

ELMGROVE SCHOOL



ElmGrove
SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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Ministry Number:	3778

ELMGROVE SCHOOL

Financial Statements - For the year ended 31 December 2017

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Elmgrove 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.

BENJAMIN SAXICK
Full Name of Board Chairperson

[Signature]
Signature of Board Chairperson

28/5/2018
Date:

Chris McKinlay
Full Name of Principal

[Signature]
Signature of Principal

28/5/2018
Date:

Elmgrove School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	2,225,609	1,799,067	2,125,446
Locally Raised Funds	3	286,039	182,643	249,000
Interest Earned		5,148	2,500	2,965
		<u>2,516,796</u>	<u>1,984,210</u>	<u>2,377,411</u>
Expenses				
Locally Raised Funds	3	188,608	129,847	164,416
Learning Resources	4	1,631,720	1,271,400	1,499,860
Administration	5	107,660	117,005	115,526
Finance Costs		4,183	-	4,882
Property	6	496,466	459,032	490,559
Depreciation	7	67,186	65,000	64,806
Loss on Disposal of Property, Plant and Equipment		-	-	1,325
		<u>2,495,823</u>	<u>2,042,284</u>	<u>2,341,374</u>
Net Surplus / (Deficit)		20,973	(58,074)	36,037
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>20,973</u>	<u>(58,074)</u>	<u>36,037</u>

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

Elmgrove 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	<u>657,615</u>	<u>657,615</u>	<u>615,179</u>
Total comprehensive revenue and expense for the year	20,973	(58,074)	36,037
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	6,399
Equity at 31 December	<u>678,588</u>	<u>599,541</u>	<u>657,615</u>
Retained Earnings	678,588	599,541	657,615
Equity at 31 December	<u>678,588</u>	<u>599,541</u>	<u>657,615</u>

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

Elmgrove School Statement of Financial Position

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	8	247,247	265,416	258,490
Accounts Receivable	9	79,528	72,832	72,832
Prepayments		10,984	6,337	6,337
Inventories	10	8,028	4,342	4,342
Investments	11	180,958	76,752	76,752
Funds owing for Capital Works Projects	17	59,606	-	-
		<u>586,351</u>	<u>425,679</u>	<u>418,753</u>
Current Liabilities				
GST Payable		7,504	4,055	4,055
Accounts Payable	13	164,912	89,754	89,754
Revenue Received in Advance	14	6,754	285	285
Provision for Cyclical Maintenance	15	12,600	25,200	25,200
Finance Lease Liability - Current Portion		14,778	19,994	19,994
Funds held for Capital Works Projects	17	137,024	78,512	78,512
		<u>343,572</u>	<u>217,800</u>	<u>217,800</u>
Working Capital Surplus/(Deficit)		242,779	207,879	200,953
Non-current Assets				
Property, Plant and Equipment	12	498,627	453,863	518,863
		<u>498,627</u>	<u>453,863</u>	<u>518,863</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	49,000	41,800	41,800
Finance Lease Liability		13,818	20,401	20,401
		<u>62,818</u>	<u>62,201</u>	<u>62,201</u>
Net Assets		<u>678,588</u>	<u>599,541</u>	<u>657,615</u>
Equity		<u>678,588</u>	<u>599,541</u>	<u>657,615</u>

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

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

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		525,043	516,295	519,368
Locally Raised Funds		290,112	178,795	245,152
Goods and Services Tax (net)		3,449	10,054	10,054
Payments to Employees		(316,675)	(284,637)	(255,534)
Payments to Suppliers		(336,371)	(505,555)	(399,439)
Cyclical Maintenance Payments in the Year		(12,600)	(20,000)	-
Interest Received		4,032	2,512	2,976
Net cash from / (to) the Operating Activities		156,990	(102,536)	122,577
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	1,120
Purchase of PPE (and Intangibles)		(35,750)	(8,205)	(11,843)
Purchase of Investments		(104,206)	38,154	38,155
Net cash from / (to) the Investing Activities		(139,956)	29,949	27,432
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	6,399
Finance Lease Payments		(27,183)	1,001	(18,532)
Funds Held for Capital Works Projects		(1,094)	78,512	78,512
Net cash from Financing Activities		(28,277)	79,513	66,380
Net increase/(decrease) in cash and cash equivalents		(11,243)	6,926	216,389
Cash and cash equivalents at the beginning of the year	8	258,490	258,490	42,101
Cash and cash equivalents at the end of the year	8	247,247	265,416	258,490

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.

