

31 May 2018

Mike Hoshek  
Deloitte Limited  
151 Cambridge Terrace  
Christchurch

#### **REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2017**

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

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

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

#### **General representations**

To the best of our knowledge and belief:

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

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

#### **Representations for the financial statements**

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

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

Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

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

**Representations about the provision of information**

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

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

**Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board of Trustees continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2017. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from 31 May 2018 and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

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

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

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

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

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

Yours faithfully

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Chairperson

Principal

**APPENDIX 1 – EVALUATION OF MISSTATEMENTS**

**NONE NOTED**

# **DARFIELD PRIMARY SCHOOL**

## **Financial Statements For the year ended 31 December 2017**

School Address:	16 Ross Street, Darfield
School Postal Address:	16 Ross Street., Darfield
School Phone:	03 3188473
School Fax:	03 3188226
Ministry Number:	3326

# **Darfield Primary School**

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# Darfield Primary School Annual Report and Financial Statements

# Darfield Primary School

## Statement of Responsibility

For the year ended 31 December 2017

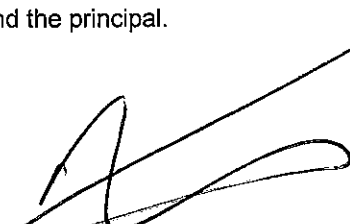
The Board of Trustees (the Board) has pleasure in presenting the annual report of Darfield Primary School incorporating the financial statements and the auditor's report, for the year ended 31 December 2017.

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 Chairperson and the principal.



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Full Name of Board Chairperson

Meredith Devonald

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Full Name of Principal

Bradley John Sutton

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Signature of Board Chairperson

M. Devonald

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Signature of Principal

31 May 2018

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Date:

31 May 2018

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Date:





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

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	1,631,318	1,549,266	1,712,747
Locally Raised Funds	3	66,437	59,300	70,447
Interest Earned		10,441	2,000	10,440
		<hr/>	<hr/>	<hr/>
		1,708,196	1,610,566	1,797,112
<b>Expenses</b>				
Locally Raised Funds	3	48,513	41,050	39,704
Learning Resources	4	1,071,298	1,063,938	1,147,988
Administration	5	90,297	99,393	125,857
Finance Costs		1,168	-	372
Property	6	358,227	365,672	407,098
Depreciation	7	56,452	41,000	51,323
		<hr/>	<hr/>	<hr/>
		1,625,955	1,611,053	1,777,048
<b>Net Surplus / (Deficit)</b>		82,241	(487)	20,064
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		82,241	(487)	20,064

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

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

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	<u>500,970</u>	<u>500,970</u>	<u>473,574</u>
Total comprehensive revenue and expense for the year	82,241	(487)	20,064
Owner transactions			
Contribution - Furniture and Equipment Grant	-	-	7,332
<b>Equity at 31 December</b>	<u>583,211</u>	<u>500,483</u>	<u>500,970</u>
Retained Earnings	583,211	500,483	500,970
Reserves	-	-	-
<b>Equity at 31 December 2017</b>	<u>583,211</u>	<u>500,483</u>	<u>500,970</u>

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

**Darfield Primary School**  
**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	395,283	86,318	164,947
Accounts Receivable	9	71,283	52,000	62,654
GST Receivable		-	-	6,077
Prepayments		491	1,000	2,176
Inventories		1,515	4,000	5,615
Investments	10	293,906	275,000	146,945
Funds owing for Capital Works Projects	16	-	-	16,798
		<hr/>	<hr/>	<hr/>
		762,478	418,318	405,212
<b>Current Liabilities</b>				
GST Payable		29,375	-	-
Accounts Payable	12	79,757	66,500	63,579
Revenue Received in Advance	13	454	-	1,784
Provision for Cyclical Maintenance	14	73,268	76,000	74,159
Finance Lease Liability - Current Portion	15	7,331	5,000	10,766
Funds held on behalf of RTLit	17	17,071	17,000	16,997
Funds held for Capital Works Projects	16	190,411	-	-
		<hr/>	<hr/>	<hr/>
		397,667	164,500	167,285
<b>Working Capital Surplus or (Deficit)</b>		364,811	253,818	237,927
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	265,097	287,665	305,665
		<hr/>	<hr/>	<hr/>
		265,097	287,665	305,665
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	38,440	35,000	35,457
Finance Lease Liability	15	8,257	6,000	7,165
		<hr/>	<hr/>	<hr/>
		46,697	41,000	42,622
<b>Net Assets</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		583,211	500,483	500,970
<b>Equity</b>		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		583,211	500,483	500,970

