

# Matangi School

## Financial Statements

for the year ended 31 December 2017

School Address:	599 Matangi Road, Matangi, Hamilton
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Ministry Number:	1814

# **Matangi School**

## **Financial Statements**

for the year ended 31 December 2017

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# Matangi 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.

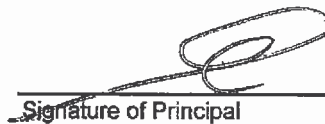
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the School.

The School's 2017 financial statements are authorised for issue by the Board.

James Allen  
Full Name of Board Chairperson

Sharyn Douglas  
Full Name of Principal

  
Signature of Board Chairperson

  
Signature of Principal

30 May 2018  
Date

30 May 2018  
Date

# Matangi School

## Statement of Comprehensive Revenue and Expense

for the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government grants	2	1,220,676	910,166	1,026,797
Locally raised funds	3	210,493	96,300	162,305
Interest earned		2,503	2,000	2,023
		<u>1,433,672</u>	<u>1,008,466</u>	<u>1,191,125</u>
<b>Expenses</b>				
Locally raised funds	3	137,167	52,500	101,085
Learning resources	4	884,445	633,550	728,336
Administration	5	93,966	97,715	95,286
Finance costs		872	702	422
Property	6	224,290	186,207	191,838
Depreciation	7	33,555	31,550	28,037
		<u>1,374,295</u>	<u>1,002,224</u>	<u>1,145,004</u>
<b>Net Surplus / (Deficit) for the year</b>		<u>59,377</u>	<u>6,242</u>	<u>46,121</u>
Other comprehensive revenue and expenses		-	-	-
<b>Total comprehensive revenue and expense for the year</b>		<u><u>59,377</u></u>	<u><u>6,242</u></u>	<u><u>46,121</u></u>



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

# Matangi School

## Statement of Changes in Net Assets / Equity

for the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Balance at 1 January</b>	<u>158,493</u>	<u>158,493</u>	<u>112,372</u>
Total comprehensive revenue and expense for the year	59,377	6,242	46,121
Capital contributions from the Ministry of Education: Contribution - furniture and equipment grant	10,968	-	-
<b>Equity at 31 December</b>	<u><u>228,838</u></u>	<u><u>164,735</u></u>	<u><u>158,493</u></u>
 Retained Earnings	 228,838	 164,735	 158,493
<b>Equity at 31 December</b>	<u><u>228,838</u></u>	<u><u>164,735</u></u>	<u><u>158,493</u></u>



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

# Matangi School

## Statement of Financial Position

as at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and cash equivalents	8	251,806	119,920	126,605
Accounts receivable	9	34,572	42,699	42,699
Prepayments		3,325	5,221	5,221
Inventories	10	8,538	9,848	9,848
		<u>298,241</u>	<u>177,688</u>	<u>184,373</u>
<b>Current Liabilities</b>				
Accounts payable	12	59,871	58,835	58,835
GST payable		23,415	16,380	16,380
Revenue received in advance	13	5,840	-	5,840
Provision for cyclical maintenance	14	-	-	-
Finance lease liability - current portion	15	8,632	7,151	7,151
Funds held for capital works projects	16	38,738	3,700	3,700
Funds held in trust		1,444	-	1,444
		<u>137,940</u>	<u>86,066</u>	<u>93,350</u>
<b>Working Capital Surplus</b>		160,301	91,622	91,023
<b>Non Current Assets</b>				
Property, plant and equipment	11	194,938	202,551	188,001
<b>Non Current Liabilities</b>				
Provision for cyclical maintenance	14	109,118	125,175	109,118
Finance lease liability	15	17,283	4,263	11,413
		<u>126,401</u>	<u>129,438</u>	<u>120,531</u>
<b>Net Assets</b>		<u>228,838</u>	<u>164,735</u>	<u>158,493</u>
<b>Equity</b>				
		<u>228,838</u>	<u>164,735</u>	<u>158,493</u>