Elmgrove School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

1.1. Reporting Entity

Elmgrove 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.

1.2. 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 12.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

1.3. 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.

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. 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.

1.9. 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.

1.10. Investments

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

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

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

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

1.11. 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 \$1,500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10–40 years
Furniture and equipment	2-20 years
Information and communication technology	5-10 years
Leased assets	2-4 years
Library resources	12.5% Diminishing value

1.12. 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.

1.13. 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.

1.14. Employment Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

1.15. Revenue Received in Advance

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

1.16. 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).

1.17. 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.

1.18. 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.

1.19. Budget Figures

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

1.20. 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	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	411,140	416,535	409,394
Teachers' salaries grants	1,357,887	1,000,000	1,277,249
Use of Land and Buildings grants	344,679	282,772	323,095
Other MoE Grants	34,481	9,000	23,512
Other government grants	77,422	90,760	92,196
	<u>2,225,609</u>	<u>1,799,067</u>	<u>2,125,446</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	48,925	47,395	82,243
Fundraising	19,367	-	-
Other revenue	143,404	111,248	96,270
Trading	31,619	-	22,965
Activities	42,724	24,000	47,522
	<u>286,039</u>	<u>182,643</u>	<u>249,000</u>
Expenses			
Activities	46,863	27,000	50,545
Trading	30,845	-	23,603
Fundraising (costs of raising funds)	12,954	-	21,371
Other Locally Raised Funds Expenditure	97,946	102,847	68,897
	<u>188,608</u>	<u>129,847</u>	<u>164,416</u>
<i>Surplus for the year Locally raised funds</i>	<u>97,431</u>	<u>52,796</u>	<u>84,583</u>

4. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	55,506	80,800	69,651
Equipment repairs	8,154	4,000	4,123
Library resources	299	500	169
Employee benefits - salaries	1,554,330	1,161,300	1,409,430
Staff development	13,431	24,800	16,486
	<u>1,631,720</u>	<u>1,271,400</u>	<u>1,499,860</u>

5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	3,155	3,105	3,105
Board of Trustees Fees	3,625	3,500	3,460
Board of Trustees Expenses	1,955	2,500	3,908
Communication	2,068	2,000	2,350
Consumables	5,344	5,500	5,470
Operating Lease	9,977	21,000	15,858
Other	500	550	500
Employee Benefits - Salaries	73,211	74,000	75,854
Insurance	5,395	2,600	2,821
Service Providers, Contractors and Consultancy	2,430	2,250	2,200
	<u>107,660</u>	<u>117,005</u>	<u>115,526</u>

6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	2,431	3,500	25,161
Consultancy and Contract Services	7,986	7,900	-
Cyclical Maintenance Provision	12,600	20,000	16,700
Adjustment to the Provision	-	-	37,040
Grounds	8,265	8,200	7,548
Heat, Light and Water	23,772	23,000	18,391
Rates	10,199	10,300	10,515
Repairs and Maintenance	35,459	54,200	4,947
Use of Land and Buildings	344,679	282,772	323,095
Security	52	160	-
Employee Benefits - Salaries	51,023	49,000	47,162
	<u>496,466</u>	<u>459,032</u>	<u>490,559</u>

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

7. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Building Improvements	18,441	19,000	18,442
Furniture and Equipment	14,983	14,000	13,993
Information and Communication Technology	11,588	16,000	16,350
Leased Assets	21,075	14,000	14,775
Library Resources	1,099	2,000	1,246
	<u>67,186</u>	<u>65,000</u>	<u>64,806</u>

8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	500	500	500
Bank Current Account	246,747	264,916	257,990
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	247,247	265,416	258,490

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

Of the \$247,247 Cash and Cash Equivalents, \$137,024 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	1,168	772	772
Interest Receivable	1,511	395	395
Teacher Salaries Grant Receivable	76,849	71,666	71,666
	79,528	72,832	72,832
Receivables from Exchange Transactions	2,679	1,167	1,167
Receivables from Non-Exchange Transactions	76,849	71,665	71,665
	79,528	72,832	72,832

10. Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	6,940	860	860
School Uniforms	1,088	3,483	3,483
	8,028	4,342	4,342

11. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	180,958	76,752	76,752

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	372,731	-	-	-	(18,441)	354,290
Furniture and Equipment	72,348	21,224	-	-	(14,983)	78,589
Information and Communication	27,916	14,461	-	-	(11,588)	30,789
Leased Assets	37,144	11,201	-	-	(21,075)	27,270
Library Resources	8,724	64	-	-	(1,099)	7,689
Balance at 31 December 2017	518,863	46,950	-	-	(67,186)	498,627

