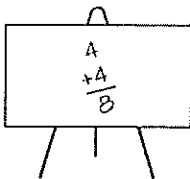


# JOHNSONVILLE SCHOOL

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address: Morgan St Johnsonville  
School Postal Address: Morgan St Johnsonville Wellington 6037  
School Phone: 04 478 7155  
School Email: [office@johnsonville.school.nz](mailto:office@johnsonville.school.nz)  
Ministry Number: 2866



---

**EDUCATION  
FINANCE**

---

[www.educationfinance.co.nz](http://www.educationfinance.co.nz)  
0800 333 462

# Johnsonville School

## Statement of Responsibility

For the year ended 31 December 2017

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

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

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

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

*Lucy Sanders*

Full Name of Board Chairperson

*BASIL ZIOGOS*

Full Name of Principal (Acting)

*Lucy Sanders*

Signature of Board Chairperson

*Ziogos*

Signature of Principal

*31/5/18*

Date:

*31/5/18*

Date:

Johnsonville 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	2,803,468	2,654,012	2,808,624
Locally Raised Funds	3	238,296	124,300	181,913
Interest Earned		9,035	9,000	7,670
		<u>3,050,799</u>	<u>2,787,312</u>	<u>2,998,207</u>
<b>Expenses</b>				
Locally Raised Funds	3	53,464	-	32,824
Learning Resources	4	2,180,149	2,052,330	2,192,621
Administration	5	172,829	172,400	194,815
Property	6	536,976	570,712	564,590
Depreciation	7	61,899	40,000	53,099
Loss on Disposal of Property, Plant and Equipment		-	-	506
		<u>3,005,317</u>	<u>2,835,442</u>	<u>3,038,455</u>
Net Surplus / (Deficit) for the year		45,482	(48,130)	(40,248)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>45,482</u>	<u>(48,130)</u>	<u>(40,248)</u>

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

Johnsonville School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	371,805	371,805	399,478
Total comprehensive revenue and expense for the year	45,482	(48,130)	(40,248)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	12,575
Equity at 31 December	417,287	323,675	371,805
Retained Earnings	417,287	323,675	371,805
Reserves	-	-	-
Equity at 31 December	417,287	323,675	371,805

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

Johnsonville School  
**Statement of Financial Position**  
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	27,032	87,930	169,895
Accounts Receivable	9	126,388	100,000	98,346
GST Receivable		-	6,810	6,810
Investments	10	222,981	69,756	69,756
		<u>376,401</u>	<u>264,496</u>	<u>344,807</u>
<b>Current Liabilities</b>				
Accounts Payable	12	132,122	130,000	143,206
GST Payable		186	-	-
Provision for Cyclical Maintenance	13	57,645	-	33,475
Finance Lease Liability - Current Portion	14	12,072	8,654	8,654
Funds held for Capital Works Projects	15	1,070	-	-
		<u>203,095</u>	<u>138,654</u>	<u>185,335</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>173,306</b>	<b>125,842</b>	<b>159,472</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	314,313	281,437	281,437
		<u>314,313</u>	<u>281,437</u>	<u>281,437</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	57,726	66,925	52,425
Finance Lease Liability	14	12,606	16,679	16,679
		<u>70,332</u>	<u>83,604</u>	<u>69,104</u>
<b>Net Assets</b>		<u><u>417,287</u></u>	<u><u>323,675</u></u>	<u><u>371,805</u></u>
<b>Equity</b>		<u><u>417,287</u></u>	<u><u>323,675</u></u>	<u><u>371,805</u></u>

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

Johnsonville School  
**Statement of Cash Flows**  
For the year ended 31 December 2017

