

TE AROHA COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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TE AROHA COLLEGE

Financial Statements - For the year ended 31 December 2016

Index

Page	Statement
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 22	Notes to the Financial Statements
6 - 12	Statement of Accounting Policies
13 - 22	Other Notes and Disclosures

Te Aroha College

Statement of Responsibility

For the year ended 31 December 2016

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 2016 fairly reflects the financial position and operations of the school.

The School's 2016 financial statements are authorised for issue by the Board.

Graham Wilson Hallett
Full Name of Board Chairperson

Heather Louise Amin
Full Name of Principal

[Signature]
Signature of Board Chairperson

[Signature]
Signature of Principal

29/5/2017
Date:

29/5/2017
Date:

Te Aroha College
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2016

		2016	2016	2015
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	4,233,792	4,160,308	4,094,082
Locally Raised Funds	3	357,149	202,577	452,993
Interest Earned		55,056	45,000	67,574
Gain on Sale of Property, Plant and Equipment		12,626	-	696
International Students	4	100,216	136,653	194,841
		<u>4,758,839</u>	<u>4,544,538</u>	<u>4,810,186</u>
Expenses				
Locally Raised Funds	3	67,386	5,250	93,518
International Students	4	51,281	96,775	107,447
Learning Resources	5	3,095,632	2,985,405	3,119,840
Administration	6	438,983	361,911	383,403
Finance Costs		5,642	-	2,355
Property	7	1,091,389	1,057,921	1,004,150
Depreciation	8	137,402	110,000	125,335
Loss on Disposal of Property, Plant and Equipment		-	-	16,060
		<u>4,887,715</u>	<u>4,617,262</u>	<u>4,852,108</u>
Net Surplus / (Deficit)		(128,876)	(72,724)	(41,922)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(128,876)</u>	<u>(72,724)</u>	<u>(41,922)</u>

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



Te Aroha College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2016

	Actual 2016 \$	Budget (Unaudited) 2016 \$	Actual 2015 \$
Balance at 1 January	1,660,749	1,660,749	1,702,619
Total comprehensive revenue and expense for the year	(128,892)	(72,724)	(41,922)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	27,999	-	-
Increase Reserves	16	-	52
SNUP MOE Portion	12,891	-	-
Equity at 31 December	1,572,763	1,588,025	1,660,749
Retained Earnings	1,572,763	1,588,025	1,660,749
Equity at 31 December	1,572,763	1,588,025	1,660,749

Reserved equity comprises funds that have been received by the School for a specific purpose. The School guarantees to hold sufficient monies to enable the funds to be used for their intended purpose at any time. These funds arose from a bequest from Daisy Robertson of \$2,000. These funds are held for use solely on School expenditure. The School is not required to repay these funds.

	2016 Actual	2016 Budget	2015 Actual
Reserves			
Prizegiving Trust	2132	2116	2116

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



Te Aroha College
Statement of Financial Position
As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Assets				
Cash and Cash Equivalents	9	81,145	369,383	305,924
Accounts Receivable	10	180,985	257,781	257,781
GST Receivable		41,810	17,884	17,884
Prepayments		2,474	2,524	2,524
Investments	11	1,301,754	1,196,250	1,196,250
Funds owed for Capital Works Projects	17	53,736	-	-
		<u>1,661,904</u>	<u>1,843,822</u>	<u>1,780,363</u>
Current Liabilities				
Accounts Payable	13	311,623	332,606	332,606
Revenue Received in Advance	14	205,351	206,248	149,050
Provision for Cyclical Maintenance	15	157,840	-	156,950
Finance Lease Liability - Current Portion	16	31,557	9,665	9,665
		<u>706,371</u>	<u>548,519</u>	<u>648,271</u>
Working Capital Surplus/(Deficit)		955,533	1,295,303	1,132,092
Non-current Assets				
Property, Plant and Equipment	12	700,105	527,378	590,778
		<u>700,105</u>	<u>527,378</u>	<u>590,778</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	46,700	220,200	38,000
Finance Lease Liability	16	36,175	14,456	24,121
		<u>82,875</u>	<u>234,656</u>	<u>62,121</u>
Net Assets		<u>1,572,763</u>	<u>1,588,025</u>	<u>1,660,749</u>
Equity		<u>1,572,763</u>	<u>1,588,025</u>	<u>1,660,749</u>

