



## ***Independent Auditor's Report***

### **To the readers of Hora Hora School's financial statements For the year ended 31 December 2017**

The Auditor-General is the auditor of Hora Hora School (the School). The Auditor-General has appointed me, Chris Ussher, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the School on his behalf.

#### ***Opinion***

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 5 June 2017. 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.

#### ***Failure to meet statutory reporting deadlines***

Without modifying our opinion, we draw attention to the fact that the Board of Trustees did not comply with section 87C(1) of the Education Act 1989, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2018.

#### ***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.

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

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

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

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included within the Analysis of Variance Reporting, the Kiwisport Funding 2017, and the Board of Trustees - Hora Hora School, which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.



Chris Ussher  
On behalf of the Auditor-General  
Wellington, New Zealand



PricewaterhouseCoopers

# **HORA HORA SCHOOL (TE MAI)**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address: 22 Te Mai Road

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Ministry Number: 1015



# **HORA HORA SCHOOL (TE MAI)**

Financial Statements - For the year ended 31 December 2017

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# Hora Hora School (Te Mai)

## 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.

Crichton Blyth Christer  
Full Name of Board Chairperson

Peora Rame  
Full Name of Principal

ABM  
Signature of Board Chairperson

[Signature]  
Signature of Principal

4/6/18  
Date:

28.5.18  
Date:

# Hora Hora School (Te Mai)

## 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	3,063,226	2,976,169	2,913,057
Locally Raised Funds	3	108,062	98,560	108,139
Interest Earned		10,042	8,000	13,007
		<u>3,181,330</u>	<u>3,082,729</u>	<u>3,034,203</u>
<b>Expenses</b>				
Locally Raised Funds	3	77,077	71,300	84,941
Learning Resources	4	2,351,576	2,319,246	2,302,760
Administration	5	157,873	178,835	180,244
Finance Costs		1,271	-	342
Property	6	367,324	526,859	498,579
Depreciation	7	106,638	289,000	94,115
Loss on Disposal of Property, Plant and Equipment		-	-	766
		<u>3,061,759</u>	<u>3,385,240</u>	<u>3,161,747</u>
<b>Net Surplus / (Deficit)</b>		119,571	(302,511)	(127,544)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>119,571</u>	<u>(302,511)</u>	<u>(127,544)</u>

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



**Hora Hora School (Te Mai)****Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	<b>719,541</b>	<b>719,541</b>	<b>805,156</b>
Total comprehensive revenue and expense for the year	119,571	(302,511)	(127,544)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	41,929
<b>Equity at 31 December</b>	<b>839,112</b>	<b>417,030</b>	<b>719,541</b>
 Retained Earnings	 839,112	 417,030	 719,541
<b>Equity at 31 December</b>	<b>839,112</b>	<b>417,030</b>	<b>719,541</b>

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



**Hora Hora School (Te Mai)**  
**Statement of Financial Position**  
As at 31 December 2017

		2017	2017	2016
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	333,513	116,224	322,158
Accounts Receivable	9	121,534	184,984	99,929
GST Receivable		10,124	15,198	33,944
Prepayments		21,966	19,777	11,805
		<b>487,137</b>	<b>336,183</b>	<b>467,836</b>
<b>Current Liabilities</b>				
Accounts Payable	11	186,938	188,622	144,491
Provision for Cyclical Maintenance	12	-	11,500	6,751
Finance Lease Liability - Current Portion	13	7,070	-	5,031
Funds held for Capital Works Projects	14	28,531	-	-
		<b>222,539</b>	<b>200,122</b>	<b>156,273</b>
<b>Working Capital Surplus/(Deficit)</b>		<b>264,598</b>	<b>136,061</b>	<b>311,563</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	635,303	492,310	606,019
		<b>635,303</b>	<b>492,310</b>	<b>606,019</b>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	12	53,501	211,341	188,150
Finance Lease Liability	13	7,288	-	9,891
		<b>60,789</b>	<b>211,341</b>	<b>198,041</b>
<b>Net Assets</b>		<b>839,112</b>	<b>417,030</b>	<b>719,541</b>
<b>Equity</b>		<b>839,112</b>	<b>417,030</b>	<b>719,541</b>