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

## Darfield Primary School

### Cash Flow Statement

For the year ended 31 December 2017

	2017	2017	2016
	Actual	Budget	Actual
Note	\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>			
Government Grants	573,833	301,812	390,394
Locally Raised Funds	66,437	59,300	70,447
Goods and Services Tax (net)	35,452	6,077	767
Payments to Employees	(157,826)	(121,424)	(201,008)
Payments to Suppliers	(131,457)	(183,561)	(214,252)
Interest Received	11,139	2,136	10,284
Funds Administered on Behalf of Third Parties	(1,256)	15,017	(7,286)
	<u>396,322</u>	<u>79,357</u>	<u>49,346</u>
<b>Net cash from / (to) the Operating Activities</b>			
<b>Cash flows from Investing Activities</b>			
Proceeds from Sale of PPE (and Intangibles)	-	-	3,478
Purchase of PPE (and Intangibles)	(6,188)	(23,000)	(54,086)
Purchases of Investments	(146,961)	(128,055)	-
Proceeds from Sale of Investments	-	-	97,104
	<u>(153,149)</u>	<u>(151,055)</u>	<u>46,496</u>
<b>Net cash from / (to) the Investing Activities</b>			
<b>Cash flows from Financing Activities</b>			
Contribution by the Ministry of Education - Furniture and Equipment Grants	-	-	7,332
Finance Lease Payments	(12,837)	(6,931)	(8,188)
	<u>(12,837)</u>	<u>(6,931)</u>	<u>(856)</u>
<b>Net cash from Financing Activities</b>			
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>230,336</u>	<u>(78,629)</u>	<u>94,986</u>
Cash and cash equivalents at the beginning of the year	164,947	164,947	69,961
<b>Cash and cash equivalents at the end of the year</b>	<u>395,283</u>	<u>86,318</u>	<u>164,947</u>

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

# Darfield Primary School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies For the year ended 31 December 2017

#### a) Reporting Entity

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

#### b) Basis of Preparation

##### **Reporting Period**

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

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

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

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

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying PBE Accounting Standards (PBE IPSAS) 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 publically 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 11.

**Critical Judgements in applying accounting policies**

Management has exercised the following critical judgements in applying accounting policies:  
*Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15

*Recognition of grants*

The School reviews the 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.

**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.

*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.

**Donations**

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 three months 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) 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 schedule 6 section 28 of the Education Act 1989 in relation to the acquisition of securities.



**j) 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. Thus the fair value of the inventory is determined based on the cost at time of purchase. The 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.

**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:

Building improvements – Crown	Years
Furniture and equipment	40-50
Information and communication technology	10
Plant	5
Leased assets	10
Library resources	3
	10

**l) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are

unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

**m) Employee Entitlements**

*Short-term employee entitlements*

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

**n) Revenue Received in Advance**

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

**o) 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).

**p) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

**q) Capital Works**

Capital works are funded as agreed with the Ministry of Education and the schools capital works plan. 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.

**r) 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, funds held on behalf of the Ministry of Education, 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.

**s) 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.

**t) Budget Figures**

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

**u) Classification of Comparatives**

The classification of some comparative figures has been changed to ensure compliance with the Ministry of Education's model financial statements, which is now compulsory. These changes do not materially alter the financial statements.

**v) 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	312,639	288,266	315,212
Teachers' salaries grants	971,522	970,000	1,006,406
Use of Land and Buildings grants	284,290	285,000	318,112
Other government grants	62,867	6,000	73,017
	<u>1,631,318</u>	<u>1,549,266</u>	<u>1,712,747</u>

## 3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<i>Revenue</i>			
Donations	18,689	9,500	31,769
Fundraising	802	1,500	218
Activities	32,656	38,400	28,629
Trading	14,290	9,900	9,831
	<u>66,437</u>	<u>59,300</u>	<u>70,447</u>
<i>Expenses</i>			
Activities	33,123	33,150	31,086
Trading	15,096	6,400	8,422
Fundraising (costs of raising funds)	294	1,500	196
	<u>48,513</u>	<u>41,050</u>	<u>39,704</u>
<i>Surplus for the year Locally raised funds</i>	<u>17,924</u>	<u>18,250</u>	<u>30,743</u>

## 4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	31,560	46,816	31,079
Employee Benefits - Salaries	1,029,254	1,004,322	1,106,659
Staff Development	10,484	12,800	10,250
	<u>1,071,298</u>	<u>1,063,938</u>	<u>1,147,988</u>