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	654,892	(300,602)	354,290
Furniture and Equipment	273,461	(194,872)	78,589
Information and Communication	186,750	(155,961)	30,789
Leased Assets	73,494	(46,224)	27,270
Library Resources	74,092	(66,403)	7,689
Balance at 31 December 2017	1,262,689	(764,062)	498,627

The net carrying value of equipment held under a finance lease is \$27,270 (2016: \$37,144)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Building Improvements	391,173	-	-	-	(18,442)	372,731
Furniture and Equipment	75,273	11,548	(480)	-	(13,993)	72,348
Information and Communication	46,229	-	(1,963)	-	(16,350)	27,916
Leased Assets	38,307	13,612	-	-	(14,775)	37,144
Library Resources	9,676	294	-	-	(1,246)	8,724
Balance at 31 December 2016	560,658	25,454	(2,443)	-	(64,806)	518,863

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Building Improvements	654,892	(282,160)	372,731
Furniture and Equipment	256,759	(184,412)	72,348
Information and Communication	173,728	(145,812)	27,916
Leased Assets	62,293	(25,149)	37,144
Library Resources	74,028	(65,305)	8,724
Balance at 31 December 2016	1,221,700	(702,838)	518,863

13. Accounts Payable

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating creditors	73,340	7,424	7,424
Accruals	3,628	3,571	3,571
Employee Entitlements - salaries	79,298	71,666	71,666
Employee Entitlements - leave accrual	8,646	7,093	7,093
	<u>164,912</u>	<u>89,754</u>	<u>89,754</u>
Payables for Exchange Transactions	164,912	89,754	89,754
	<u>164,912</u>	<u>89,754</u>	<u>89,754</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	2,000	-	-
Other	4,754	285	285
	<u>6,754</u>	<u>285</u>	<u>285</u>

15. Provision for Cyclical Maintenance

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	67,000	67,000	53,260
Increase to the Provision During the Year	12,600	-	16,700
Adjustment to the Provision	-	-	37,040
Use of the Provision During the Year	(18,000)	-	(40,000)
Provision at the End of the Year	<u>61,600</u>	<u>67,000</u>	<u>67,000</u>
Cyclical Maintenance - Current	12,600	25,200	25,200
Cyclical Maintenance - Term	49,000	41,800	41,800
	<u>61,600</u>	<u>67,000</u>	<u>67,000</u>

16. Finance Lease Liability

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

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	17,193	27,977	27,977
Later than One Year and no Later than Five Years	14,665	17,137	17,137
Later than Five Years	-	-	-
	<u>31,858</u>	<u>45,114</u>	<u>45,114</u>

17. Funds Held for Capital Works

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

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Special Needs Ramp/Doors	<i>In progress</i>	78,512	-	148,246	10,128	(59,606)
Block 1 & 2 ILE Redevelopment	<i>In progress</i>	-	149,445	12,421	-	137,024
Roof Leak	<i>Completed</i>	-	4,001	4,001	-	-
Roof Project	<i>Completed</i>	-	51,419	51,419	-	-
Totals		78,512	204,865	216,087	10,128	77,418

Represented by:

Funds Held on Behalf of the Ministry of Education	137,024
Funds Due from the Ministry of Education	59,606
	<u>77,418</u>

	2016	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Special Needs Ramp/Doors	<i>In progress</i>	-	109,218	30,706	-	78,512
Totals		-	109,218	30,706	-	78,512

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 Principal, and the Senior Leaders.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,625	3,460
Full-time equivalent members	0.14	0.14
<i>Leadership Team</i>		
Remuneration	432,430	465,658
Full-time equivalent members	4.50	5.00
Total key management personnel remuneration	436,055	469,118
Total full-time equivalent personnel	4.64	5.14

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal was in the following bands:

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	0 - 10	0 - 5
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	2017 FTE Number	2016 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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:

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

21. Contingencies

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

22. Commitments

(a) Capital Commitments

As at 31 December 2017 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2016: nil)

(b) Operating Commitments

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

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	174	2,950
Later than One Year and No Later than Five Years	-	174
Later than Five Years	-	-
	<u>174</u>	<u>3,124</u>

23. Managing Capital

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

24. Financial Instruments

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

Loans and Receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	247,247	265,416	258,490
Receivables	79,528	72,832	72,832
Investments - Term Deposits	180,958	76,752	76,752
Total Cash and Receivables	<u>507,733</u>	<u>415,000</u>	<u>408,074</u>