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

**Hora Hora School (Te Mai)**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,022,916	866,119	916,382
Locally Raised Funds		108,445	84,460	131,311
Goods and Services Tax (net)		23,820	-	15,198
Payments to Employees		(614,883)	(559,664)	(579,058)
Payments to Suppliers		(436,816)	(125,675)	(278,607)
Interest Paid		(1,271)	-	(342)
Interest Received		9,249	8,000	14,936
Net cash from / (to) the Operating Activities		111,460	273,240	219,820
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	1,128
Purchase of PPE (and Intangibles)		(134,975)	(289,000)	(189,495)
Net cash from / (to) the Investing Activities		(134,975)	(289,000)	(188,367)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	41,929
Finance Lease Payments		(2,091)	-	(1,193)
Funds Held for Capital Works Projects		36,961	-	-
Net cash from Financing Activities		34,870	-	40,736
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>11,355</b>	<b>(15,760)</b>	<b>72,189</b>
Cash and cash equivalents at the beginning of the year	8	322,158	131,984	249,969
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>333,513</b>	<b>116,224</b>	<b>322,158</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 Cash Flow Statement should be read in conjunction with the accompanying notes.

# **Hora Hora School (Te Mai)**

## **Notes to the Financial Statements**

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

For the year ended 31 December 2017

#### **a) Reporting Entity**

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

#### **b) Basis of Preparation**

##### ***Reporting Period***

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

##### ***Basis of Preparation***

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

##### ***Financial Reporting Standards Applied***

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

##### ***PBE Accounting Standards Reduced Disclosure Regime***

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

##### ***Measurement Base***

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

##### ***Presentation Currency***

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

##### ***Specific Accounting Policies***

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

##### ***Critical Accounting Estimates And Assumptions***

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

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

#### *Useful lives of property, plant and equipment*

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

#### **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 13.

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

#### **Other Grants**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

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

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



**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**i) Inventories**

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

**j) Investments**

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

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

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

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

**k) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication	4 years
Motor Vehicles	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

**I) Intangible Assets**

*Software costs*

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

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

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

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

**m) Impairment of property, plant, and equipment and intangible assets**

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

*Non cash generating assets*

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

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

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

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

#### **n) Accounts Payable**

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

#### **o) Employee Entitlements**

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

##### *Long-term employee entitlements*

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

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

#### **p) Revenue Received in Advance**

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

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

#### **q) Funds Held in Trust**

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

#### **r) Shared Funds**

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

#### **s) Provision for Cyclical Maintenance**

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

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

#### **t) Financial Assets and Liabilities**

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

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

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

**u) Borrowings**

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

**v) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

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



## 2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	811,714	775,244	794,232
Teachers' salaries grants	1,736,274	1,814,382	1,763,886
Use of Land and Buildings grants	296,629	295,668	230,200
Resource teachers learning and behaviour grants	8,726	-	2,555
Other MoE Grants	195,201	84,375	108,830
Other government grants	14,682	6,500	13,354
	<b>3,063,226</b>	<b>2,976,169</b>	<b>2,913,057</b>

## 3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	16,447	15,000	13,091
Fundraising	3,466	15,000	12,406
Trading	-	-	1,281
Activities	37,367	18,500	26,956
After School Care	50,782	50,060	54,405
	<b>108,062</b>	<b>98,560</b>	<b>108,139</b>
<b>Expenses</b>			
Activities	18,546	14,100	19,337
Trading	-	-	1,556
Fundraising (costs of raising funds)	131	-	1,824
After School Care	58,400	57,200	62,224
	<b>77,077</b>	<b>71,300</b>	<b>84,941</b>
<b>Surplus for the year Locally raised funds</b>	<b>30,985</b>	<b>27,260</b>	<b>23,198</b>

## 4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	73,275	71,800	63,046
Library resources	805	500	439
Employee benefits - salaries	2,166,542	2,178,646	2,160,237
Staff development	94,975	49,500	50,082
R&m & Purchases <\$500	15,979	18,800	28,956
	<b>2,351,576</b>	<b>2,319,246</b>	<b>2,302,760</b>

## 5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,315	4,315	4,252
Board of Trustees Fees	3,735	4,500	4,455
Board of Trustees Expenses	3,174	2,300	753
Communication	7,775	6,370	6,954
Consumables	23,808	24,200	26,347
Operating Lease	2,491	2,550	7,415
Other	13,407	16,800	12,655
Employee Benefits - Salaries	79,891	95,400	94,186
Insurance	4,504	6,400	6,417
Service Providers, Contractors and Consultancy	14,773	16,000	16,810
	<u>157,873</u>	<u>178,835</u>	<u>180,244</u>

