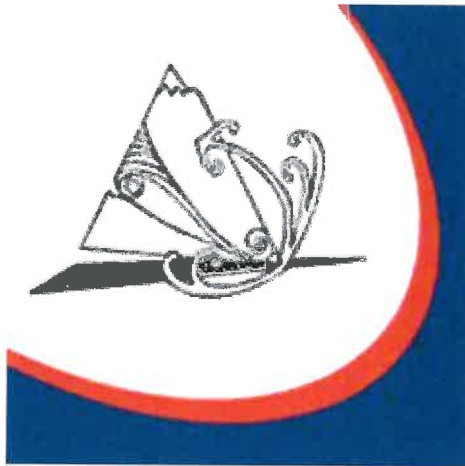


Waiau Area School



2014 Annual Report and Financial Statements

School number	402
School address	47 Orawia Road Tuatapere 9620
School phone	(03) 226 6285
School fax	(03) 226 6033
Email address	office@was.school.nz
Web address	www.was.school.nz

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Waiau Area School

Statement of Responsibility

For the year ended 31 December 2014

The Board of Trustees (the Board) has pleasure in presenting the annual report of Waiau Area School (the School), incorporating the financial statements and the auditor's report, for the year ended 31 December 2014.

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

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

In the opinion of the Board's management, the annual financial statements for the financial year fairly reflect the financial position and operations of the School.

The School's 2014 financial statements are authorised for issue by the Board Chairperson and Principal.



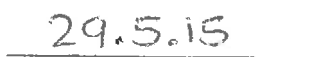
Commissioner



Principal



Date



Date

Waiau Area School

Members of the Board of Trustees 2014

<i>Name</i>	<i>Position</i>	<i>Held Until</i>
<i>Chris Shaw</i>	<i>Commissioner</i>	<i>Jun 2014</i>
<i>Kevin Orlowski</i>	<i>Acting Principal</i>	<i>Jan 2014</i>
<i>Elizabeth Hannah</i>	<i>Principal</i>	
<i>Wendy Adams</i>	<i>Chairperson</i>	<i>May 2016</i>
<i>Karl Tamou</i>	<i>Elected Trustee</i>	<i>May 2016</i>
<i>Dale Egerton</i>	<i>Elected Trustee</i>	<i>May 2016</i>
<i>Ricki Egerton</i>	<i>Elected Trustee</i>	<i>May 2016</i>
<i>David McCallum</i>	<i>Elected Trustee</i>	<i>May 2016</i>
<i>Simon Pearce</i>	<i>Staff Trustee</i>	<i>May 2016</i>
<i>Anna Hammond</i>	<i>Student Trustee</i>	<i>Oct 2015</i>

Waiau Area School

Statement of Significant Accounting Policies

For the year ended 31 December 2014

a) Reporting Entity

Waiau Area 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 is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

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 New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to public benefit entities that qualify for differential reporting.

Differential reporting

The School qualifies for differential reporting exemptions because it is not publicly accountable as defined in the Framework for Differential Reporting (the Framework) and it is not large. Many of the reporting exemptions available under the Framework have been applied.

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.

Specific accounting policies

The accounting policies used in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented.

c) Revenue Recognition

Government Grants

Operational grants are recorded as income as received. Teachers' salaries grants are not received in cash by the school but are paid directly to teachers by the Ministry of Education (the Ministry). They are recorded as income in the salary period they relate to. Other grants are recorded as income as received unless there are unfulfilled conditions attaching to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to income as the conditions are fulfilled.

Grants for the use of land and buildings are also 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. Use of land and building grants are recorded as income in the period the school uses the land and buildings.

Donations

Donations, gifts and bequests are recorded as income when their receipt is formally acknowledged by the School.

Interest income

Interest income on cash and cash equivalents and investments is recorded as income 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 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 received from the Ministry.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

g) Accounts Receivable

'Accounts Receivable' represents items that the School has issued invoices for, but has not received payment for, at year end. Debtors are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A provision for impairment of Accounts Receivable is established where there is objective evidence the School will not be able to collect all amounts due according to the original terms of the debt.

h) Inventories

Inventories are consumable items held for sale, for example 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. The write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Income in the period of the write down.

i) Investments

Investments are held with registered trading banks and are classified as current assets if they have maturities of between three months and one year. Those with maturities greater than 12 months after the balance date are classified as non-current assets.

After initial recognition investments are measured at amortised cost using the effective interest method less impairment.

Share investments held by the School are measured at fair value. If shares do not have a quoted market price in an active market and fair value cannot be reliably measured, the shares are measured at cost. Any movements in shares measured at fair value are recognised in equity.