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

# Matangi 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		296,672	385,166	272,705
Locally raised funds		210,493	89,016	162,891
Goods and Services Tax (net)		7,035	-	8,396
Payments to employees		(188,176)	(159,300)	(158,086)
Payments to suppliers		(215,385)	(269,615)	(204,715)
Interest paid		(872)	(702)	(422)
Interest received		2,569	2,000	2,120
<b>Net cash from / (to) the operating activities</b>		<b>112,336</b>	<b>46,565</b>	<b>82,889</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(25,626)	(46,100)	(58,322)
<b>Net cash from (to) the investing activities</b>		<b>(25,626)</b>	<b>(46,100)</b>	<b>(58,322)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and equipment grant		10,968	-	-
Finance lease payments		(7,515)	(7,150)	(5,193)
Funds held for capital works projects		35,038	-	3,700
<b>Net cash used in Financing Activities</b>		<b>38,491</b>	<b>(7,150)</b>	<b>(1,493)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>125,201</b>	<b>(6,685)</b>	<b>23,074</b>
Cash and cash equivalents at the beginning of the year	8	126,605	126,605	103,531
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>251,806</b>	<b>119,920</b>	<b>126,605</b>

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



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

# **Matangi School**

## **Notes to the Financial Statements**

for the year ended 31 December 2017

### **1. Statement of Accounting Policies**

#### **a) Reporting entity**

Matangi 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 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.



**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

***Critical Accounting Estimates and assumptions (cont'd)***

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 lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

***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 operating or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

***Recognition of grants***

The School reviews the grant 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 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 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.

**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

***Interest revenue***

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

**d) Use of Land and Buildings Expense**

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**i) Inventories**

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

## j) 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.

### *Depreciation*

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

The estimated useful lives of the assets are:

Building improvements - Crown	40 years
Furniture and equipment	10-15 years
Information and communication technology	5 years
Other equipment	10 years
Leased assets held under a finance lease	5 years
Library resources	12.5% diminishing value

### **k) Impairment of Property, Plant and Equipment**

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.

### **l) 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.

### **m) 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 and annual leave earned but not yet taken at balance date.

### **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 the 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 10-year property plan (10YPP).

**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

**o) Revenue Received in Advance**

Revenue received in advance relates to revenue received from Ministry of Social Development grants where there are unfulfilled obligations for the School to provide services in the future. The grants are recorded as revenue as the obligations are fulfilled and the grants earned.

**p) Financial Assets and Liabilities**

The School's financial assets comprise cash and cash equivalents, accounts receivable and investments. All of these financial assets are categorised as "loans and receivables" 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.

**q) 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.

**r) Budget Figures**

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

**s) 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.

**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>2. Government grants</b>			
Operational grants	235,847	237,428	220,157
Teachers' salaries grants	766,347	525,000	630,155
Use of land and buildings grants	165,718	115,000	135,858
Other MOE grants	52,764	32,738	40,627
	<u>1,220,676</u>	<u>910,166</u>	<u>1,026,797</u>
<b>3. Locally raised funds</b>			
Local funds raised within the School's community are made up of:			
<b>Revenue</b>			
Donations	17,200	16,000	19,524
Fundraising	34,243	15,000	25,191
Other revenue	15,327	-	9,031
Activities	36,011	-	20,489
Trading	19,632	-	22,681
After school care	88,080	65,300	65,389
	<u>210,493</u>	<u>96,300</u>	<u>162,305</u>
<b>Expenses</b>			
Fundraising (costs of raising funds)	18,720	-	9,139
Activities	36,681	-	25,510
Trading	19,585	-	18,222
After school care	62,181	52,500	48,214
	<u>137,167</u>	<u>52,500</u>	<u>101,085</u>
<b>Surplus (deficit) for the year locally raised funds</b>	<u>73,326</u>	<u>43,800</u>	<u>61,220</u>
<b>After School Care Revenue</b>			
Parent fees	73,480	54,000	54,074
OSCAR funding	14,600	11,300	11,315
	<u>88,080</u>	<u>65,300</u>	<u>65,389</u>
<b>After School Care Expenses</b>			
Afternoon tea	3,215	3,000	2,286
Art and craft	1,528	1,000	415
Administration	814	1,500	447
Wages	56,624	47,000	45,066
	<u>62,181</u>	<u>52,500</u>	<u>48,214</u>
<b>After School Care surplus (deficit)</b>	<u>25,899</u>	<u>12,800</u>	<u>17,175</u>
<b>4. Learning resources</b>			
Curricular	22,016	33,250	37,523
Equipment repairs	60	1,500	349
Information and communication technology	5,127	4,400	2,985
Library resources	102	1,100	67
Employee benefits - salaries	845,978	582,000	679,258
Staff development	11,162	11,300	8,154
	<u>884,445</u>	<u>633,550</u>	<u>728,336</u>

