

Flemington School

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

School Address:	Flemington Central Hawkes Bay
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Ministry Number:	2561

Flemington School

Financial Statements - For the year ended 31 December 2016

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FLEMINGTON SCHOOL ANALYSIS OF VARIANCE REPORT 2016

Maths Target for 2016

Focus Curriculum Area: Mathematics

Budget: Teacher Release, Resources, PLD Course Costs, Travel,

Strategic Goal: To improve overall mathematics capability, understanding and enjoyment of mathematics, particularly the capacity to transfer math's knowledge across the curriculum

Annual Goal: To improve all students' level of engagement and achievement in mathematics learning.

Target Group: Students from Year 1 through to Year 8 who are 'Below' or 'Well Below' form the target group. Due to the limited number of students it was decided that the target group would consist of these students rather than a particular group (Year, Ethnicity or Gender), although this information is recorded as well.

Baseline Data: Analysis of school-wide data in December 2015 identified that there were 19 students were working *Well Below or Below* the relevant National Standard (19 equates to 24% of the EOY Roll eligible for OTJs (78) in 2015: Taking into account Year 8 Leavers, moving families and new enrolments there were 14 identified Target Students at the start of 2016 - 18% of the total starting roll - 76).

2016 Target: To have all students who are not achieving the relevant Mathematics National Standard for their year level to make accelerated progress so by the end of 2016, or their anniversary enrolment date, they are working at the required level.

Expected levels of achievement will be determined through the Overall Teacher Judgement of the student by the teacher, taking into account the Observations, Assessments, Interactions and Conversations the teacher has with each student.

FLEMINGTON SCHOOL CENTRAL HAWKES BAY MATHEMATICS TARGET 2016

Curriculum Area: Mathematics

Budget: Teacher Release, Resources, PLD Course Costs, Travel,

Strategic Goal: To improve overall mathematics capability and particularly the capacity to transfer maths knowledge across the curriculum.

Target: To have all students who are not achieving the relevant Mathematics National Standard for their year level, achieving it by the end of 2015 or their anniversary enrolment date.

Historical Position and Data.

- Traditionally numeracy has formed the basis of the school wide targets. Numeracy has been a strategic target previously and the diagnostic Nump Interview was used to get some comprehensive baseline data in 2009. The targeted numeracy focus as part of the Numeracy Sustainability Programme over the following years had significant outcomes with some large gains made in the student numeracy capability. As part of the reflection on 2015 we feel that we need to revisit what and how we teach mathematics.
- The school wide data gathered over that period was mainly focused on numeracy and not the specific strands of the maths curriculum of Number/Algebra – Geometry/Measurement - Statistics. The introduction of the **National Standards** has initiated a refocus on the whole maths learning area.
- The assessment achievement data was gleaned from a number of assessment tools such as PAT, Gloss, IKan, and e-asTTie, also from the student's work samples/modelling books. Alongside this have been the observations and conversations the teachers have engaged in of and with the students while they are learning.
- The teachers have used these aspects of evidence along with their specific content knowledge and experience to make Overall Teacher Judgments (OTJs) as to what level the students are achieving at. Assessment is an integrated part of the maths programme with Overall Teacher Judgments, underpinned by verifiable evidence such as Gloss, IKan, e-asTTie and student work samples, being one outcome of this process along with the continual readjustment of the teaching and learning in the classroom.

Historical Achievement Data:

2016 Initial Achievement:		
MATHEMATICS		
Year	Well Below	Below
After 80wks		5
After 120wks		1
Yr 4	1	3
Yr 6		1
Yr 7	-	1
Yr 8		2
Total	1	13
18% (15) of school roll - 76 (19% in 2015; 17% in 2014; 13% in 2013; 12% in 2012; 19% in 2011)		

The outcome of the 2015 OTJs against National Standards indicated that there were 19 students spread across the school that were identified as *not achieving* the relevant Mathematics National Standard – 18 'Below' & 1 'Well Below'. In 2016, 12 returned to school and 2 more enrolled from other schools making 14 identified target students. It was decided that the target group would consist of these students rather than a particular group (Year, Ethnicity or Gender), although this information is recorded as well.