At balance date the School assesses whether there is any objective evidence that an investment is impaired. Any impairment loss is recorded as an expense in the Statement of Comprehensive Income.

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

j) 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 \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Income.

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 Income.

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 Income.

The estimated useful lives of the assets are:

Buildings	10-40 years
School furniture & equipment	10 years
Information & communication technology	5 years
Plant & Machinery	10 years
Motor Vehicles	5 years
Library resources	12.5% DV

k) 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.

l) Employee Entitlements – Salary Accruals

Salary Accruals

Salary accruals mainly reflect annual leave owing to teachers and ancillary staff and are recognised in respect of employees' services to balance date and are measured at the amounts expected to be paid when the liabilities are settled. There is a corresponding teacher's salaries grant receivable from the Ministry to fund the liability.

Leave Accruals

No provision is required to be recognised for sick leave for any teachers, irrespective of whether a school is above its teaching entitlement as in practice most teacher sick leave is grant funded by the Ministry.

For non-teaching staff, the school is required to report a liability in dollar terms for the relevant leave types, where this information is readily available. Any liability is reported in the school's Current Accounts Payable note to the Financial Statements.

m) Income Received in Advance

Income received in advance relates to fees received from students 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.

n) 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 the day-to-day maintenance. The provision



for cyclical maintenance represents the obligation the Board has to the Ministry of Education and is based on the Board's ten year property plan (10YP).

o) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, GST 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, provision for cyclical maintenance, funds held on behalf of the Ministry and GST payable. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

p) Goods and Services Tax (GST)

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

q) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board of Trustees.



Waiau Area School

Statement of Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 Actual \$	2014 Budget \$	2013 Actual \$
Income				
Government grants	1	1,803,083	2,101,845	1,871,820
Local fundraising	2	14,697	500	9,608
Other Income	3	100,977	57,610	91,418
Interest		8,645	4,000	6,581
Profit on asset sale		-	-	238
		1,927,402	2,163,955	1,979,665
Expenditure				
Fundraising (costs of raising funds)	2	461	-	23
Other income expenditure	3	64,265	18,250	74,215
Learning resources	4	1,207,948	1,480,856	1,225,964
Administration	5	151,697	131,100	145,303
Property	6	453,696	497,836	484,879
Depreciation	7	34,131	36,000	41,901
Loss on disposal of equipment		1,896	-	-
		1,914,094	2,164,042	1,972,285
Net Surplus / (Deficit)		13,308	(87)	7,380
Total comprehensive income		13,308	(87)	7,380

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Waiau Area School
Statement of Changes in Equity
For the year ended 31 December 2014

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Equity at the start of the year	784,996	784,996	727,324
Total comprehensive income	13,308	(87)	7,380
Ministry contribution of proceeds from sale of school house	-	-	50,292
Prior period error	(50,292)	-	-
Distribution to Ministry - school houses	(50,292)	-	-
Equity at the end of the year	697,720	784,909	784,996

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



Waiau Area School

Statement of Financial Position

As at 31 December 2014

	Notes	2014 Actual \$	2014 Budget \$	2013 Actual \$
Total Equity		697,720	784,909	784,996
Represented by:				
Current Assets				
Cash and cash equivalents	8	150,707	217,247	192,919
Accounts receivable	9	110,817	99,119	110,443
Prepayments		5,360	6,952	6,952
Inventories		600	3,043	3,044
Investments	10	53,122	-	-
Funds owing for capital works projects	15	23,866	-	-
		344,472	326,361	313,358
Current Liabilities				
Accounts payable	12	117,086	94,840	106,164
Income received in advance	13	6,364	16,859	16,859
Provision for cyclical maintenance	14	4,500	22,500	22,500
Funds held for capital works projects	15	-	-	11,586
		127,950	134,199	157,109
Working Capital Surplus		216,522	192,162	156,249
Non-current Assets				
Property, plant and equipment	11	541,437	634,296	670,296
		541,437	634,296	670,296
Non-current Liabilities				
Provision for cyclical maintenance	14	60,239	41,549	41,549
		60,239	41,549	41,549
Net Assets		697,720	784,909	784,996

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



Waiau Area School

Notes to the Financial Statements

For the year ended 31 December 2014

1. Government Grants

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Operational grants	426,316	425,409	446,767
Teachers salaries grant	1,007,317	1,300,000	1,045,374
Use of land and buildings grant	287,487	325,186	312,265
Other ministry grants	68,136	36,850	63,001
Other government grants	13,827	14,400	456
TEC grant	-	-	3,957
	1,803,083	2,101,845	1,871,820