## 6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	17,204	14,500	16,366
Cyclical Maintenance Expense	(141,400)	27,191	26,441
Grounds	9,002	12,700	49,950
Heat, Light and Water	38,778	30,000	29,587
Rates	9,230	8,000	7,751
Repairs and Maintenance	12,762	30,800	22,729
Use of Land and Buildings	296,629	295,668	230,200
Security	5,688	8,000	12,767
Employee Benefits - Salaries	119,431	100,000	102,788
	<u>367,324</u>	<u>526,859</u>	<u>498,579</u>

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

## 7. Depreciation

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	9,393	28,668	9,336
Building Improvements	294	-	-
Furniture and Equipment	46,155	114,775	37,377
Information and Communication Technology	41,426	128,819	41,951
Leased Assets	6,181	6,734	2,193
Library Resources	3,189	10,004	3,258
	<u>106,638</u>	<u>289,000</u>	<u>94,115</u>



## 8. Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
ASB Main Bank Account	203,505	116,224	322,150
ASB 50 Business Saver Account	-	-	8
Short-term Bank Deposits	130,008	-	-
Cash equivalents and bank overdraft for Cash Flow Statement	<u>333,513</u>	<u>116,224</u>	<u>322,158</u>

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

Of the \$333,513 Cash and Cash Equivalents, \$31,228 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.

## 9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	523	26,780	963
Receivables from the Ministry of Education	1,068	-	-
Interest Receivable	793	1,929	-
Teacher Salaries Grant Receivable	119,150	156,275	98,966
	<u>121,534</u>	<u>184,984</u>	<u>99,929</u>
Receivables from Exchange Transactions	2,384	28,709	963
Receivables from Non-Exchange Transactions	119,150	156,275	98,966
	<u>121,534</u>	<u>184,984</u>	<u>99,929</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Buildings	206,999	-	-	-	(9,393)	197,606
Building Improvements	-	46,125	-	-	(294)	45,831
Furniture and Equipment	284,569	33,202	-	-	(46,155)	271,616
Information and Communication Tech	88,446	48,236	-	-	(41,426)	95,256
Leased Assets	13,922	5,054	-	-	(6,181)	12,795
Library Resources	12,083	3,305	-	-	(3,189)	12,199
Balance at 31 December 2017	<u>606,019</u>	<u>135,922</u>	<u>-</u>	<u>-</u>	<u>(106,638)</u>	<u>635,303</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Buildings	375,737	(178,131)	197,606
Building Improvements	46,125	(294)	45,831
Furniture and Equipment	635,518	(363,902)	271,616
Information and Communication	340,390	(245,134)	95,256
Motor Vehicles	1,926	(1,926)	-
Leased Assets	21,169	(8,374)	12,795
Library Resources	105,932	(93,733)	12,199
Balance at 31 December 2017	<u>1,526,797</u>	<u>(891,494)</u>	<u>635,303</u>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2016</b>						
Buildings	208,183	8,152	-	-	(9,336)	206,999
Furniture and Equipment	161,674	162,166	(1,894)	-	(37,377)	284,569
Information and Communication Tech	111,467	18,930	-	-	(41,951)	88,446
Leased Assets	-	16,115	-	-	(2,193)	13,922
Library Resources	10,986	4,355	-	-	(3,258)	12,083
<b>Balance at 31 December 2016</b>	<b>492,310</b>	<b>209,718</b>	<b>(1,894)</b>	<b>-</b>	<b>(94,115)</b>	<b>606,019</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2016</b>			
Buildings	375,737	(168,738)	206,999
Furniture and Equipment	602,316	(317,747)	284,569
Information and Communication	292,154	(203,708)	88,446
Motor Vehicles	1,926	(1,926)	-
Leased Assets	16,115	(2,193)	13,922
Library Resources	102,627	(90,544)	12,083
<b>Balance at 31 December 2016</b>	<b>1,390,875</b>	<b>(784,856)</b>	<b>606,019</b>

#### 11. Accounts Payable

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Operating creditors	20,628	18,473	7,772
Accruals	4,315	-	4,890
Capital accruals for PPE items	-	-	4,724
Banking staffing overuse	7,615	-	-
Employee Entitlements - salaries	119,150	156,275	98,966
Employee Entitlements - leave accrual	35,230	13,874	28,139
	<b>186,938</b>	<b>188,622</b>	<b>144,491</b>
Payables for Exchange Transactions	179,323	188,622	144,491
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	7,615	-	-
	<b>186,938</b>	<b>188,622</b>	<b>144,491</b>

The carrying value of payables approximates their fair value.