- 9 of the 14 students listed (71%) were also identified in either the Writing or Reading targets.
- These 14 students represented 18% of the starting roll (76) in 2016 (19% in 2015; 17% in 2014; 13% in 2013; 12% in 2012; 19% in 2011)
- It has become clearer how we will classify and report on students in their first three years of schooling. The EOY report is based on how the children were judged after the anniversary of being at school for 40, 80 or 120 weeks rather than the level they were working at the end of the school year, so even if they had progressed and would meet the next relevant standard but weren't on their anniversary then they are recorded as Not Achieving.
- Those students who will turn 5 after 1 November but before 1 March of the following year are also included in the Schools NS data reporting.
- Moderation of OTJs is an ongoing process of building consistency and reliability across the school and between schools.
- The process of establishing and embedding the NS into the assessment process and programme is well established and it is about how do we refine and improve this.
- The understanding of how much importance or weighting put on each part of the assessment triangle (Observation, Conversations and Assessment Tools) used for the OTJ's will continue to evolve.
- Once again the knowledge and experience of the teacher has a paramount position in the whole National Standards process and building the teacher knowledge and understanding around this is always a priority.

Learning Area	Student Target Group Baseline Data	One Year Target	Strategies for Improvement	Three Year Target															
Mathematics – All Strands	<p><u>Maths Knowledge and Application</u> As determined through analysis of the 2015 End of Year NS Data.</p> <p>After 80wks: 5 Below After 120wks: 1 Below Year 4: 1 Well Below 3 Below Year 6: 1 Below Year 7 1 Below Year 8: 2 Below</p> <p>14 of 76 Below Standard – 18% (19% in 2015; 17% in 2014; 13% in 2013; 12% in 2012; 19% in 2011)</p>	<p><u>Maths Knowledge and Application</u></p> <ul style="list-style-type: none"> To accelerate the progress of the target group so they are working at their relevant level or above it To lift the achievement of all target group students. To improve the maths capability of all students. To increase the level of motivation and engagement in learning, with improved levels of student agency. 	<p><u>Strategies</u></p> <ul style="list-style-type: none"> Explicit teaching of maths knowledge skills and strategies scheduled daily for all students. Some collaborative teaching and learning sessions between classes following modern learning pedagogy. Group monitoring of mastery of objectives for each child. Effective ongoing school records developed to show cumulative information on each child's progress in NUMP across the school. Data used by next teachers to form groupings and for reporting stages to parents (oral report with explanation) To maintain participation in the CHB Science Learning and Change Network as a vehicle that can underpin the desire to change were and how we learn. The desired outcome is that this Science focus will flow through all learning areas. Student "I can..., I am learning to..." Sheets used as home-school communication and self-assessment. Use of Gloss, iKan and work samples as evidence of assessment and OTJ (Overall Teacher Judgment) Regular shared planning and review meetings for teachers of these levels. Continued unpacking of the Maths National Standards and the links between them and NZC and Numeracy Framework. Use e-astle to provide ongoing and specific assessment information on the progress and achievement of the students for Year 4-8 Students. Continue the Teaching as Inquiry programme, for all teachers across the school, focused on underachieving students with the aim of continuing to improve teacher knowledge and practice. Maths Lead Teacher involved in CHB Cluster facilitated by Waikato University. Continue to employ Cooperative Learning strategies school wide to improve student's engagement, involvement and understanding. Observe teachers in other schools and programmes used. Facilitate use of online programmes such as Mathletics and Studyladder. Use the Google Apps tools to facilitate student self-monitoring and lessen the demarcation between learning at home or at school. 	<p><u>Maths Capabilities and Behaviours</u></p> <ul style="list-style-type: none"> To have all students achieving at the relevant Standard for their year level. To progress maths knowledge and capabilities for all children at Flemington School – accelerate their learning. To have students transferring their knowledge and capability into many different contexts. To reduce the number of students that appear consistently in the Lower Achievements Bands To increase the level of motivation and engagement in learning, with improved levels of student agency. 															
	<p><u>Ethnicity:</u></p> <table border="0"> <tr> <td>Target Group:</td> <td>School:</td> </tr> <tr> <td>79% - European</td> <td>83% - European</td> </tr> <tr> <td>21% - Maori</td> <td>14% - Maori</td> </tr> <tr> <td>0% - Pasifika</td> <td>0% - Pasifika</td> </tr> <tr> <td></td> <td>3% - Other</td> </tr> </table> <p>The target group has approx. a slightly higher weighting of Maori students compared to the school %. Due to the small number of students in the target group one student can skew the percentages quite considerably.</p>	Target Group:	School:	79% - European	83% - European	21% - Maori	14% - Maori	0% - Pasifika	0% - Pasifika		3% - Other	<p><u>Gender:</u></p> <table border="0"> <tr> <td>Target Group:</td> <td>School:</td> </tr> <tr> <td>50% - Girls</td> <td>53% - Girls</td> </tr> <tr> <td>50% - Boys</td> <td>47% - Boys</td> </tr> </table> <p>The spread between the genders is very close to the school profile, which is a good indication of gender balance of the programmes.</p> <p>The target group size means a small number of students can have a large percentage effect – 1 = 7%</p>	Target Group:	School:	50% - Girls	53% - Girls	50% - Boys	47% - Boys	
Target Group:	School:																		
79% - European	83% - European																		
21% - Maori	14% - Maori																		
0% - Pasifika	0% - Pasifika																		
	3% - Other																		
Target Group:	School:																		
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50% - Boys	47% - Boys																		