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



Te Aroha College
Statement of Cash Flows
For the year ended 31 December 2016

		2016	2016	2015
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,089,201	1,107,652	1,034,504
Locally Raised Funds		392,979	272,720	410,402
International Students		93,202	136,653	172,422
Goods and Services Tax (net)		(23,926)	-	10,022
Payments to Employees		(614,845)	(499,840)	(715,996)
Payments to Suppliers		(941,436)	(815,336)	(975,341)
Interest Paid		(5,642)	-	(2,355)
Interest Received		59,172	15,134	65,736
Net cash from / (to) the Operating Activities		48,705	216,983	(606)
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(179,946)	(48,600)	(49,262)
Purchase of Investments		(105,504)	-	(106,814)
Net cash from / (to) the Investing Activities		(285,450)	(48,600)	(156,076)
Cash flows from Financing Activities				
Furniture and Equipment Grant		27,999	-	-
Owners Contributions		-	-	52
Finance Lease Payments		(28,940)	-	(4,833)
Funds Administered on Behalf of Third Parties		12,907	-	-
Net cash from Financing Activities		11,966	-	(4,781)
Net increase/(decrease) in cash and cash equivalents		(224,779)	168,383	(161,463)
Cash and cash equivalents at the beginning of the year	9	305,925	-	467,387
Cash and cash equivalents at the end of the year	9	81,146	168,383	305,924

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

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



Te Aroha College

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Te Aroha College (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 2016 to 31 December 2016 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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



Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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 bank term deposits are measured at amortised cost using the effective interest method less impairment.

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 73 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 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:

Electronic Equipment	4 Years
Plant & Equipment	10 Years
Furniture & fittings	5-15 Years
Vehicles	5 Years
Land & Buildings	75 Years
Textbooks	5 Years
Leased assets	5 Years
Library Books	12.5% DV

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School is 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. 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 participating schools within a cluster of schools. 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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operational grants	1,009,142	1,024,252	919,789
Teachers' salaries grants	2,423,130	2,362,885	2,362,885
Use of Land and Buildings grants	707,086	689,771	689,771
Other MoE Grants	94,434	83,400	121,637
	<u>4,233,792</u>	<u>4,160,308</u>	<u>4,094,082</u>

3. Locally Raised Funds

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue			
Donations	60,983	20,500	24,554
Fundraising	-	-	27
Other revenue	49,687	-	138,478
Trading	757	-	575
Activities	142,453	37,972	281,451
Curriculum Recoveries	92,762	136,105	(86)
School Van	10,507	8,000	7,994
	<u>357,149</u>	<u>202,577</u>	<u>452,993</u>
Expenses			
Activities	1,994	-	37,973
Other Locally Raised Funds Expenditure	54,785	-	50,294
School Van	10,607	5,250	5,251
	<u>67,386</u>	<u>5,250</u>	<u>93,518</u>
<i>Surplus for the year Locally raised funds</i>	<u>289,763</u>	<u>197,327</u>	<u>359,475</u>



4. International Student Revenue and Expenses

	2016 Actual Number	2016 Budget (Unaudited) Number	2015 Actual Number
International Student Roll	9	4	4
	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue			
International student fees	100,216	136,653	194,841
Expenses			
Advertising	17,605	10,000	-
Commissions	6,326	5,000	3,172
International student levy	880	880	1,052
Employee Benefit - Salaries	2,742	11,000	1,133
Other Expenses	23,728	69,895	102,090
	51,281	96,775	107,447
<i>Surplus for the year International Students'</i>	48,935	39,878	87,394

5. Learning Resources

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Curricular	302,582	341,780	277,266
Extra-curricular activities	68,348	13,900	199,440
Library resources	3,631	5,000	2,551
Employee benefits - salaries	2,634,892	2,548,725	2,575,417
Staff development	37,129	28,000	30,797
Star	49,050	48,000	34,369
	3,095,632	2,985,405	3,119,840

6. Administration

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Audit Fee	4,500	4,500	4,500
Board of Trustees Fees	4,665	4,000	5,573
Board of Trustees Expenses	974	9,638	3,002
Communication	18,047	19,500	18,995
Consumables	109,757	96,274	71,514
Operating Lease	15,020	23,809	17,875
Legal Fees	40,181	7,000	50,040
Other	45,412	29,750	26,750
Employee Benefits - Salaries	182,106	150,000	171,867
Insurance	3,381	2,500	4,112
Service Providers, Contractors and Consultancy	14,940	14,940	9,175
	438,983	361,911	383,403



7. Property

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	11,943	10,650	10,281
Cyclical Maintenance Provision	9,590	20,000	24,512
Grounds	20,258	14,500	14,048
Heat, Light and Water	51,190	43,000	42,208
Rates	11,022	11,000	10,557
Repairs and Maintenance	110,349	105,000	49,611
Use of Land and Buildings	707,086	689,771	689,771
Employee Benefits - Salaries	169,951	164,000	163,162
	<u>1,091,389</u>	<u>1,057,921</u>	<u>1,004,150</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.

