

15 August 2017

Tom Brennan  
Ridgeview School  
1 Cutts Crescent  
Paremoremo  
Auckland 0632

Dear Tom

**Ridgeview School**  
**Audit Management Letter for the year ended 31 December 2016**

We have completed our audit of Ridgeview School for the financial year ended 31 December 2016. We set out the findings of our audit work for this year in the Board Report attached to this letter.

We would like to thank Dawn Fenn and Janne Carter for their assistance during the course of the audit. We also would like to thank the Board for choosing our firm to be your appointed auditor.

As part of the normal course of the audit we review the accounting systems and procedures operating within the school, and their effectiveness from an audit perspective. We also review the significant estimates and judgments made by the Board and the impact of these on the financial statements.

Our review was designed to enable us to form an opinion on the financial statements. Our work has focused on significant transaction streams and therefore our observations should not be relied upon as a comprehensive review of the school's financial systems, procedures and controls. Our review was not designed for nor should it be relied upon to detect all incidences of fraud or error. The responsibility to maintain adequate accounting systems and controls designed to prevent and detect fraud and error is the responsibility of the Board.

We wish to remind the Board that the management letter issued is a confidential document between your Board and ourselves. It is not required to be provided to the MOE or made available to the public.

Please note that the school is no longer required to e-mail their audited financial statements to the Ministry. These now have to be loaded onto the School Data Portal on the Ministry website. Details of this was forwarded to you by the Ministry via Circular 2016/12 and can be located at the following address:

<https://education.govt.nz/ministry-of-education/publications/education-circulars/2016-circulars/circular-201612/>

Should you have any queries please contact Jilesh Mistry or myself.

Yours sincerely  
BDO Auckland



**Wayne Monteith**  
Assurance Partner

☎ DDI: 366 8166  
✉ [wayne.monteith@bdo.co.nz](mailto:wayne.monteith@bdo.co.nz)

# RIDGEVIEW SCHOOL

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

School Address: Cutts Crescent, Paremoremo, Auckland 0632

School Postal Address: 1 Cutts Crescent, Paremoremo, Auckland, 0632

School Phone: 09 413 9808

School Email: [jannec@ridgeview.school.nz](mailto:jannec@ridgeview.school.nz)

Ministry Number: 1433



BDO AUCKLAND

# RIDGEVIEW SCHOOL

Financial Statements - For the year ended 31 December 2016

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# Ridgeview School

## Statement of Responsibility

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.

THOMAS JAMES BRENNAN

Full Name of Board Chairperson



Signature of Board Chairperson

Date:

19/6/17

Dawn Toni Fern

Full Name of Principal



Signature of Principal

Date:

19/6/17

**Ridgeview School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2016

		2016	2016	2015
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	846,709	827,056	709,938
Locally Raised Funds	3	36,933	48,720	55,073
Interest Earned		3,863	-	4,854
		<hr/>	<hr/>	<hr/>
		887,505	875,776	769,865
<b>Expenses</b>				
Locally Raised Funds	3	11,325	6,460	11,548
Learning Resources	4	426,779	424,417	485,475
Administration	5	66,261	69,338	68,535
Finance Costs		169	-	-
Property	6	365,383	359,685	190,690
Depreciation	7	7,118	11,000	8,008
		<hr/>	<hr/>	<hr/>
		877,035	870,900	764,256
<b>Net Surplus / (Deficit)</b>		<b>10,470</b>	<b>4,876</b>	<b>5,609</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/> <b>10,470</b> <hr/>	<hr/> <b>4,876</b> <hr/>	<hr/> <b>5,609</b> <hr/>

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

**Ridgeview School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2016

	Actual 2016 \$	Budget (Unaudited) 2016 \$	Actual 2015 \$
<b>Balance at 1 January</b>	<u>78,483</u>	<u>78,483</u>	<u>72,874</u>
Total comprehensive revenue and expense for the year Capital Contributions from the Ministry of Education	10,470	4,876	5,609
<b>Equity at 31 December</b>	<u>88,953</u>	<u>83,359</u>	<u>78,483</u>
Retained Earnings	88,953	83,359	78,483
<b>Equity at 31 December</b>	<u>88,953</u>	<u>83,359</u>	<u>78,483</u>