	Note	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		766,962	691,000	781,929
Locally Raised Funds		222,823	124,300	179,720
Goods and Services Tax (net)		6,996	-	(6,985)
Payments to Employees		(543,905)	(444,287)	(563,910)
Payments to Suppliers		(356,640)	(306,538)	(346,702)
Cyclical Maintenance Payments in the year		-	(33,475)	-
Interest Paid		-	-	-
Interest Received		8,487	9,000	7,670
<b>Net cash from / (to) the Operating Activities</b>		<b>104,723</b>	<b>40,000</b>	<b>51,722</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(86,258)	(40,000)	(59,688)
Purchase of Investments		-	-	-
Purchase of Investments		(153,225)	-	(2,361)
<b>Net cash from / (to) the Investing Activities</b>		<b>(239,483)</b>	<b>(40,000)</b>	<b>(62,049)</b>
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(9,173)	-	(8,924)
Contribution by MOE -Furniture & Equipment		-	-	12,575
Funds Held for Capital Works Projects		1,070	-	-
<b>Net cash from Financing Activities</b>		<b>(8,103)</b>	<b>-</b>	<b>3,651</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(142,868)</b>	<b>-</b>	<b>(6,676)</b>
Cash and cash equivalents at the beginning of the year	8	169,895	169,895	176,571
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>27,032</b>	<b>169,895</b>	<b>169,895</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.

# Johnsonville School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### a) Reporting Entity

Johnsonville 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 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 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 14.

##### *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.

#### 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) Investments**

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

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

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

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

**j) Property, Plant and Equipment**

Land and buildings owned by the Proprietor 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 Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

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

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

**Leased Assets**

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

**Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20–50 years
Furniture and equipment	5–10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 years
Leased assets held under a Finance Lease	5 years
Library resources	12.5% Diminishing value

**k) 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.

**l) Accounts Payable**

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

**m) Employee Entitlements**

*Short-term employee entitlements*

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

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

**n) Revenue Received in Advance**

Revenue received in advance relates to fees received from international students fees 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.

**o) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

**p) 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.

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**r) Budget Figures**

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

**s) Services received in-kind**

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

**2. Government Grants**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	530,288	480,000	481,044
Teachers' salaries grants	1,674,743	1,600,000	1,716,948
Use of Land and Buildings grants	338,021	363,012	363,012
Resource teachers learning and behaviour grants	-	2,000	4,317
Other MoE Grants	260,416	209,000	226,192
Other government grants	-	-	17,111
	<u>2,803,468</u>	<u>2,654,012</u>	<u>2,808,624</u>

**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	78,455	36,000	59,590
Trading	3,380	-	4,648
Reunion	21,662	-	-
Activities	134,799	88,300	117,675
	<u>238,296</u>	<u>124,300</u>	<u>181,913</u>
<b>Expenses</b>			
Activities	33,775	-	28,002
Reunion	18,549	-	-
Trading	1,140	-	4,822
	<u>53,464</u>	<u>-</u>	<u>32,824</u>
<i>Surplus for the year Locally raised funds</i>	<u>184,832</u>	<u>124,300</u>	<u>149,089</u>

**4. Learning Resources**

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	57,016	71,730	56,268
Information and communication technology	2,478	6,000	5,356
Employee benefits - salaries	2,103,538	1,950,300	2,110,027
Staff development	17,117	24,300	20,970
	<u>2,180,149</u>	<u>2,052,330</u>	<u>2,192,621</u>

**5. Administration**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	8,290	4,200	6,535
Board of Trustees Fees	3,875	4,500	3,770
Board of Trustees Expenses	2,335	3,500	5,558
Communication	4,551	4,700	4,203
Consumables	10,453	13,000	11,432
Operating Lease	1,275	6,500	5,204
Other	37,188	33,000	39,971
Employee Benefits - Salaries	91,634	90,000	105,522
Insurance	9,293	9,000	8,587
Service Providers, Contractors and Consultancy	3,935	4,000	4,033
	<u>172,829</u>	<u>172,400</u>	<u>194,815</u>