Mathematics Analysis of Variance 2016			
Actions (What did we do?)	Outcomes (What happened?)	Reasons for the Variance (Why did it happen?)	Comment & Evaluation (Where to next?)
<ul style="list-style-type: none"> Teachers' OTJs identified the individual students and their learning needs and the support each student needed to improve their learning. Students were tracked and assessed during the year both formal and informal e.g. PAT, Gloss, I Kan, and also from the student's work samples. Differentiated teaching and learning strategies were instigated to meet the needs of students. Teachers conducted targeted teaching of the target students. Teachers attended various PLD focused on maths during the year. Teachers built on the progress they had made in 2015 on making learning fun and bringing choice back into to learning. All teachers Inquiries were focused on the target children in their classes – the target children were front and centre at all times and in all discussions. Teachers continued to build of the work they have been doing on supporting the students to build their ability to understand and take responsibility for their learning. Teacher's pedagogy changed with motivation and engagement of the children being a big focus. Structured use of online programmes such as <i>Mathletics</i> were used to bridge the learning between home and school – more target students were regular users this year. Buddy Reading: <ul style="list-style-type: none"> The NE/Y1 and Yr2/3 classes engaged in Buddy reading daily. Some collaboration on maths lessons happened with the junior classes. 	<ul style="list-style-type: none"> 14 Students in the original target group: <i>1 Well Below, 13 Below</i> 79% European; 21% Maori 50% Girls; 50% Boys 2 students left during the year. Of the remaining 12, 8 made accelerated progress and moved into the AT band (66% of the target group) Of the 8 students that accelerated progress to meet the standard 4 were a girls and 4 were boys. 3 of those 8 were also Maori Students – 100% of the Maori students in the Target group Of the other 4 students (1 Girl and 3 Boys) 1 has high learning needs and will do so for some time. The other 3 improved their self-belief and made significant progress but not enough to meet their relevant standard in the teacher's judgment. 	<ul style="list-style-type: none"> The specific teaching programmes employed for the target children achieved some significant shifts for some students but not the shifts we were wanting across the group. The Targeted specific Teachers Inquiries based around these children, which also fed into the RAP plan developed through the year. For those that did not accelerate enough to achieve a 2 year jump in achievement not enough time has passed to build their self-belief to a level where they could make that jump. The key to unlocking the learning experiences that these children need may not have been revealed as yet. There continue to be other factors affecting some of the student's progress that we are still not able to influence greatly as yet – such as time and places to learn at home, seeing the need to learn, and employing learning strategies on a regular basis. The engagement in a strong learning link with home has yet to be fully realised – the self-belief of the parents is still at a low level. 2 of the 4 students that did not accelerate have broader learning challenges that are 	<ul style="list-style-type: none"> We achieved a significant lift in achievement for a significant number of these students (66%) which is fantastic but there are still a few that we were not able to accelerate enough. To make sure that the students that have accelerated build on and consolidate those hard won gains. Some of these will be identified as an At Risk group to monitor closely and be part of the Teachers TAIs. We have been able to make significant changes to attitude to learning and strongly believe this has made an impact on achievement over time – we have to get them believing in themselves before we can push the academics. All teachers and support staff involved can take heart that we are making a difference to these students. To make sure that a structured reporting regime is put in place for the tracking and reviewing the progress of the target students. To build on the more structured programme for moderation of the target children and keep anecdotal reporting front and centre at staff mtgs. To build on the Teaching as Inquiry progress that has been made as part of the ongoing focus on improving the outcomes for the students and particularly the target group through improved teacher knowledge and practice. As part of the Teaching Inquiry, continue researching and implement any well researched and successful new