## 12. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	194,901	203,150	168,460
Increase/(decrease) to the Provision During the Year	(141,400)	27,191	26,441
Use of the Provision During the Year	-	(7,500)	-
Provision at the End of the Year	53,501	222,841	194,901
Cyclical Maintenance - Current	-	11,500	6,751
Cyclical Maintenance - Term	53,501	211,341	188,150
	53,501	222,841	194,901

## 13. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	7,070	-	5,031
Later than One Year and no Later than Five Years	7,288	-	9,891
	14,358	-	14,922

## 14. Funds Held (Owed) for Capital Works Projects

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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block 1 10YP and Electrical	<i>completed</i>	-	23,941	23,941	-	-
Roofing Library/Office	<i>in progress</i>	-	88,706	57,478	-	31,228
Block 1 Upgrade	<i>in progress</i>	-	43,000	45,697	-	(2,697)
Totals		-	155,647	127,116	-	28,531

### Represented by:

Funds Held on Behalf of the Ministry of Education	31,228
Funds Due from the Ministry of Education	(2,697)
	28,531

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Totals		-	-	-	-	-

## 15. 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.

## 16. 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	3,735	4,455
Full-time equivalent members	-	0.97
<i>Leadership Team</i>		
Remuneration	343,058	334,272
Full-time equivalent members	0.03	3.97
Total key management personnel remuneration	346,793	338,727
Total full-time equivalent personnel	0.03	4.94

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	140 - 150	140 - 150
Benefits and Other Emoluments	1 - 2	1 - 2
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	1.00	-
	1.00	0.00

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

## 17. Compensation and Other Benefits Upon Leaving

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

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

## 18. Contingencies

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

## 19. Commitments

### (a) Capital Commitments

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

### (b) Operating Commitments

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

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	-	705
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>705</u>

## 20. 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.

## 21. Financial Instruments

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

### Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	333,513	116,224	322,158
Receivables	121,534	184,984	99,929
Investments - Term Deposits	-	-	-
Total Loans and Receivables	455,047	301,208	422,087

### Financial liabilities measured at amortised cost

Payables	186,938	188,622	144,491
Borrowings - Loans	-	-	-
Finance Leases	14,358	-	14,922
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	201,296	188,622	159,413

## 22. Events After Balance Date

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

## 23. Comparative Figures

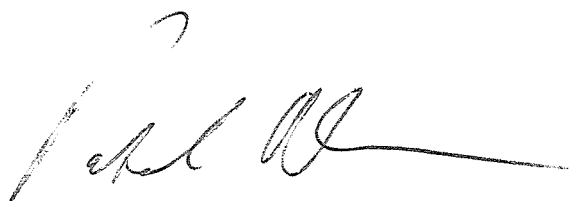
Some figures have been restated to ensure compliance with the Ministry of Education's Kiwi Park School model financial statements. This change does not materially alter the financial statements.

# BOARD OF TRUSTEES – HORA HORA SCHOOL (Updated 20.11.17)

Name	Position	Home Ph	Elected/Co-opt	Joined	Expiry Date
Pat Newman 17 Takahē Street	Principal	H 437 5518 W 438 3080 M 027289 6700		19.04.99 (Pat)	
Crichton Christie 69 Otāika Road	Chairperson Elected 17.2.15	H 4387373 W 4302848 M 0273922289	Elected	May 2013	May 2019
Aryan McKay 59 Otāika Road	Parent Rep	H 4382484 M 0210363365	Elected	June 2016	May 2019
Jaimee Johnson 41 First Avenue	Parent Rep	021 0889 4573	Selected Elected	June 2017 Nov 2017	Nov 2020
Thomas Niha 1476 Whangarei Heads Road	Parent Rep	H 4360802 M 021487630	Elected	May 2013	May 2019
Nicky Witana 9 Paratai Cres	Parent Rep	H 4389589 M 0212808479	Elected	Co-opted July 2016 Elected Nov 2017	Nov 2020
John Moffat	Staff Rep	H 432 1462 M 0212961752	Elected	May 2010	Apr/May 2019

## KIWISPORT FUNDING 2017

Hora Hora School has used the Kiwisport money to pay for individual children's sports club fees; to buy equipment so other children could play; and to cover the cost of extra coaching to encourage children to participate in weekend sport.