**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>5. Administration</b>			
Audit fees	3,396	3,396	3,346
Board of Trustees fees	4,015	4,000	4,435
Board of Trustees expenses	1,929	4,380	7,872
Communication	2,285	2,000	1,850
Consumables	8,274	6,400	9,266
Operating lease	1,077	3,647	5,114
Other	17,623	14,992	15,844
Employee benefits - salaries	49,697	53,700	42,126
Insurance	1,570	1,100	1,433
Service providers, contractors, consultancy	4,100	4,100	4,000
	<u>93,966</u>	<u>97,715</u>	<u>95,286</u>

**6. Property**

Caretaking and cleaning consumables	2,498	2,050	1,701
Consultancy and contract services	14,460	13,000	13,450
Cyclical maintenance provision	-	16,057	626
Grounds	9,894	16,500	13,855
Heat, light, and water	9,155	8,900	7,722
Rates	2,164	2,200	2,198
Repairs and maintenance	12,938	7,200	11,293
Use of land and buildings	165,718	115,000	135,858
Employee benefits - salaries	7,463	5,300	5,135
	<u>224,290</u>	<u>186,207</u>	<u>191,838</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**

Building improvements - Crown	1,872	1,872
Furniture & equipment	5,322	4,318
Information and communication technology	10,442	8,374
Leased equipment	7,753	5,363
Library resources	618	649
Other fixed assets	7,548	7,461
	<u>33,555</u>	<u>28,037</u>



**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>8. Cash and Cash Equivalents</b>			
ASB Current account	184,124	16,919	23,604
ASB After School account	1,413	1,201	1,201
ASB Fundraising account	18,182	8,722	8,722
ASB Omni account	610	144	144
ASB Business Saver account	10,415	77,212	77,212
ASB Property Maintenance account	32,955	15,589	15,589
ASB Sponsorship account	3,974	-	-
Westpac Swimming Pool account	133	133	133
Net cash and cash equivalents and bank overdraft for Statement of Cash Flows	251,806	119,920	126,605

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

**9. Accounts Receivable**

Receivables	-	8,867	8,867
Interest receivable	3	69	69
Teacher salaries grant receivable	34,569	33,763	33,763
	34,572	42,699	42,699
Receivables from exchange transactions	3	8,936	8,936
Receivables from non-exchange transactions	34,569	33,763	33,763
	34,572	42,699	42,699

**10. Inventories**

Stationery	543	551	551
Uniforms	7,995	9,297	9,297
	8,538	9,848	9,848

**11. Property, Plant and Equipment**

	Opening Balance NBV \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2017</b>						
Building improvements	39,886	-	-	-	(1,872)	38,014
Furniture & equipment	34,243	10,273	-	-	(5,322)	39,194
Information & communication	31,486	13,356	-	-	(10,442)	34,400
Leased assets	18,394	21,766	(6,900)	-	(7,753)	25,507
Library resources	4,540	407	-	-	(618)	4,329
Other fixed assets	59,452	1,590	-	-	(7,548)	53,494
Balance at 31 December 2017	188,001	47,392	(6,900)	-	(33,555)	194,938