<ul style="list-style-type: none"> • Pedagogy based around collaborative teaching and learning was built on from previous years. • The investment in technology, Chromebooks, to allow greater use of the tools & approaches GAFE opens up was increased. The availability of technology for target students has been very well received by them. • Through change in pedagogy teachers have been supporting the students to become much more active in their learning and build their self-belief about being learners and knowing they can improve knowledge and skills. • Teachers talk about learning and use Learning Maps to help students understand the process of learning and that feeling worried, unsure or anxious are all natural reactions and do not mean you cannot learn but you need to know to manage these feelings and then what the first step is. • This focus on learning is not content or context specific so is across all teaching and learning times. 		<p>affecting their progress across the curriculum</p>	<p>knowledge and practice that will benefit these students.</p> <ul style="list-style-type: none"> • To continue with developing the modern learning teaching and learning strategies explored in 2016. • To develop and improve student agency. • To continue to build students understanding of learning and how they fit into the learning happening all around them – Using the Learning Pit as a metaphor. • To continue building on the introduction and use of Learning Maps.
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Flemington School

Statement of Responsibility

For the year ended 31 December 2016

The Board of Trustees (the Board) has pleasure in presenting the annual report of Flemington School incorporating the financial statements and the auditor's report, 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 Chairperson and the Principal.

Jenn Evans

Full Name of Board Chairperson

Signature of Board Chairperson

Date:

Phil Bourke

Full Name of Principal

Signature of Principal

Date:

Flemington School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue				
Government Grants	2	691,900	671,610	587,208
Locally Raised Funds	3	31,265	34,250	49,431
Interest Earned		1,939	5,000	6,789
		<u>725,104</u>	<u>710,860</u>	<u>643,428</u>
Expenses				
Locally Raised Funds	3	3,553	2,500	907
Learning Resources	4	467,662	463,324	431,250
Administration	5	51,452	48,450	48,741
Finance Costs		341	-	589
Property	6	174,167	170,351	143,505
Depreciation	7	42,823	27,000	34,151
Loss on Disposal of Property, Plant and Equipment		75	-	159
		<u>740,073</u>	<u>711,625</u>	<u>659,302</u>
Net Surplus / (Deficit)		(14,969)	(765)	(15,874)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(14,969)</u>	<u>(765)</u>	<u>(15,874)</u>

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

Flemington School
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 2016	<u>433,442</u>	<u>433,442</u>	<u>445,626</u>
Total comprehensive revenue and expense for the year	(14,969)	(765)	(15,874)
Capital Contributions from the Ministry of Education			
Snup	-	-	3,690
Equity at 31 December 2016	<u>418,473</u>	<u>432,677</u>	<u>433,442</u>
Retained Earnings	418,473	432,677	433,442
Reserves	-	-	-
Equity at 31 December 2016	<u>418,473</u>	<u>432,677</u>	<u>433,442</u>