2. Local Fundraising

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

Income

Fundraising & donations

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Fundraising & donations	14,697	500	9,608
	14,697	500	9,608

Expenditure

Fundraising (costs of raising funds)

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Fundraising (costs of raising funds)	461	-	23
	14,236	500	9,585

Net surplus for the year

3. Other Income

Income

Activities

Trading

School house rent

Other

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Activities	17,371	12,150	34,771
Trading	149	1,000	936
School house rent	51,850	37,960	47,196
Other	31,607	6,500	8,515
	100,977	57,610	91,418

Expenditure

Activities

Trading

Other

School house expense

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Activities	9,692	250	7,199
Trading	3,543	1,000	4,587
Other	87	-	-
School house expense	50,943	17,000	62,429
	64,265	18,250	74,215

Net surplus for the year

	2014 Actual \$	2014 Budget \$	2013 Actual \$
	36,712	39,360	17,203



Notes to the Financial Statements (continued)

4. Learning Resources

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Curricular	66,676	69,930	72,487
Library	373	1,750	486
Employee benefits - salaries	1,104,398	1,377,976	1,115,920
Finance/lease costs	17,414	12,400	15,884
Information & communication technology	13,121	6,300	6,403
Staff development	4,543	8,500	14,784
Extra curricular	1,423	4,000	-
	1,207,948	1,480,856	1,225,964

5. Administration

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Audit fees	5,120	4,800	4,971
Board of Trustees fees & expenses	18,738	3,500	-
Communication	5,067	5,800	5,788
Consumables	11,715	6,600	8,557
Employee benefits - salaries	86,652	87,000	65,911
Insurance	2,699	-	2,983
Other	17,111	18,200	51,868
Service providers, contracts and consultancy	4,595	5,200	5,225
	151,697	131,100	145,303

6. Property

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Caretaking and cleaning consumables	5,819	5,600	4,675
Cyclical maintenance provision	11,590	13,000	13,000
Employee benefits-salaries	77,498	76,000	77,840
Heat, light and water	49,515	60,500	52,227
Rates	5,389	5,500	5,213
Repairs and maintenance	14,489	9,450	17,768
Security	1,909	2,600	1,891
Use of land and buildings	287,487	325,186	312,265
	453,696	497,836	484,879

The use of land and buildings figure represents 8% of the school's total property value. 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. Following consultation, certain changes to the revaluation methodology were adopted as part of the 30 June 2012 revaluation exercise. These changes improved the previous revaluation methodology, and have resulted in an improvement to the quality of calculations. These improvements will be carried forward into future revaluations.



Notes to the Financial Statements (continued)

7. Depreciation

	2014 Actual \$	2014 Budget \$	2013 Actual \$
Buildings & Leasehold Improvements	16,173	-	19,494
Furniture and equipment	2,222	-	3,319
Plant & machinery	4,247	-	3,794
Electronic & AV equipment	6,431	-	10,229
Motor vehicle	3,695	-	3,695
Sports & science equipment	55	-	55
Library resources	1,308	-	1,315
	34,131	36,000	41,901

8. Cash and Cash Equivalents

	2014 Actual \$	2013 Actual \$
Current account	68,464	141,370
Call account	82,223	51,529
Petty Cash	20	20
	150,707	192,919

9. Accounts Receivable

	2014 Actual \$	2013 Actual \$
Debtors	22,706	1,326
Income accrued	265	99
Teacher salaries grant	78,767	81,651
Banking staffing underuse	-	16,042
GST receivable	9,079	11,325
	110,817	110,443

10. Investments

	2014 Actual \$	2013 Actual \$
Short-term deposits with maturities between three months and one year	53,122	-



Notes to the Financial Statements (continued)

11. Property, Plant and Equipment

	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2014			
Buildings	564,774	151,498	413,276
Computer Equipment	122,075	106,685	15,390
Furniture and equipment	104,724	93,630	11,094
Sports Equipment	6,365	4,292	2,073
Land	23,600	-	23,600
Motor vehicles	18,474	8,652	9,822
Leasehold Improvements	58,924	20,905	38,019
Plant & machinery	93,033	74,033	19,000
Library resources	92,352	83,189	9,163
	1,084,321	542,884	541,437

	Cost	Accumulated Depreciation	Net Book Value
2013			
Buildings	756,527	186,578	569,949
Furniture and equipment	111,089	95,645	15,444
Information and communication technology	117,887	100,254	17,633
Land	23,600	-	23,600
Motor vehicles	18,474	4,957	13,517
Plant & machinery	90,733	69,786	20,947
Primary school assets	32,397	32,397	-
Library resources	58,690	49,484	9,206
	1,209,397	539,101	670,296