**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

**11. Property, Plant and Equipment (cont'd)**

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
<b>2017</b>			
Building improvements	74,877	36,863	38,014
Furniture & equipment	104,639	65,445	39,194
Information & communication	74,398	39,998	34,400
Leased assets	32,923	7,416	25,507
Library resources	47,998	43,669	4,329
Other fixed assets	110,884	57,390	53,494
Balance at 31 December 2017	<u>445,719</u>	<u>250,781</u>	<u>194,938</u>

	<b>Opening Balance NBV \$</b>	<b>Additions \$</b>	<b>Disposals \$</b>	<b>Impairment \$</b>	<b>Depreciation \$</b>	<b>Total (NBV) \$</b>
<b>2016</b>						
Building improvements	41,758	-	-	-	(1,872)	39,886
Furniture & equipment	22,696	15,865	-	-	(4,318)	34,243
Information & communication	22,598	17,262	-	-	(8,374)	31,486
Leased assets	12,600	11,157	-	-	(5,363)	18,394
Library resources	5,189	-	-	-	(649)	4,540
Other fixed assets	41,718	25,195	-	-	(7,461)	59,452
Balance at 31 December 2016	<u>146,559</u>	<u>69,479</u>	<u>-</u>	<u>-</u>	<u>(28,037)</u>	<u>188,001</u>

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
<b>2016</b>			
Building improvements	74,877	34,991	39,886
Furniture & equipment	94,366	60,123	34,243
Information & communication	61,042	29,556	31,486
Leased assets	29,157	10,763	18,394
Library resources	47,591	43,051	4,540
Other fixed assets	109,294	49,842	59,452
Balance at 31 December 2016	<u>416,327</u>	<u>228,326</u>	<u>188,001</u>

	<b>2017 Actual \$</b>	<b>2017 Budget (Unaudited) \$</b>	<b>2016 Actual \$</b>
<b>12. Accounts Payable</b>			
Operating Creditors	18,844	18,293	18,293
Pool keys	4,551	5,392	5,392
Employee entitlements - salaries	34,569	33,763	33,763
Employee entitlements - leave accrual	1,907	1,387	1,387
	<u>59,871</u>	<u>58,835</u>	<u>58,835</u>
Payables for exchange transactions	59,871	58,835	58,835
Payables for non-exchange transactions - taxes payable (PAYE and rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	<u>59,871</u>	<u>58,835</u>	<u>58,835</u>

The carrying value of payables approximates their fair value

**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>13. Revenue received in Advance</b>			
MSD Oscar grant	5,840	-	5,840

**14. Provision for Cyclical Maintenance**

Provision at the start of the year	109,118	109,118	108,492
Increase to the provision during the year	-	16,057	626
Use of the provision during the year	-	-	-
Provision at the end of the year	109,118	125,175	109,118
Cyclical maintenance - current	-	-	-
Cyclical maintenance - term	109,118	125,175	109,118
	109,118	125,175	109,118

**15. Finance Lease Liability**

The School has entered into finance lease agreements for teacher laptops and a Toshiba photocopier. Minimum lease payments payable:

No later than one year	8,632	7,151	7,151
Later than one year and no later than five years	17,283	4,263	11,413
	25,915	11,414	18,564

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

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

2017	Opening Balances \$	Receipts from MOE \$	Payments \$	Closing Balances \$
Re-roof (completed)	7,224	-	7,224	-
Breakout Space (completed)	(2,574)	4,431	1,857	-
Playground (completed)	-	50,770	50,770	-
Development Plan (in progress)	(950)	-	-	(950)
Special Needs Fencing (in progress)	-	41,756	2,068	39,688
	3,700	96,957	61,919	38,738

**Represented by:**

Funds held on behalf of the Ministry of Education  
Funds due from the Ministry of Education

39,688  
(950)  
38,738



**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

**16. Funds Held for Capital Works Projects (cont'd)**

2016	Opening Balances \$	Receipts from MOE \$	Payments \$	Closing Balances \$
Re-roof (in progress)	-	114,975	107,751	7,224
Breakout Space (in progress)	-	39,874	42,448	(2,574)
Development Plan (in progress)	-	-	950	(950)
	-	154,849	151,149	3,700

**17. Related Party Transactions**

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and 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.