**6. Property**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	5,166	4,000	4,286
Consultancy and Contract Services	49,252	44,000	46,033
Cyclical Maintenance Expense	29,471	14,500	27,529
Grounds	10,488	29,200	8,833
Heat, Light and Water	54,519	34,000	43,635
Rates	1,776	1,000	1,756
Repairs and Maintenance	17,602	43,000	30,024
Use of Land and Buildings	338,021	363,012	363,012
Security	3,795	8,000	6,491
Employee Benefits - Salaries	26,886	30,000	32,991
	<u>536,976</u>	<u>570,712</u>	<u>564,590</u>

The use of land and buildings figure represents 8% of the school's total property value, as used for rating purposes. This is used as a 'proxy' for the market rental yield on the value of land and buildings.

**7. Depreciation**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Building Improvements	3,312	10,000	2,778
Furniture and Equipment	11,764	12,000	13,364
Information and Communication Technology	33,326	12,000	33,291
Leased Assets	10,148	3,000	-
Library Resources	3,349	3,000	3,666
	<u>61,899</u>	<u>40,000</u>	<u>53,099</u>

MOORE STEPHENS
-------------------

**8. Cash and Cash Equivalents**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
ASB Main Account	26,895	67,830	46,203
ASB Saver Account	9	10,000	47,058
ASB Saver Account	28	-	-
ASB Saver Account	100	10,000	76,534
Cash on Hand	-	100	100
Cash equivalents and bank overdraft for Cash Flow Statement	27,032	87,930	169,895

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

**9. Accounts Receivable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	7,249	-	-
Banked Staffing Underuse	8,223	-	-
Interest Receivable	548	-	-
Teacher Salaries Grant Receivable	110,368	100,000	98,346
	126,388	100,000	98,346
Receivables from Exchange Transactions	548	-	-
Receivables from Non-Exchange Transactions	125,840	100,000	98,346
	126,388	100,000	98,346

**10. Investments**

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	222,981	69,756	69,756
Non-current Asset			
Long-term Bank Deposits	-	-	-

**11. Property, Plant and Equipment**

	Opening Balance	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	(NBV)					
2017	\$	\$	\$	\$	\$	\$
Building Improvements	94,730	53,582	-	-	(3,312)	145,000
Furniture and Equipment	51,816	13,447	-	-	(11,764)	53,499
Information and Communication	80,463	19,228	-	-	(33,326)	66,365
Leased Assets	27,644	8,518	-	-	(10,148)	26,014
Library Resources	26,784	-	-	-	(3,349)	23,435
Balance at 31 December 2017	281,437	94,775	-	-	(61,899)	314,313

MOORE  
STEPHENS

2017	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Building Improvements	192,536	(47,536)	145,000
Furniture and Equipment	343,409	(289,910)	53,499
Information and Communication	216,661	(150,296)	66,365
Leased Assets	36,162	(10,148)	26,014
Library Resources	160,917	(137,482)	23,435
Balance at 31 December 2017	<u>949,685</u>	<u>(635,372)</u>	<u>314,313</u>

2016	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
Building Improvements	97,508	-	-	-	(2,778)	94,730
Furniture and Equipment	47,695	17,991	(506)	-	(13,364)	51,816
Information and Communication Technology	73,275	40,479	-	-	(33,291)	80,463
Leased Assets	-	27,644	-	-	-	27,644
Library Resources	29,232	1,218	-	-	(3,666)	26,784
Balance at 31 December 2016	<u>247,710</u>	<u>87,332</u>	<u>(506)</u>	<u>-</u>	<u>(53,099)</u>	<u>281,437</u>

2016	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Building Improvements	138,954	(44,224)	94,730
Furniture and Equipment	332,683	(280,867)	51,816
Information and Communication Technology	199,968	(119,505)	80,463
Leased Assets	27,644	-	27,644
Library Resources	160,917	(134,133)	26,784
Balance at 31 December 2016	<u>860,166</u>	<u>(578,729)</u>	<u>281,437</u>