## 5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,831	4,000	3,774
Board of Trustees Fees	2,490	2,800	3,130
Board of Trustees Expenses	1,458	1,400	26,500
Communication	3,613	6,920	10,578
Consumables	1,615	4,300	1,805
Operating Lease	4,324	9,500	6,990
Staff Expenses	5,648	5,500	4,275
Other	5,852	6,250	7,693
Employee Benefits - Salaries	61,466	58,723	61,112
	<u>90,297</u>	<u>99,393</u>	<u>125,857</u>

## 6. Property

2017	2017	2016
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	Actual \$	Budget (Unaudited) \$	Actual \$
Caretaking and Cleaning Consumables	3,072	3,500	2,492
Cyclical Maintenance Provision	2,092	8,000	6,106
Grounds	2,718	4,200	4,248
Heat, Light and Water	15,782	14,000	15,282
Rates	3,884	3,940	3,940
Repairs and Maintenance	8,346	15,200	21,067
Use of Land and Buildings - Non-Integrated	284,290	285,000	318,112
Employee Benefits - Salaries	38,043	31,832	35,851
	<b>358,227</b>	<b>365,672</b>	<b>407,098</b>

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

## 7. Depreciation of Property, Plant and Equipment

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Buildings - School	3,044	3,000	3,011
Furniture and Equipment	5,212	5,000	4,765
Information and Communication Technology	12,870	15,000	15,039
Motor Vehicles	3,826	4,000	2,232
Plant	17,354	12,000	17,160
Leased Assets	12,408	1,000	8,346
Library Resources	1,738	1,000	770
	<b>56,452</b>	<b>41,000</b>	<b>51,323</b>

## 8. Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash on Hand	200	100	200
Bank Current Account	391,274	82,718	160,941
Bank Call Account	3,809	3,500	3,806
Short-term Bank Deposits with a Maturity of Three Months or Less	-	-	-
	<b>395,283</b>	<b>86,318</b>	<b>164,947</b>

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

## 9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Debtor Ministry of Education	16,056	-	7,546
Interest Accrued	1,438	2,000	2,136
Teacher Salaries Grant Receivable	53,789	50,000	52,972
	<b>71,283</b>	<b>52,000</b>	<b>62,654</b>
Receivables from Exchange Transactions	1,438	2,000	2,136
Receivables from Non-Exchange Transactions	69,845	50,000	60,518
	<b>71,283</b>	<b>52,000</b>	<b>62,654</b>

## 10. Investments

The School's investment activities are classified as follows:

2017	2017	2016
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	Actual \$	Budget (Unaudited) \$	Actual \$
Current Asset			
Short-term Bank Deposits with Maturities Greater than Three Months and No Greater than One Year	293,906	275,000	146,945

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

## 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2017</b>						
Buildings	113,149	-	-	-	(3,044)	110,105
Furniture and Equipment	36,797	1,670	-	-	(5,212)	33,255
Information and Communication	31,849	2,041	-	-	(12,870)	21,020
Motor Vehicles	16,898	-	-	-	(3,826)	13,072
Plant	79,990	2,476	-	-	(17,354)	65,112
Leased Assets	17,771	9,697	-	-	(12,408)	15,060
Library Resources	9,211	-	-	-	(1,738)	7,473
<b>Balance at 31 December 2017</b>	<b>305,665</b>	<b>15,884</b>	<b>-</b>	<b>-</b>	<b>(56,452)</b>	<b>265,097</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	148,852	(38,747)	110,105
Furniture and Equipment	124,715	(91,460)	33,255
Information and Communication	141,728	(120,708)	21,020
Motor Vehicles	19,130	(6,058)	13,072
Plant	198,865	(133,753)	65,112
Leased Assets	42,670	(27,610)	15,060
Library Resources	47,606	(40,133)	7,473
<b>Balance at 31 December 2017</b>	<b>723,566</b>	<b>(458,469)</b>	<b>265,097</b>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2016</b>						
Buildings	116,160	-	-	-	(3,011)	113,149
Furniture and Equipment	17,142	25,364	(944)	-	(4,765)	36,797
Information and Communication	44,490	4,133	(1,735)	-	(15,039)	31,849
Motor Vehicles	-	19,130	-	-	(2,232)	16,898
Plant	94,833	4,344	(2,027)	-	(17,160)	79,990
Leased Assets	13,708	12,409	-	-	(8,346)	17,771
Library Resources	8,866	1,115	-	-	(770)	9,211
<b>Balance at 31 December 2016</b>	<b>295,199</b>	<b>66,495</b>	<b>(4,706)</b>	<b>-</b>	<b>(51,323)</b>	<b>305,665</b>