8. Depreciation of Property, Plant and Equipment

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Electronic Equipment	66,282	63,547	72,406
Plant & Equipment	18,642	13,654	15,557
Furniture & fittings	7,289	5,680	6,472
Vehicles	6,467	11,983	13,654
Land & Buildings	5,512	4,838	5,512
Textbooks	4,241	3,362	3,831
Leased assets	24,805	3,270	3,726
Library Books	4,164	3,666	4,177
	<u>137,402</u>	<u>110,000</u>	<u>125,335</u>

9. Cash and Cash Equivalents

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	-	100
BNZ General Cheque Account	20,848	103,702	40,143
BNZ Autocall Account	58,065	62,565	62,565
BNZ Prizegiving 001	2,132	2,116	2,116
Short-term Bank Deposits	-	201,000	201,000
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>81,145</u>	<u>369,383</u>	<u>305,924</u>

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



10. Accounts Receivable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Receivables	4,850	8,021	8,021
Interest Receivable	25,750	29,866	29,866
Teacher Salaries Grant Receivable	150,385	219,894	219,894
	180,985	257,781	257,781
Receivables from Exchange Transactions	30,600	37,887	37,887
Receivables from Non-Exchange Transactions	150,385	219,894	219,894
	180,985	257,781	257,781

11. Investments

The School's investment activities are classified as follows:

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Asset			
Short-term Bank Deposits	1,301,754	1,196,250	1,196,250

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2016.



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Electronic Equipment	121,678	85,671	-	-	(66,282)	141,067
Plant & Equipment	95,978	36,883	-	-	(18,642)	114,218
Furniture & fittings	40,335	12,834	-	-	(7,289)	45,880
Vehicles	7,785	49,557	(5,445)	-	(6,467)	45,429
Land & Buildings	250,967	-	-	-	(5,512)	245,454
Textbooks	20,267	830	-	-	(4,241)	16,856
Leased assets	32,446	59,470	-	-	(24,805)	67,110
Library Books	21,322	6,929	-	-	(4,164)	24,091
Balance at 31 December 2016	590,778	252,174	(5,445)	-	(137,402)	700,105

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Electronic Equipment	598,719	(457,652)	141,067
Plant & Equipment	465,762	(351,544)	114,218
Furniture & fittings	216,110	(170,230)	45,880
Vehicles	71,153	(25,724)	45,429
Land & Buildings	282,489	(37,035)	245,454
Textbooks	178,852	(161,996)	16,856
Leased assets	95,642	(28,532)	67,110
Library Books	93,629	(69,538)	24,091
Balance at 31 December 2016	2,002,356	(1,302,251)	700,105

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2015	\$	\$	\$	\$	\$	\$
Electronic Equipment	167,812	36,139	(9,867)	-	(72,406)	121,678
Plant & Equipment	88,806	23,627	(898)	-	(15,557)	95,978
Furniture & fittings	43,556	3,251	-	-	(6,472)	40,335
Vehicles	21,440	-	-	-	(13,654)	7,785
Land & Buildings	256,479	-	-	-	(5,512)	250,967
Textbooks	19,012	5,087	-	-	(3,831)	20,267
Leased assets	-	36,172	-	-	(3,726)	32,446
Library Books	29,661	1,132	(5,295)	-	(4,177)	21,322
Balance at 31 December 2015	626,766	105,408	(16,060)	-	(125,335)	590,778



Accumulated Depreciation

2015	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Electronic Equipment	513,838	(392,160)	121,678
Plant & Equipment	454,257	(358,279)	95,978
Furniture & fittings	209,362	(169,027)	40,335
Vehicles	68,272	(60,487)	7,785
Land & Buildings	282,489	(31,522)	250,967
Textbooks	178,022	(157,755)	20,267
Leased assets	36,172	(3,726)	32,446
Library Books	112,950	(91,628)	21,322
Balance at 31 December 2015	1,855,362	(1,264,584)	590,778

13. Accounts Payable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operating creditors	122,559	86,541	60,984
Accruals	5,175	-	5,175
Capital accruals for PPE items	171	-	20,382
Banking staffing overuse	660	-	-
Employee Entitlements - salaries	150,385	219,894	219,894
Employee Entitlements - leave accrual	32,673	26,171	26,171
	311,623	332,606	332,606
Payables for Exchange Transactions	310,963	332,606	332,606
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	660	-	-
	311,623	332,606	332,606

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue Received in Advance	24,366	-	-
Student Fees Received in Advance	10,436	6,409	6,409
Funds held on behalf of third parties	30,656	21,450	21,450
International Students in Advance	43,775	29,339	29,339
Funds & Reserves	96,118	149,050	91,852
	205,351	206,248	149,050



15. Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Provision at the Start of the Year	194,950	194,950	203,576
Increase/(decrease) to the Provision During the Year	9,590	25,250	(8,626)
Provision at the End of the Year	<u>204,540</u>	<u>220,200</u>	<u>194,950</u>
Cyclical Maintenance - Current	157,840	-	156,950
Cyclical Maintenance - Term	46,700	220,200	38,000
	<u>204,540</u>	<u>220,200</u>	<u>194,950</u>

16. Finance Lease Liability

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	31,557	9,665	9,665
Later than One Year and no Later than Five Years	47,031	14,456	33,828
Future finance charges	(10,856)	-	(9,707)
	<u>67,732</u>	<u>24,121</u>	<u>33,786</u>

17. Funds Owed (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:

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Heating Pipes	<i>in progress</i>	-	-	37,987	-	37,987
Gym Upgrade	<i>in progress</i>	-	-	15,749	-	15,749
Totals		<u>-</u>	<u>-</u>	<u>53,736</u>	<u>-</u>	<u>53,736</u>

Represented by:

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

-
53,736

53,736



2015	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Totals	-	-	-	-	-

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	4,665	5,573
Full-time equivalent members	0.16	0.14
<i>Leadership Team</i>		
Remuneration	1,118,989	1,001,802
Full-time equivalent members	12.00	11.00
Total key management personnel remuneration	1,123,654	1,007,375
Total full-time equivalent personnel	12.16	11.14

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:

	2016 Actual \$000	2015 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Principal A		
Salary and Other Payments	130-140	120 - 130
Benefits and Other Emoluments	0 - 1	0 - 1
Termination Benefits	-	-
Principal B		
Salary and Other Payments	-	2-3
Benefits and Other Emoluments	-	0-1
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2016 FTE Number	2015 FTE Number
100 - 110	2.00	-
	2.00	0.00

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

20. Compensation and Other Benefits Upon Leaving

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

	2016 Actual	2015 Actual
Total	\$30,000	\$30,000
Number of People	1	1

21. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2016 (Contingent liabilities at 31 December 2015: The College is in dispute with NZ Uniforms in regards to a possible obligation around stock that NZ Uniforms have procured on the College's behalf. At present the value is unknown).

(Contingent Assets at 31 December 2015: Nil)

22. Commitments

(a) Capital Commitments

As at 31 December 2016 the Board has entered into contract agreements for capital works as follows:

(a) A contract has been entered into for heating pipes modifications which will be fully funded for by the Ministry of Education.

As at balance date not monies have been received of which \$37,987 has been spent on the project, and

(b) A contract has been entered into for the Gym upgrade which will be fully funded for by the Ministry of Education.

As at balance date not monies have been received of which \$15,749 has been spent on the project.

(Capital commitments at 31 December 2015: nil)



(b) Operating Commitments

As at 31 December 2016 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2016 Actual \$	2015 Actual \$
No later than One Year	5,845	6,554
Later than One Year and No Later than Five Years	1,417	7,262
Later than Five Years	-	-
	<u>7,262</u>	<u>13,816</u>

23. Managing Capital

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

24. Financial Instruments

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

Loans and receivables

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash and Cash Equivalents	81,145	369,383	305,924
Receivables	180,985	257,781	257,781
Investments - Term Deposits	1,301,754	1,196,250	1,196,250
Total Loans and Receivables	<u>1,563,884</u>	<u>1,823,414</u>	<u>1,759,955</u>

Financial liabilities measured at amortised cost

Payables	311,623	332,606	332,606
Borrowings - Loans	-	-	-
Finance Leases	67,732	24,121	33,786
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>379,355</u>	<u>356,727</u>	<u>366,392</u>

25. Events After Balance Date

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



Members of the Board of Trustees

For the year 1 January to 31 December 2016

School Name: Te Aroha College

BOT MEMBERS:

NAME	POSITION HELD	HOW POSITION ON THE	OCCUPATION	TERM EXPIRES
		BOARD WAS GAINED Elected/Co-opted		
M Spooner	Chairperson/Parent Rep	Elected	Farmer	2019
Graham Hallett	Parent Rep	Elected	Farmer	2019
Heather Gorrie	Principal			
Sandy Gwynne	Treasurer Parent	Appointed	Business Manager	
Maria Admiraal	Rep/Finance Chariperson	Elected	Administrator	2019
Jason Chilcott	Parent Rep/ Property Chairman	Elected	Chemical Process Worker	2019
Mel Wilson	Parent Rep	Elected	Farmer	2016
A Hagan	Staff Rep	Elected	Teacher	2016
Owen Roper	Staff Rep	Elected	Teacher	2016
Mikayla Burton	Student Rep	Elected	Student	2016
Caleb Craddock	Student Rep	Elected	Student	2017
L Wilson	Parent Rep	Elected	Housewife	2016

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2016, the school received total Kiwisport funding of \$8032.33 (excluding GST). The funding was spent on sporting endeavours.