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

Flemington School Statement of Financial Position

As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Assets				
Cash and Cash Equivalents	8	209,875	205,564	195,707
Accounts Receivable	9	30,356	66,174	66,174
GST Receivable		2,423	-	-
Prepayments		3,831	2,420	2,420
Inventories	10	3,412	3,833	3,833
		<u>249,897</u>	<u>277,991</u>	<u>268,134</u>
Current Liabilities				
GST Payable		-	1,395	1,395
Accounts Payable	12	32,324	37,608	37,608
Revenue Received in Advance	13	1,393	711	711
Provision for Cyclical Maintenance	14	4,500	4,500	4,500
Finance Lease Liability - Current Portion	15	2,121	-	2,787
Funds held for Capital Works Projects	16	(1,436)	(3,264)	(3,264)
Funds Held on Behalf of Science Cluster	17	6,777	10,045	10,045
		<u>45,679</u>	<u>50,995</u>	<u>53,782</u>
Working Capital Surplus/(Deficit)		204,218	226,996	214,352
Non-current Assets				
Property, Plant and Equipment	11	239,621	235,770	245,070
		<u>239,621</u>	<u>235,770</u>	<u>245,070</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	24,720	28,830	24,720
Finance Lease Liability	15	646	1,259	1,260
		<u>25,366</u>	<u>30,089</u>	<u>25,980</u>
Net Assets		<u>418,473</u>	<u>432,677</u>	<u>433,442</u>
Equity		<u>418,473</u>	<u>432,677</u>	<u>433,442</u>

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

Flemington School
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	206,180	150,000	144,576
Locally Raised Funds	26,103	34,250	54,090
Goods and Services Tax (net)	(3,818)	-	(5,029)
Payments to Employees	(66,619)	(60,500)	(83,310)
Payments to Suppliers	(109,107)	(98,405)	(125,185)
Interest Paid	(341)	-	(589)
Interest Received	1,939	5,000	6,789
Net cash from / (to) the Operating Activities	<u>54,337</u>	<u>30,345</u>	<u>(8,658)</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(75)	-	(159)
Purchase of PPE (and Intangibles)	(37,374)	(15,000)	(40,497)
Net cash from / (to) the Investing Activities	<u>(37,449)</u>	<u>(15,000)</u>	<u>(40,656)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	-	-	3,690
Finance Lease Payments	(1,280)	(5,488)	(2,198)
Funds Administered on Behalf of Third Parties	(1,440)	-	(66,794)
Net cash from Financing Activities	<u>(2,720)</u>	<u>(5,488)</u>	<u>(65,302)</u>
Net increase/(decrease) in cash and cash equivalents	<u>14,168</u>	<u>9,857</u>	<u>(114,616)</u>
Cash and cash equivalents at the beginning of the year	8 195,707	195,707	310,323
Cash and cash equivalents at the end of the year	<u>8 209,875</u>	<u>205,564</u>	<u>195,707</u>

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.

Flemington School

Notes to the Financial Statements

For the year ended 31 December 2016

1. Statement of Accounting Policies

a) Reporting Entity

Flemington 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 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 11.

Flemington School

Notes to the Financial Statements

For the year ended 31 December 2016

b) Basis of Preparation Continued

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.

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.

Flemington School

Notes to the Financial Statements

For the year ended 31 December 2016

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 \$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.

Flemington School

Notes to the Financial Statements

For the year ended 31 December 2016

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:

Furniture & Equipment	3-10 years
Other Equipment	5-20 years
Information and communication technology	3-5 years
Building improvements - Crown	50 years
Library Resources	12.5% Diminishing value
Leased Assets	3-5 years

l) 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.

m) 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.

n) 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.

o) Revenue Received in Advance

Revenue received in advance relates to revenue 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.