Net book value reconciliation

	2014	2013
	\$	\$
Net book value at start of year	670,296	698,890
Less: Disposals at book value	(102,481)	(196)
Less: Depreciation charge for the year	(34,131)	(41,901)
Add: Asset acquisition at cost	7,753	13,503
Net book value at year end	541,437	670,296

12. Accounts Payable

	2014 Actual	2013 Actual
	\$	\$
Creditors	21,942	25,559
Teachers salaries grant	95,144	80,605
	117,086	106,164

The carrying value of payables approximates their fair value.

13. Income Received in Advance

	2014 Actual	2013 Actual
	\$	\$
Grants in advance - STAR & Gateway	5,913	16,503
Other	451	356
	6,364	16,859



Notes to the Financial Statements (continued)

14. Provision for Cyclical Maintenance

	2014 Actual \$	2013 Actual \$
Provision at the start of the year	64,049	51,049
Increase to the provision during the year	11,590	13,000
Use of the provision during the Year	(10,900)	-
Provision at the end of the year	64,739	64,049
Current Liability	4,500	22,500
Non Current Liability	60,239	41,549
	64,739	64,049

The board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at the balance sheet date. The provision has not been adjusted for inflation and the effect of the time value of money.

15. Funds Held for Capital Works Projects

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

	Opening Balance \$	Receipts from MOE \$	BoT Contribution \$	Payments \$	Closing Balance \$
2014					
Fencing upgrade	(1,227)	-	-	-	(1,227)
Block H Reroof	(5,235)	-	-	-	(5,235)
Heating 5YA	(1,289)	-	-	-	(1,289)
Asbestos & B Reroof	2,268	-	-	-	2,268
Tech Block upgrade	21,776	-	-	35,452	(13,676)
MOE Boiler upgrade	(4,707)	-	-	-	(4,707)
Totals	11,586	-	-	35,452	(23,866)
2013					
Fencing upgrade	(1,560)	5,131	-	4,798	(1,227)
Block H Reroof	(3,680)	-	-	1,555	(5,235)
Heating 5YA	(1,289)	-	-	-	(1,289)
Asbestos & B Reroof	(14,746)	17,014	-	-	2,268
Tech Block upgrade	-	43,968	-	22,192	21,776
MOE Boiler upgrade	-	4,078	-	8,785	(4,707)
Totals	(21,275)	70,191	-	37,330	11,586



Notes to the Financial Statements (continued)

16. Related Party Transactions

Elizabeth Hannah is the Principal at the school and occupies the school house. The rental is set at 75% of the assessed market rental and complies with the Ministry of Education core housing policy. The annual rental is less than \$25,000 and does not require approval under section 103 of the Education Act 1989.

The school is an entity controlled by 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.

17. Remuneration

Board of Trustee and Committee members

The total value of the remuneration paid or payable to trustees of the Board and Committee members was

	2014 Actual	2013 Actual
Board of Trustees	\$	\$
Committee members	2,375	-
	-	-
	<u>2,375</u>	<u>-</u>

Principal

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

	2014 Actual	2013 Actual
Salaries and other short term employee benefits:	\$000	\$000
Salary and other payments	110-120	80-90
Principal	-	10-20
Acting Principal	-	-
Benefits and other emoluments	-	-
Compensation payment	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2013: nil).

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

18. Compensation and other Benefits upon leaving

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

	2014 Actual	2013 Actual
Total value (compensation payment)	-	-
Number of people	-	-



Notes to the Financial Statements (continued)

19. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2014 (Contingent liabilities and assets at 31 December 2013: nil).

20. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2014.

(Capital commitments at 31 December 2013: \$nil)

(b) Operating Commitments

As at 31 December 2014 the Board has entered into the following contracts:

- (a) operating lease of Photocopier
- (b) operating lease of Laptops
- (c) The school has an agreement with the Tuatapere Community Baths for 50% of the total outgoing costs.

This consideration is in return for the use of the pool as when required by the school.

The value of this commitment is unable to be accurately quantified as at balance date.

	2014 Actual	2013 Actual
No later than one year	17,520	14,857
Later than one year and no later than five years	40,143	46,541
Later than five years	-	-
	<u>57,663</u>	<u>61,398</u>

21. Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2014, the school received Kiwisport funding of \$2098.00 (excluding GST) which was spent on contribution to sport co-ordinator expenses