**18. Remuneration**

**Key management personnel compensation**

Key management personnel of the School includes all Trustees of the Board, Principal, Deputy Principals and Heads of Department.

	2017 Actual \$	2016 Actual \$
<b>Board Members</b>		
Remuneration	4,015	4,435
Full time equivalent members	0.11	0.13
<b>Leadership Team</b>		
Remuneration	198,459	173,353
Full time equivalent members	2.00	1.80
Total key management personnel remuneration	202,474	177,788
Total full time equivalent personnel	2.11	1.93

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.

**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

**18. Remuneration (cont'd)**

***Principal***

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

	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$000</b>	<b>\$000</b>
Salaries and other short term employee benefits:		
Salary and other payments	110 - 120	80 - 90
Benefits and other emoluments	0 - 5	Nil
Termination benefits	Nil	Nil

***Other Employees***

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

<b>Remuneration</b>	<b>2017</b>	<b>2016</b>
<b>\$000</b>	<b>FTE</b>	<b>FTE</b>
100 - 110	Nil	Nil

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

**19. Compensation and Other Benefits Upon Leaving**

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee members, 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:

	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Actual</b>
Total value	Nil	Nil
Number of people	Nil	Nil

**20. Contingencies**

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

**Matangi School**  
**Notes to the Financial Statements (cont'd)**  
**for the year ended 31 December 2017**

**21. Commitments**

**(a) Capital Commitments**

As at 31 December 2017 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2016 - nil).

**(b) Operating Commitments**

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

Operating leases for laptops

	<b>2017 Actual \$</b>	<b>2016 Actual \$</b>
No later than one year	188	417
Later than one year and no later than five years	-	188
Later than five years	-	-
	<u>188</u>	<u>605</u>

**22. Managing Capital**

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

**23. Financial Instruments**

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

	<b>2017 Actual \$</b>	<b>2017 Budget (Unaudited) \$</b>	<b>2016 Actual \$</b>
<b>Cash and receivables</b>			
Cash and cash equivalents	251,806	119,920	126,605
Receivables	34,572	42,699	42,699
Total cash and receivables	<u>286,378</u>	<u>162,619</u>	<u>169,304</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	59,871	58,835	58,835
Finance leases	25,915	11,414	18,564
Total financial liabilities measured at amortised cost	<u>85,786</u>	<u>70,249</u>	<u>77,399</u>

**24. Events After Balance Date**

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



## Matangi School

### Members of the Board of Trustees

for the year ended 31 December 2017

Name	Position	How position on Board gained	Term expires
James Allen	Parent Rep Chairperson	Re-elected May 2016	May 2019
Sharyn Douglas	Principal		
Cherie Clarke	Staff Rep	Re-elected May 2016	May 2019
Chris Ballantyne	Parent Rep	Elected May 2016	May 2019
Joseph Lane	Parent Rep	Elected May 2016	May 2019
Simon Diplock	Parent Rep	Elected May 2016	May 2019
Kate Wooller	Parent Rep	Elected May 2016	May 2019

## **Matangi School**

### **Kiwisport Note**

for the year ended 31 December 2016

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2017 the school received total Kiwisport funding of \$2,269 excluding GST (2016 - \$2,071). The funding was put towards purchasing cricket and hockey equipment for sports teams, and new rugby and netball equipment for Matangi School.

The funding also helped subsidise sports fees for families that couldn't pay which enabled these children to play in local sports teams every Saturday morning.