Flemington School

Notes to the Financial Statements

For the year ended 31 December 2016

p) 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.

q) 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).

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.

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.

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.

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) 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.

v) Comparatives

Some comparatives have been restated in order to conform with current year presentation, however the Total Comprehensive Revenue and Expense for 2015 remains unchanged

Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

2. Government Grants

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operational grants	157,728	150,000	156,264
Teachers' salaries grants	387,719	387,719	336,134
Use of Land and Buildings grants	133,891	133,891	86,613
Other government grants	12,562	-	8,197
	<u>691,900</u>	<u>671,610</u>	<u>587,208</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	13,499	15,000	30,122
Fundraising	750	-	-
Trading	1,764	2,500	1,534
Activities	15,252	16,750	17,775
	<u>31,265</u>	<u>34,250</u>	<u>49,431</u>
Expenses			
Trading	3,553	2,500	890
Fundraising (costs of raising funds)	-	-	17
	<u>3,553</u>	<u>2,500</u>	<u>907</u>
<i>Surplus for the year Locally raised funds</i>	<u>27,712</u>	<u>31,750</u>	<u>48,524</u>

Income from Fundraising includes the following donations:
\$1,500 from NZ Lotteries

4. Learning Resources

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Curricular	15,277	13,430	9,504
Equipment repairs	1,667	2,650	2,275
Information and communication technology	2,836	1,075	4,312
Extra-curricular activities	20,847	20,950	23,410
Library resources	632	500	246
Employee benefits - salaries	415,068	417,719	383,947
Staff development	11,335	7,000	7,556
	<u>467,662</u>	<u>463,324</u>	<u>431,250</u>

Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

5. Administration

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Audit Fee	3,600	3,500	3,640
Board of Trustees Fees	4,255	5,000	4,565
Board of Trustees Expenses	1,639	4,100	1,351
Communication	3,092	3,200	2,906
Consumables	7,949	7,700	6,701
Other	1,624	4,000	1,923
Employee Benefits - Salaries	22,144	15,000	20,670
Insurance	1,649	750	1,685
Service Providers, Contractors and Consultancy	5,500	5,200	5,300
	51,452	48,450	48,741

6. Property

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Caretaking and Cleaning Consumables	1,510	1,200	784
Cyclical Maintenance Provision	-	4,110	8,940
Grounds	4,830	5,200	16,939
Heat, Light and Water	11,579	7,850	7,708
Repairs and Maintenance	6,110	2,600	3,062
Use of Land and Buildings	133,891	133,891	86,613
Employee Benefits - Salaries	16,247	15,500	14,867
	174,167	170,351	143,505

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Furniture & Equipment	5,428	4,000	5,071
Information and communication technology	15,927	9,050	10,772
Other Equipment	14,991	11,000	12,183
Building improvements - Crown	2,843	1,200	2,796
Library Resources	1,987	750	1,784
Leased Assets	1,647	1,000	1,545
	42,823	27,000	34,151

Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

8. Cash and Cash Equivalents

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Bank Current Account	6,659	27,816	17,959
Bank Call Account	203,216	177,748	177,748
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>209,875</u>	<u>205,564</u>	<u>195,707</u>

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

9. Accounts Receivable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Receivables	6,242	398	398
Receivables from the Ministry of Education	-	35,890	35,890
Teacher Salaries Grant Receivable	24,114	29,886	29,886
	<u>30,356</u>	<u>66,174</u>	<u>66,174</u>
Receivables from Exchange Transactions	6,242	398	398
Receivables from Non-Exchange Transactions	24,114	65,776	65,776
	<u>30,356</u>	<u>66,174</u>	<u>66,174</u>

10. Inventories

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Stationery	800	613	613
School Uniforms	2,612	3,220	3,220
	<u>3,412</u>	<u>3,833</u>	<u>3,833</u>