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Buildings	148,852	(35,703)	113,149
Furniture and Equipment	123,045	(86,248)	36,797
Information and Communication	139,687	(107,838)	31,849
Motor Vehicles	19,130	(2,232)	16,898
Plant	196,390	(116,400)	79,990
Leased Assets	32,972	(15,201)	17,771
Library Resources	47,606	(38,395)	9,211
<b>Balance at 31 December 2016</b>	<b>707,682</b>	<b>(402,017)</b>	<b>305,665</b>

## 12. Accounts Payable

	<b>2017 Actual</b>	<b>2017 Budget (Unaudited)</b>	<b>2016 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Operating Creditors	23,506	10,000	7,560
Employee Benefits Payable - Salaries	53,789	50,000	52,972
Employee Benefits Payable - Leave Accrual	2,462	6,500	3,047
	<b>79,757</b>	<b>66,500</b>	<b>63,579</b>
Payables for Exchange Transactions	79,757	66,500	63,579
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>79,757</b>	<b>66,500</b>	<b>63,579</b>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	<b>2017 Actual</b>	<b>2017 Budget (Unaudited)</b>	<b>2016 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Funds Held on Behalf of Third Parties	454	-	1,784
	<b>454</b>	<b>-</b>	<b>1,784</b>

## 14. Provision for Cyclical Maintenance

	<b>2017 Actual</b>	<b>2017 Budget (Unaudited)</b>	<b>2016 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Provision at the Start of the Year	109,616	109,616	103,510
Increase to the Provision During the Year	2,092	8,000	6,106
Use of the Provision During the Year	-	(7,616)	-
Provision at the End of the Year	<b>111,708</b>	<b>110,000</b>	<b>109,616</b>
Cyclical Maintenance - Current	73,268	76,000	74,159
Cyclical Maintenance - Term	38,440	35,000	35,457
	<b>111,708</b>	<b>111,000</b>	<b>109,616</b>

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at 31 December 2017. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the time value of money.

## 15. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	7,331	5,000	10,766
Later than One Year and no Later than Five Years	8,257	6,000	7,165
Later than Five Years	-	-	-
	15,588	11,000	17,931

## 16. Funds Held for Capital Works Projects

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

	2017 <i>in progress</i>	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Classroom 4		(16,798)	222,715	(15,506)	190,411
Totals		(16,798)	222,715	(15,506)	190,411

## 17. Funds Held on Behalf of RTLit

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held at Beginning of the Year	16,997	16,997	25,746
Funds Received from MoE	9,785	10,000	14,963
Funds Spent on Behalf of the Cluster	9,711	9,997	8,174
Fund spent on Motor Vehicle	-	-	15,538
Funds Held at Year End	17,071	17,000	16,997

## 18. Related Party Transactions

The School is a controlled entity of the Crown.

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.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	2,490	3,130
Full-time equivalent members	0.18	0.20
<i>Leadership Team</i>		
Remuneration	194,821	384,293
Full-time equivalent members	2	4
Total key management personnel remuneration	197,311	387,423
Total full-time equivalent personnel	2.18	4.20

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:

	<b>2017 Actual</b>	<b>2016 Actual</b>
Salaries and Other Short-term Employee Benefits:	<b>\$000</b>	<b>\$000</b>
Salary and Other Payments	60-70	120-130
Benefits and Other Emoluments	1-5	-
Termination Benefits	-	-

*Other Employees*

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

## 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:

	<b>2017 Actual</b>	<b>2016 Actual</b>
Total	\$0	\$0
Number of People	-	-

## 21. Contingencies

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2017 the Board had no capital commitments.

(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;

	<b>2017 Actual</b>	<b>2016 Actual</b>
	\$	\$
No later than One Year	-	802
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	802

## 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:

### Cash and receivables

<b>2017 Actual</b>	<b>2017 Budget (Unaudited)</b>	<b>2016 Actual</b>
------------------------	--	------------------------

	\$	\$	\$
Cash and Cash Equivalents	395,283	86,318	164,947
Receivables	71,283	52,000	62,654
Investments - Term Deposits	293,906	275,000	146,945
Total Cash and Receivables	<hr/> 760,472	<hr/> 413,318	<hr/> 374,546
<b>Financial liabilities measured at amortised cost</b>			
Payables	79,757	66,500	63,579
Finance Leases	15,588	11,000	17,931
Total Financial Liabilities Measured at Amortised Cost	<hr/> 95,345	<hr/> 77,500	<hr/> 81,510

## 25. Events After Balance Date

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

## Darfield Primary School Members of the Board of Trustees

Name	Ceased
Brad Sutton - Chairperson	
Darren Shepherd	
Belinda Wilson	
Cleia Tymons	
Katie Molloy	
Mark Robb	
Karen Burt	Jul-17
Meridith Devonald - Principal	

The term finishes except for the principal in May 2019.