# Matangi School Analysis of Variance 2017

School name: <b>Matangi School</b>	School number: <b>1814</b>
<b>Focus:</b>	
<b>Strategic Aim:</b> All students are able to access the New Zealand Curriculum as evidenced by progress and achievement.	
<b>Annual Aim:</b> To raise student achievement in Literacy and Mathematics in relation to NZ Curriculum across all year levels.	
<b>2017 TARGET:</b>	
<p><b>Increase percentage of students achieving 'Below' their respective National Standard for to 'At/Above' the National Standard.</b></p> <ul style="list-style-type: none"> <li>Target the 19 students who are currently not meeting National Standards in one or two of the curriculum areas of Reading, Writing, Maths</li> <li>Priority Students               <ul style="list-style-type: none"> <li>6 students who are currently not achieving in all areas of National Standards</li> </ul> </li> <li>Schoolwide Mathematics Curriculum development -</li> </ul>	
<b>Baseline data: 2016</b>	
<b>DATA ANALYSIS:</b>	
<b>Specific Curriculum Students</b>	
<p><b>Priority Student</b></p> <ul style="list-style-type: none"> <li>6 Students               <ul style="list-style-type: none"> <li>5 Boys</li> <li>1 Girl</li> </ul> </li> <li>2 students left, 1 girl and 1 boy end of Term 1</li> </ul>	<ul style="list-style-type: none"> <li>Maths: 2 students - all Boys</li> <li>Reading: 6 students (4 boys, 1 girl)</li> <li>Writing: 9 Students - all Boys</li> <li>Reading and Writing: 2 Boys</li> </ul>
<p><b>Maori Students</b></p> <ul style="list-style-type: none"> <li>4 Maori boys identified as below National Standards               <ul style="list-style-type: none"> <li>2 boys across all areas of curriculum</li> <li>1 boy Reading and Writing</li> <li>1 boy in Reading</li> </ul> </li> </ul>	
<p><b>Schoolwide Mathematics Curriculum Development</b></p> <p>5 classroom teachers Term 1 - 4</p> <ul style="list-style-type: none"> <li>1 left Term 2 on maternity leave</li> <li>1 left Term 2 to go overseas</li> </ul>	



### Term 3 - Term 4

- 2 Teachers joined (1 Beginning Teacher, 1 experienced Teacher)

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p><b>Priority Students</b> 6 children starting 2017 (2 children left Term 1) - 4 students</p> <ul style="list-style-type: none"> <li>• RTLTB referrals -</li> <li>• STEP's remedial programme - using teacher aide time and support</li> <li>• Introduction of Lucid testing x 2</li> <li>• Learning Mentor Leader overseeing progress and tracking form with teachers</li> <li>• Priority Student Tracking Forms - google spreadsheet</li> <li>• Teacher Aide - targeted classroom focus</li> </ul> <p><b>Specific Curriculum Students below expectations</b> Maths: 2 students - girls Reading: 6 students (4 boys, 1 girl) Writing: 9 Students - all Boys Reading and Writing: 2 Boys</p> <p><b>Mathematics Development</b></p> <ul style="list-style-type: none"> <li>• Professional Development - Bruce</li> <li>• Moody - 4 days per year</li> <li>• Each teacher received 45 mins x 4 modeling and observation sessions and feedback</li> </ul> <p>(Teachers starting in Term 3 had 2 x 45 min sessions)</p> <ul style="list-style-type: none"> <li>• Staff Meetings - focus around Mathematics progressions</li> </ul>	<p><b>2017 Year 1-6</b></p> <p><b>Priority Students</b> Using RTLTB, student was provided assessment and support - referred to an Education Psychologist 2018</p> <p>STEPs Programme - increase in student knowledge and achievement in specific sounds and letter pattern knowledge - improvement in retention</p> <p>- Results</p> <p>Lucid Testing - 2 children completed the Lucid testing 2017 - referrals made to RTLTB and programme adapted and used STEP's to support remedial programme</p> <p>Priority tracking forms used by teachers to track progress - worked for Term 1 and 2 - change in staffing and roles within the school to monitor the progress - each teacher became responsible</p> <p>Specific targeted students were allocated TA time - in class support</p> <p>2 Boys made progress within their reading levels but staying below expectations, 1 boy moved from Below to At and another boy moved from WB to B</p> <hr/> <p>Maths - 1 student moved from Below to At, the other moved within Below - and has been picked up for 2018</p>	<p>Students were able to be identified around their learning needs - and targeted outside support was put into place where required</p> <p>STEPs programme provided specific targeted support for students who lacked the foundation knowledge in literacy, while also working on the working memory components help to retain the information - linking to the classroom by using the same TA to help mentor once in the classroom programme</p> <p>Showing teachers how the programme worked and use specific assessment tools to target 'at risk' learners and specific skills improved deliberate acts of teaching</p> <p>Lucid testing provided the school with in depth screening of specific areas of strengths and weaknesses, eg working memory, phonemic knowledge, visual or auditory memory.</p> <p>Tracking forms enabled teachers, senior staff to oversee the rate of progress each student was achieving, clarity was required around what to assess and when to track the progress - sharing this with the mentor teacher was an issue as time needed to be allocated to support teacher development</p> <p>Targeted teacher aide time enabled students below to develop independence in tasks, particularly in inquiry topics - where thinking</p>	<ul style="list-style-type: none"> <li>• purchase Lucid testing for school for 2018 - upskill teachers and TA in using information and how to utilize the screening</li> <li>• Purchase of STEP's web programme and resources - allocated to teacher aide programme 2018</li> <li>• Professional development around diversity in teaching</li> <li>• school wide spelling programme to develop consistency across the school and build foundation skills throughout each year</li> </ul> <hr/> <p>Develop mathematical progressions that can be used in 'child speak' and easily adapted to the classroom planning requirements</p> <p>Professional development around the assessment tasks required to enable children to meet the NZC expectations</p>