11. Property, Plant and Equipment

2016	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Furniture & Equipment	27,463	3,070	(2)	-	(5,428)	25,103
Other Equipment	61,192	13,428	-	-	(14,991)	59,629
Information and communication technology	20,395	12,743	(1)	-	(15,927)	17,210
Building improvements - Crown	119,541	3,500	-	-	(2,843)	120,198
Library Resources	12,486	3,487	(72)	-	(1,987)	13,914
Leased Assets	3,993	1,221	-	-	(1,647)	3,567
Balance at 31 December 2016	<u>245,070</u>	<u>37,449</u>	<u>(75)</u>	<u>-</u>	<u>(42,823)</u>	<u>239,621</u>

Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

11. Property, Plant and Equipment Continued

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2016			
Furniture & Equipment	81,708	(56,605)	25,103
Other Equipment	216,044	(156,415)	59,629
Information and communication technology	120,854	(103,644)	17,210
Building improvements - Crown	148,291	(28,093)	120,198
Library Resources	39,718	(25,804)	13,914
Leased Assets	8,948	(5,381)	3,567
Balance at 31 December 2016	<u>615,563</u>	<u>(375,942)</u>	<u>239,621</u>

	Opening \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2015						
Furniture & Equipment	18,962	13,573	(1)	-	(5,071)	27,463
Other Equipment	59,279	14,096	(1)	-	(12,183)	61,192
Information and communication technology	21,243	9,924	-	-	(10,772)	20,395
Building improvements - Crown	122,337	-	-	-	(2,796)	119,541
Library Resources	11,365	3,062	(157)	-	(1,784)	12,486
Leased Assets	5,538	-	-	-	(1,545)	3,993
Balance at 31 December 2015	<u>238,724</u>	<u>40,655</u>	<u>(159)</u>	<u>-</u>	<u>(34,151)</u>	<u>245,070</u>

	Cost or \$	Accumulated \$	Net Book \$
2015			
Furniture & Equipment	79,132	(51,669)	27,463
Other Equipment	202,615	(141,423)	61,192
Information and communication technology	109,150	(88,755)	20,395
Building improvements - Crown	144,791	(25,250)	119,541
Library Resources	36,441	(23,955)	12,486
Leased Assets	7,727	(3,734)	3,993
Balance at 31 December 2015	<u>579,856</u>	<u>(334,786)</u>	<u>245,070</u>

12. Accounts Payable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operating creditors	4,610	3,203	3,203
Accruals	3,600	3,640	3,640
Employee Entitlements - salaries	24,114	30,765	30,765
	<u>32,324</u>	<u>37,608</u>	<u>37,608</u>
Payables for Exchange Transactions	32,324	37,608	37,608
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>32,324</u>	<u>37,608</u>	<u>37,608</u>

The carrying value of payables approximates their fair value.

Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

13. Revenue Received in Advance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Other	1,393	711	711
	<u>1,393</u>	<u>711</u>	<u>711</u>

14. Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Provision at the Start of the Year	29,220	29,220	20,280
Increase to the Provision During the Year	-	4,110	8,940
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>29,220</u>	<u>33,330</u>	<u>29,220</u>
Cyclical Maintenance - Current	4,500	4,500	4,500
Cyclical Maintenance - Term	24,720	28,830	24,720
	<u>29,220</u>	<u>33,330</u>	<u>29,220</u>

15. Finance Lease Liability

The School has entered into finance lease agreement for a Photocopier and a Laptop . Minimum lease payments payable:

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	-	-	2,787
Later than One Year and no Later than Five Years	-	(1,259)	1,260
	<u>-</u>	<u>(1,259)</u>	<u>4,047</u>

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:

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block A Alteration	<i>complete</i>	(3,264)	4,144	880	-	-
Fire Safety Upgrade	<i>in progress</i>	-	-	1,436	-	(1,436)
Totals		<u>(3,264)</u>	<u>4,144</u>	<u>2,316</u>	<u>-</u>	<u>(1,436)</u>

Represented by:

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

-

(1,436)

(1,436)



Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

16. Funds Held for Capital Works Projects Continued

	2015	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Block A Alteration	<i>in progress</i>	60,075	51,479	114,818	-	(3,264)
Totals		60,075	51,479	114,818	-	(3,264)

17. Funds held on behalf of Science Cluster

Flemington School is the lead school and holds funds on behalf of the Central Hawke's Bay Science Cluster. Onga Onga, Waipukurau, Elsthorpe, St Josephs, Takapau, Sherwood, Pukehou and Flemington are all schools being funded by the Ministry of Education to develop science learning in this cluster.