Financial liabilities measured at amortised cost

Payables	164,912	89,754	89,754
Finance Leases	28,596	40,395	40,395
Total Financial Liabilities Measured at Amortised Cost	<u>193,508</u>	<u>130,149</u>	<u>130,149</u>

25. 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 ELMGROVE SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Elmgrove School (the School). The Auditor-General has appointed me, Malcolm Wong, using the staff and resources of Cook North & Wong, 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 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects;
- its financial position as at 31 December 2017; and
- its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 28 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 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 on pages 2 to 18, 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.



Malcolm Wong
Cook North & Wong
On behalf of the Auditor-General
Dunedin, New Zealand

Elmgrove School

Member of the Board of Trustees 2017

Name	Position	Held Until	Occupation
Ben Baxter	Chairperson	June 2019	Managing Director
Chris McKinlay	Principal		
Carlie Sinclair	Staff Representative	June 2019	Teacher
Andrew Lord	Elected member	June 2019	Contractor Supervisor
David Christensen	Elected member	June 2019	General Manager
Peter Kelliher	Elected Member	June 2019	Lawyer
Amy Clark	Elected Member	June 2019	Teacher

Management Team

Chris McKinlay – Principal

Rachel McNamara – Deputy Principal (on Maternity Leave from 1 May 2017 until start of 2018).

Jenny Ryalls – Senior Head

Denise Hannagan – Middle Head

Wendy Moses – Junior Head



Elmgrove School,
74 Argyle St, Mosgiel. 9024
Ph 03/489-6252,
Email office@elmgrove.school.nz

Kiwi sport

Kiwi sport is a Government funding initiative to support students' participation in organised sport.

During 2017, the school received total Kiwi Sport funding of \$4,062.91 (excluding GST). The funding was spent on Swimming Lessons, purchasing new equipment eg: sports Equipment, trips to netball and cross country tournaments and sports uniforms.



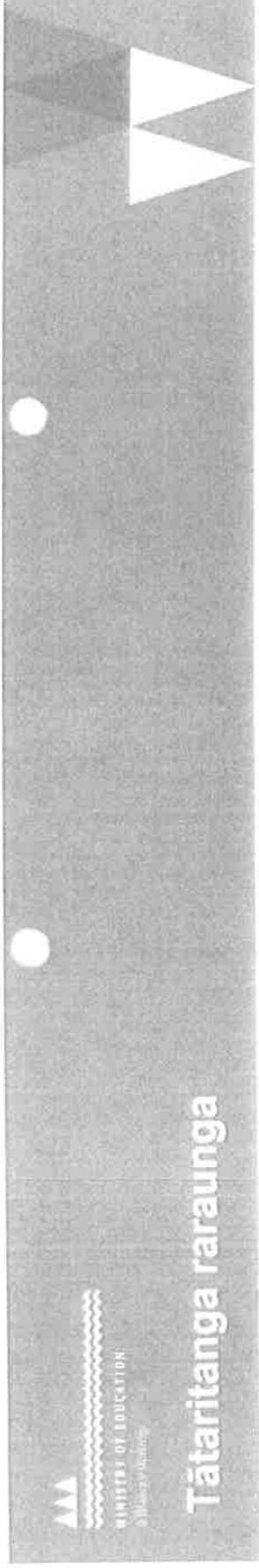
School name: Elmgrove School	School number: 3778
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<p>Focus: Mathematics</p> <p>Strategic Aim: Critically reflect, adapt and implement change.</p> <p>Annual Aim: To increase the number of students achieving at or above the National Standards for mathematics.</p> <p>Target:</p> <ul style="list-style-type: none"> To raise the mathematics achievement of students in Year 4, 2017 so that the percentage of students achieving at or above expectation is increased to at least the previous year's level of 75%. To increase the achievement level for our Maori students so the percentage of students achieving the standard is at least 75%. <p>Baseline data: School wide mathematics data in November 2016 showed 75.4% of all students were achieving or exceeding National Standards. Analysis of the data identified concerns with the achievement of groups of children especially those in Year 3 in 2016, This group showed considerably less children reaching expectation than when they were Year 2. 63.4% in 2016 as opposed to 75% in 2015. Priority also needs to be given to the Maori students who had an achievement rate of 66.6%.</p>