<ul style="list-style-type: none"> <li>Specific support with Target students -</li> </ul>	<p>Improved understanding from teachers around the progressions and how to build on foundation learning, using the knowledge of stages to link to NZC expectations</p> <p>Teachers started to develop diagnostic strategies to identify students learning needs while within a group, what to expect learners to achieve and how to change the teaching variables to build pattern knowledge</p> <p>Increase in expectations, particularly in the early years of learning, moving children through the progression of learning - linking to fluency in basic facts rather than speed</p>	<p>levels for age equivalent but output required support</p> <p>Maths - sustainability of changes in teacher need to be reviewed, alongside a teacher within school who will be responsible for the continue support once outside provider is gone.</p> <p>Greater awareness of children's abilities were quickly evident and evidence of foundation building, changing one variable in the teaching of maths at a time made a massive impact to retention of concepts</p> <p>The importance of place value knowledge and using the bonds to 10 were noticeable changes in student knowledge and therefore in confidence</p> <p>Teachers grew in confidence to group concepts together and provide more practical practice</p>	<p>continue to target the use of equipment and linking strand</p>
<p><b>Planning for next year:</b></p> <p>The Matangi School BoT will target specific children as follows</p> <p>Priority Students - 'At Risk': Children not achieving NZC expectations</p> <p>School wide focus will be Mathematics, Assessment</p> <p><b>Target 2018</b></p> <p>Raise the achievement of the follow students to meet their NZC expectations for their year level.</p> <ul style="list-style-type: none"> <li>11 students who have not meet the NZC expectation in Literacy and Numeracy</li> <li>17 students in Writing only</li> <li>6 students in Reading only</li> <li>7 students in literacy(both Reading &amp; Writing)</li> <li>5 students in Numeracy only</li> </ul> <p>The school has had significant growth in roll numbers over the past year and this has impacted on the number of students represented in the data for 2018</p> <p>Please note that this charter and targets will adapt and be under reviewed over the 2018 year.</p>			

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

The Auditor-General is the auditor of Matangi School (the School). The Auditor-General has appointed me, Paolo Caccioppoli, using the staff and resources of Crowe Horwath New Zealand Audit Partnership, 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 Sector Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 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 obtained at the date of our report include the Board of Trustee Listing, Kiwisport Report and Analysis of Variance 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.



Paolo Caccioppoli

**Crowe Horwath New Zealand Audit Partnership**

On behalf of the Auditor-General

Hamilton, New Zealand