A handwritten signature in black ink, appearing to read 'Patrick Newman', with a long horizontal flourish extending to the right.

Patrick Newman  
Principal

## KIWISPORT FUNDING 2017

Hora Hora School has used the Kiwisport money to pay for individual children's sports club fees; to buy equipment so other children could play; and to cover the cost of extra coaching to encourage children to participate in weekend sport.

Kiwisport funding received

– 2017 Operations Grant	\$5,421.63
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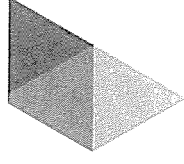
Kiwisport expenditure

- Team Registrations	\$2,773.91	
- Coaching Courses	\$ 34.78	
- Additional uniform/resources	\$ 205.56	
- Tournament attendance exp.	\$ 267.82	
- Additional Regn's – Individual	<u>\$ 939.55</u>	\$4,221.62

Patrick Newman  
Principal



# Analysis of Variance Reporting



<b>School Name:</b>	Hora Hora School (Te Mai)	<b>School Number:</b>	1015
<b>Strategic Aim:</b>	Our Curriculum Delivery will be enhanced by specific teaching and learning strategies to provide our students with every opportunity to fulfil the Vision of this school.		
<b>Annual Aim:</b>	To increase the proportion of children achieving at or above the National Standard in Reading		
<b>Target:</b>	<p>100% of children will be either "AT" or "ABOVE" with regards the supposed NS in Reading by the end of the 2017 year. The aim is for Special Education, ORRS, Severe behavioural, Down, Autistic children abused children, poorly fed children to of course all attain this standard!</p> <p>That Ministry of Education will assist us with all the necessary funding and resources to achieve our goal!</p>		
<b>Baseline Data:</b>	In November 2016 65.6% of children were at or above a (arbitrary, invented) national standard in Reading		

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>5 days PD with Sharp Reading Team at school. Term 1 and Term 3 for all teaching staff. Class observation and feedback etc.</p> <p>Extended experiential learning programme from New Entrant classes, (to develop children's oral language and social skills), to Yrs 2-3 classes (Maramatanga)</p> <p>Extended and staffed Te Ahurutanga to cater for Y0 to Y6</p> <p>Restructure New Entrant classes, to work as one class with 3 teachers</p> <p>Restructure senior and middle school to better cater for variety of abilities</p> <p>Develop collaborative learning pedagogies, particularly in new classrooms</p> <p>Encourage the use of MLEs, particularly in new classrooms</p> <p>Align and moderate assessment practices in Writing and Reading</p> <p>Use NZC throughout school (including Te Ahurutanga)</p>	<p>63% of the children were at or above the Reading NS.</p> <p>Reading NS results for Maori all within 1% of All results.</p> <p>Children new to the school (but not NE) comprised approx. 30% of the school population. Their NS and Reading levels are all below children who have been here a year or more (not NE).</p>	<p>The Ministry of Education failed to provide the necessary resources.</p> <p>NE classes reverted to 3 x single cell classes, due to unexpected numbers in general, and specifically high numbers of NE lacking pro-social behaviours and oral language skills.</p>	<p>Restructure school to make 5 smaller teams</p> <p>Restructure meeting timetables for whole staff</p> <p>Change class year levels to provide more flexibility</p> <p>Establish pre-school facility for children without ECE</p> <p>Redesign assessment to better reflect school's ethos</p> <p>Increase use of Te Reo and tikanaga throughout the school</p> <p>Continue to explore creative uses of collaborative learning pedagogies</p> <p>Develop practical workshops for children with classroom challenges</p>
<b>Planning for next year (2018):</b>			
<p>Continue to request that the Ministry of Education do its job and resource our school properly.</p> <p>2018 School goals:</p> <ol style="list-style-type: none"> <li>1. To develop a <i>curiosity</i> based, <i>practical</i> curriculum</li> <li>2. To explore the history of Aotearoa / New Zealand with our students, with an emphasis on local events (e.g. Northland, Whangarei)</li> </ol>			