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>Attended professional development for lead teachers in mathematics.</p> <p>Identified priority group of students to participate in intervention programme.</p> <p>Provided extra tuition to identified students in a small group programme which focused on numeracy skills and identified gaps.</p> <p>Greater moderation opportunities due to the shared teaching approach.</p>	<p>The Year 4 group showed improvement but did not reach the target.</p> <p>They increased from 63.4% at the end of 2016 at or above the standard to 71.7% at the end of 2017. This was short of the 75% target.</p> <p>The Maori Students showed a small increase in achievement levels shifting from 66% at or above the standard to 68.9%. This was also short of the 75% target.</p>	<p>Extra teacher time provided to classroom to enable extra focus groups</p> <p>Target groups for mathematics were run with both Year 3/4 hubs</p> <p>Introduction of a math team to share ideas and resources and look at the data was introduced in term 2</p> <p>Introduced xtra math into the middle school to focus on basic facts and address this barrier.</p> <p>There was more acceleration for our Maori students than the data shows. 30% of our Maori students in the below group were new to the school in 2017 and not present in the 2016 data.</p> <p>Another 30% have significant barriers to learning and are identified students for extra support.</p>	<p>Clarify expectations around testing and levels of skills and knowledge to reduce variation between classes.</p> <p>Revise criteria for evaluation following the removal of National Standards</p> <p>Continue small group intervention groups spreading this further throughout the school.</p> <p>Work with a facilitator on teaching and assessing mathematics.</p> <p>Math team to Look into ways to specifically lift achievement for our Maori students.</p> <p>Better tracking of groups of students through the use of our student management system</p>



<p>School name: Elmgrove School</p>	<p>School number: 3778</p>
<p>Focus: Writing</p>	
<p>Strategic Aim: Critically reflect, adapt and implement change.</p>	
<p>Annual Aim: 1.2 To increase the number of students achieving at or above the National Standards for writing.</p>	
<p>Targets:</p> <ul style="list-style-type: none"> • To raise the writing achievement of students in Year 6, 2017 so that the percentage of students achieving at or above expectation is increased to at least 70% and therefore is closer to the current school average. • To raise the writing achievement of students in Year 4, 2017 so that the percentage of students achieving at or above expectation is increased to at least 66% giving them the opportunity with continued acceleration to be operating at the school averages by the time this cohort leaves at the end of year 6. 	
<p>Baseline data: Baseline data: School wide writing data in November 2016 showed 74.4 % of all students were achieving or exceeding National Standards. Analysis of the data identified concerns with the achievement of groups of children especially those in Year 3 in 2016 where 56.1% achieved the writing standard.</p>	



The Year 5 group was also identified. This cohort has been a focus group over the past two years and has shown considerable improvement moving from 51.3% in 2014 to 60% in 2015 and 65% in 2016.

Both of these groups warrant tracking and continued intervention.

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>Provided professional development for class teachers based on the findings from the Accelerating Literacy Learning PLD.</p> <p>Provided external professional development opportunities through the Literacy symposium and writing courses</p> <p>Provided extra tuition to identified students focused on writing skills and identified gaps.</p> <p>Provide school wide assessment and moderation sessions to staff.</p> <p>Provided a programme that motivated struggling writers and enabled them to see their own success.</p> <p>Implemented programmes that increased opportunities to write within classroom programmes.</p>	<p>The Year 6 focus cohort made considerable progress increasing from 65.1% to 81.9% achieving at or above the National Standards. This exceeded the target by 11.9%</p> <p>The Year 4 focus cohort also made considerable progress increasing from 56.1% to 76.1% achieving at or above the National Standards.</p> <p>These increases were had a significant impact on the overall writing results with the school average increasing from 74.4% to 80.1%</p>	<p>Acceleration in writing takes time and continued monitoring. This is our third year focusing on small groups of struggling writers across the school. This development builds on progress gone before and a number of students who have been making accelerated progress for some time have finally closed the gap</p> <p>Focus groups have meant increased focused teaching time on the parts of writing needing development for struggling writers and these students have been able to carry this into their general writing.</p> <p>Use of collaborative spaces and two teacher approach has given teachers more access to discussing student progress and barriers to their learning.</p> <p>Greater experience of staff with AsTTle and assessment rubrics.</p>	<p>Continue small group intervention groups.</p> <p>Further sharing of good practice amongst staff</p> <p>More professional development for staff in middle school on use of Asttle testing and moderating of writing.</p> <p>Increase in the amount of time spent on writing in some classes.</p> <p>Better tracking of groups of students through the use of our student management system</p>