Operating Lease	5,240	3,700	5,192
Postage	488	-	-
Other	7,184	5,000	5,915
Employee Benefits - Salaries	68,418	52,700	62,765
Insurance	7,298	5,100	7,060
Service Providers, Contractors and Consultancy	7,489	6,420	6,420
	<u>125,450</u>	<u>96,320</u>	<u>116,029</u>

7 Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	6,248	4,600	5,305
Consultancy and Contract Services	25,209	27,980	24,980
Cyclical Maintenance Provision	11,379	8,000	23,540
Grounds	4,777	2,600	3,264
Heat, Light and Water	14,395	13,500	14,781
Repairs and Maintenance	14,466	12,000	12,268
Use of Land and Buildings	221,915	243,004	195,036
Security	3,971	-	4,633
Employee Benefits - Salaries	47,062	40,000	45,605
	<u>349,422</u>	<u>351,684</u>	<u>329,412</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.

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

8 Depreciation of Property, Plant and Equipment

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Buildings - School	14,627	11,500	16,361
Furniture and Equipment	42,296	43,600	32,180
Information and Communication Technology	24,263	16,500	22,849
Leased Assets	17,652	6,400	6,017
Library Resources	2,526	2,000	2,530
	<u>101,364</u>	<u>80,000</u>	<u>79,937</u>

9 Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	200	200	200
Bank Current Account	57,510	20,000	74,926
Bank Call Account	-	11,270	29,707
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>57,710</u>	<u>31,470</u>	<u>104,833</u>

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

Of the \$57,710 Cash and Cash Equivalents, \$771 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

10 Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables from the Ministry of Education	-	-	842
Interest Receivable	-	400	245
Teacher Salaries Grant Receivable	<u>77,340</u>	<u>82,000</u>	<u>74,923</u>
	<u>77,340</u>	<u>82,400</u>	<u>76,010</u>
Receivables from Exchange Transactions	-	400	245
Receivables from Non-Exchange Transactions	<u>77,340</u>	<u>82,000</u>	<u>75,765</u>
	<u>77,340</u>	<u>82,400</u>	<u>76,010</u>

11 Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
School Uniforms	598	-	-
	<u>598</u>	<u>-</u>	<u>-</u>

12 Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset	-	40,000	66,803
Short-term Bank Deposits	<u>-</u>	<u>40,000</u>	<u>66,803</u>

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

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

13 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	357,260	-	-	-	(14,627)	342,633
Furniture and equipment	141,436	122,759	-	-	(42,296)	221,899
Information and communication technology	71,486	56,232	-	-	(24,263)	103,455
Leased assets	23,511	57,297	-	-	(17,652)	63,156
Library resources	17,710	2,650	(153)	-	(2,526)	17,681
Balance at 31 December 2017	611,403	238,938	(153)	-	(101,364)	748,824

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	686,370	(343,737)	342,633
Furniture and equipment	604,384	(382,485)	221,899
Information and communication technology	270,802	(167,347)	103,455
Leased assets	109,466	(46,310)	63,156
Library resources	63,063	(45,382)	17,681
Balance at 31 December 2017	1,734,085	(985,261)	748,824

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$63,156(2016: \$23,511).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Buildings	373,621	-	-	-	(16,361)	357,260
Furniture and equipment	105,483	68,133	-	-	(32,180)	141,436
Information and communication technology	68,003	26,332	-	-	(22,849)	71,486
Leased assets	14,333	15,195	-	-	(6,017)	23,511
Library resources	16,943	3,500	(203)	-	(2,530)	17,710
Balance at 31 December 2016	578,383	113,160	(203)	-	(79,937)	611,403

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Buildings	686,370	(329,110)	357,260
Furniture and equipment	489,128	(347,692)	141,436
Information and communication technology	214,570	(143,084)	71,486
Leased assets	52,170	(28,659)	23,511
Library resources	60,938	(43,228)	17,710
Balance at 31 December 2016	1,503,176	(891,773)	611,403

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

14 Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	6,282	30,000	5,080
Accruals	6,500	5,700	6,340
Banking staffing overuse	-	30,000	49,853
Employee Entitlements - salaries	82,733	82,000	81,691
Employee Entitlements - leave accrual	-	3,300	-
	<u>95,515</u>	<u>151,000</u>	<u>142,964</u>
Payables for Exchange Transactions	95,515	151,000	142,964
	<u>95,515</u>	<u>151,000</u>	<u>142,964</u>

The carrying value of payables approximates their fair value.

15 Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
International Student Fees	862	-	-
Other	28,797	5,000	25,457
	<u>29,659</u>	<u>5,000</u>	<u>25,457</u>

16 Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	39,700	39,700	49,900
Increase to the Provision During the Year	11,379	8,000	23,540
Use of the Provision During the Year	(3,600)	(1,988)	(33,740)
Provision at the End of the Year	<u>47,479</u>	<u>45,712</u>	<u>39,700</u>
Cyclical Maintenance - Current	34,100	32,332	24,100
Cyclical Maintenance - Term	13,379	13,380	15,600
	<u>47,479</u>	<u>45,712</u>	<u>39,700</u>

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for photocopiers and Tela laptops.

Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	28,626	8,133	9,992
Later than One Year and no Later than Five Years	50,187	8,259	19,722
	<u>78,813</u>	<u>16,392</u>	<u>29,714</u>

Dairy Flat School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

18 Funds Held for Capital Works Projects

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

					BOT Contribution/ (Write-off to R&M)	Closing Balances
	2017	Opening Balances \$	Receipts from MoE \$	Payments \$		\$
Roofing Project	<i>Completed</i>	-	21,310	20,621	-	689
Heat Pump Replacement	<i>Completed</i>	-	35,257	35,175	-	82
Totals		-	56,567	55,796	-	771

Represented by:

Funds Held on Behalf of the Ministry of Education

771
771

					BOT Contribution/ (Write-off to R&M)	Closing Balances
	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	\$	\$
Septic Tanks	<i>Completed</i>	-	15,543	15,543	-	-
Roofing Project	<i>In Progress</i>	-	-	842	842	-
Totals		-	15,543	16,385	842	-

19 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

20 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	-	-
Full-time equivalent members	-	-
<i>Leadership Team</i>		
Remuneration	539,772	505,545
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	539,772	505,545
Total full-time equivalent personnel	6.00	6.00

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

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	120-130
Benefits and Other Emoluments	0-10	0-10
Termination Benefits	-	-

Other Employees

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

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

21 Compensation and Other Benefits Upon Leaving

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

22 Contingencies

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

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

23 Commitments

(a) Capital Commitments

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

(Capital commitments as at 31 December 2016: nil)

(b) Operating Commitments

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

-operating lease for a telephone system

	2017 Actual \$	2016 Actual \$
No later than One Year	2,734	13,129
Later than One Year and No Later than Five Years	-	9,046
	2,734	22,175

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

24 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.

25 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Loans and Receivables			
Cash and Cash Equivalents	57,710	31,470	104,833
Receivables	77,340	82,400	76,010
Investments - Term Deposits	-	40,000	66,803
Total Loans and Receivables	135,050	153,870	247,646
Financial liabilities measured at amortised cost			
Payables	95,515	151,000	142,964
Finance Leases	66,496	16,392	24,525
Total Financial Liabilities Measured at Amortised Cost	162,011	167,392	167,489

26 Events After Balance Date

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

27 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.