	2016 Actual	2016 Budget	2015 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	10,045	-	13,500
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	-	-	5,027
Funds Spent on Behalf of the Cluster	(3,268)	-	(8,482)
Funds Held at Year End	6,777	10,045	10,045

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	4,255	4,565
Full-time equivalent members	0.16	0.10
<i>Leadership Team</i>		
Remuneration	102,000	180,000
Full-time equivalent members	1	2
Total key management personnel remuneration	106,255	184,565
Total full-time equivalent personnel	1.16	2.10

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.

Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

19. Remuneration Continued

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:		
Salary and Other Payments	100 - 110	90 - 100
Benefits and Other Emoluments	0 - 0	0 - 0
Termination Benefits	0 - 0	0 - 0

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
110 - 120	-	-
100 - 110	-	-
	0.00	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	\$0	\$0
Number of People	0	0

21. Contingencies

There are no contingent liabilities as at 31 December 2016.

There is a contingent asset relating to a possible cash reimbursement from the Ministry of Education for under spending the school's banking staffing entitlement during 2016. The Ministry of Education has yet to determine whether an amount is to be paid to the school. Any such reimbursement cannot be reliably measured at the date of signing these financial statements, but is unlikely to be the full value of the \$700, which was the banking staffing underspend at 31 December 2016. If any amount is received, it will be recorded as income in the 2017 financial year.

(Contingent liabilities and assets at 31 December 2015: Nil)

22. Commitments

(a) Capital Commitments

As at 31 December 2016 the Board has entered into nil contract agreements for capital works.

(Capital commitments at 31 December 2015: \$20,037)

(b) Operating Commitments

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

(a) operating lease of Computer Equipment

	2016 Actual \$	2015 Actual \$
No later than One Year	94	1,075
Later than One Year and No Later than Five Years	(3,077)	289
	(2,983)	1,364



Flemington School
Notes to the Financial Statements
For the year ended 31 December 2016

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	209,875	205,564	195,707
Receivables	30,356	66,174	66,174
Total Loans and Receivables	<u>240,231</u>	<u>271,738</u>	<u>261,881</u>

Financial liabilities measured at amortised cost

Payables	32,324	37,608	37,608
Finance Leases	2,767	1,259	4,047
Total Financial Liabilities Measured at Amortised Cost	<u>35,091</u>	<u>38,867</u>	<u>41,655</u>

25. Events After Balance Date

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

Flemington School
Members of the Board of Trustees
For the year ended 31 December 2016

<u>Name</u>	<u>Position</u>	<u>How Appointed</u>	<u>Term Expired / Expires</u>
Jenn Evans	Chairperson	Elected	2019
Phil Bourke	Principal	Appointed	N/A
Anton Croad	Parent Rep	Elected	2019
Trudy Hobson	Parent Rep	Elected	2019
Sarah Coleman	Parent Rep	Elected	2019
Leanne Hutchinson	Parent Rep	Elected	2019
Lyn Gibson	Parent Rep	Elected	2019
Matt von Dadelszen	Parent Rep	Elected	2016
Charlotte Coddington	Parent Rep	Elected	2016
Dave Bartram	Parent Rep	Elected	2016
Sam Morrah	Parent Rep	Co-opted	2016



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF FLEMINGTON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2016; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

Our audit was completed on 23 May 2017. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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



Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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



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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

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

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



Independence

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

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

A handwritten signature in black ink, appearing to read 'Mr John Dixon', written in a cursive style.

**Maxwell John Dixon
PricewaterhouseCoopers
On behalf of the Auditor-General
Napier, New Zealand**