## 12. Accounts Payable

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Operating creditors	7,079	20,000	12,095
Accruals	9,245	10,000	7,002
Banking staffing overuse	-	-	16,592
Employee Entitlements - salaries	110,368	100,000	98,346
Employee Entitlements - leave accrual	5,430	-	9,171
	<u>132,122</u>	<u>130,000</u>	<u>143,206</u>

MOORE  
STEPHENS

Payables for Exchange Transactions	119,516	113,321	126,527
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	12,606	16,679	16,679
Payables for Non-exchange Transactions - Other			
	<u>132,122</u>	<u>130,000</u>	<u>143,206</u>

The carrying value of payables approximates their fair value.

#### 13. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	85,900	85,900	58,371
Increase to the Provision During the Year	29,471	14,500	27,529
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	(33,475)	-
Provision at the End of the Year	<u>115,371</u>	<u>66,925</u>	<u>85,900</u>
Cyclical Maintenance - Current	57,645	-	33,475
Cyclical Maintenance - Term	57,726	66,925	52,425
	<u>115,371</u>	<u>66,925</u>	<u>85,900</u>

#### 14. 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	12,072	8,654	8,654
Later than One Year and no Later than Five Years	12,606	16,679	16,679
Later than Five Years	-	-	-
	<u>24,678</u>	<u>25,333</u>	<u>25,333</u>

#### 15. Funds Held for Capital Works Projects

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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (To Asset)	Closing Balances \$
Staff Roo Heater/Carpet	Complete	-	9,590	8,520	-	1,070
Totals		<u>-</u>	<u>9,590</u>	<u>8,520</u>	<u>-</u>	<u>1,070</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	1,070
Funds Due from the Ministry of Education	-
	<u>1,070</u>

MOORE  
STEPHENS



	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Upgrade	<i>Complete</i>	-	169,450	169,450	-	-
Totals		-	169,450	169,450	-	-

#### 16. 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.

#### 17. 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	3,875	3,770
Full-time equivalent members	0.18	0.18
<i>Leadership Team</i>		
Remuneration	315,167	318,298
Full-time equivalent members	3	3
Total key management personnel remuneration	319,042	322,068
Total full-time equivalent personnel	3.18	3.18

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	120-130	130-140
Benefits and Other Emoluments	3-4	3-4
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	-	-
	0.00	0.00

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

**18. 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	-	\$5,000
Number of People	-	1

**19. Contingencies**

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

**20. Commitments**

(a) Capital Commitments

As at 31 December 2017 there are 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:

Nil

	2017 Actual \$	2016 Actual \$
No later than One Year	-	2,363
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>2,363</u>

## 21. 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.

## 22. 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	27,032	87,930	169,895
Receivables	126,388	100,000	98,346
Investments - Term Deposits	222,981	69,756	69,756
Total Loans and Receivables	<u>376,401</u>	<u>257,686</u>	<u>337,997</u>

### Financial liabilities measured at amortised cost

Payables	119,516	113,321	126,527
Finance Leases	24,678	25,333	25,333
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>144,194</u>	<u>138,654</u>	<u>151,860</u>

## 23. Events After Balance Date

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

# Independent auditor's report

To the readers of the financial statements of Johnsonville School  
for the year ended 31 December 2017

The Auditor-General is the auditor of Johnsonville School (the School). The Auditor-General has appointed me, Michael Rania, using the staff and resources of Moore Stephens Wellington Audit, 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 18, which comprise the statement of financial position as at 31 December 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 its cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity Standards Reduced Disclosure Regime (Public Sector PBE Standards RDR)

Our audit was completed on 31 May 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

## Basis for Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.
- We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 22 to 29 but does not include the financial statements, and our auditor's report thereon.

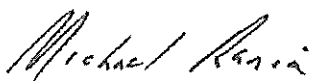
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Michael Rania | **Moore Stephens Wellington Audit**  
On behalf of the Auditor-General | Wellington, New Zealand