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

**Ridgeview School**  
**Statement of Financial Position**  
As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	51,356	40,755	42,105
Accounts Receivable	9	24,400	28,138	28,138
Prepayments		3,754	1,544	1,544
Inventories	10	2,855	2,942	2,942
Investments	11	82,590	79,283	79,283
		<hr/>	<hr/>	<hr/>
		164,955	152,662	154,012
<b>Current Liabilities</b>				
GST Payable		7,243	7,033	7,033
Accounts Payable	13	43,141	47,899	47,899
Provision for Cyclical Maintenance	14	14,617	-	32,813
Finance Lease Liability - Current Portion	15	1,047	-	-
Funds held for Capital Works Projects	16	-	-	218
		<hr/>	<hr/>	<hr/>
		66,048	54,932	87,963
<b>Working Capital Surplus/(Deficit)</b>		<b>98,907</b>	<b>97,730</b>	<b>66,049</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	22,323	32,781	25,281
		<hr/>	<hr/>	<hr/>
		22,323	32,781	25,281
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	30,723	47,152	12,847
Finance Lease Liability	15	1,554	-	-
		<hr/>	<hr/>	<hr/>
		32,277	47,152	12,847
<b>Net Assets</b>		<hr/> <b>88,953</b> <hr/>	<hr/> <b>83,359</b> <hr/>	<hr/> <b>78,483</b> <hr/>
<b>Equity</b>				
		<hr/> <b>88,953</b> <hr/>	<hr/> <b>83,359</b> <hr/>	<hr/> <b>78,483</b> <hr/>

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

**Ridgeview School**  
**Statement of Cash Flows**  
For the year ended 31 December 2016

		2016	2016	2015
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		172,548	157,206	172,070
Locally Raised Funds		36,617	46,720	57,771
Goods and Services Tax (net)		210	-	(2,119)
Payments to Employees		(82,514)	(87,261)	(110,866)
Payments to Suppliers		(114,285)	(112,728)	(142,866)
Interest Paid		(169)	-	-
Interest Received		1,760	-	4,742
<b>Net cash from / (to) the Operating Activities</b>		<b>14,167</b>	<b>3,937</b>	<b>(21,368)</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE		(920)	(18,500)	(6,516)
Purchase of Investments		(3,307)	-	-
Proceeds from Sale of Investments		-	-	23,213
<b>Net cash from / (to) the Investing Activities</b>		<b>(4,227)</b>	<b>(18,500)</b>	<b>16,697</b>
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(471)	-	-
Funds Administered on Behalf of Third Parties		(218)	-	(35,567)
<b>Net cash from / (to) Financing Activities</b>		<b>(689)</b>	<b>-</b>	<b>(35,567)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,251</b>	<b>(14,563)</b>	<b>(40,238)</b>
Cash and cash equivalents at the beginning of the year	8	42,105	55,318	82,343
Cash and cash equivalents at the end of the year	8	51,356	40,755	42,105

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.



## Ridgeview School

### Notes to the Financial Statements

## 1. Statement of Accounting Policies

For the year ended 31 December 2016

#### **a) Reporting Entity**

Ridgeview 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 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 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.

**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 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.

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

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 \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

#### **Leased Assets**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Building Improvements	20 years
Furniture & Equipment	4-20 years
Information and Communication	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

#### **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) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

**p) 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.

The School's financial liabilities comprise accounts payable and finance lease liability. These financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**q) Borrowings**

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

**r) 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.

**s) Budget Figures**

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

**t) 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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operational grants	123,567	125,009	134,984
Teachers' salaries grants	362,655	360,346	390,029
Use of Land and Buildings grants	309,504	309,504	144,265
Resource teachers learning and behaviour grants	901	1,760	2,505
Other MoE Grants	50,082	30,437	38,155
	<u>846,709</u>	<u>827,056</u>	<u>709,938</u>

## 3. Locally Raised Funds

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
<b>Revenue</b>			
Donations	9,356	9,950	10,308
Fundraising	8,227	27,400	10,759
Trading	1,472	2,370	2,315
Activities	9,731	3,200	19,713
After School Care	8,147	5,800	11,978
	<u>36,933</u>	<u>48,720</u>	<u>55,073</u>
<b>Expenses</b>			
Activities	469	-	420
Trading	726	960	1,901
Fundraising (costs of raising funds)	825	-	2,409
After School Care	9,305	5,500	6,818
	<u>11,325</u>	<u>6,460</u>	<u>11,548</u>
<b>Surplus for the year Locally raised funds</b>	<u>25,608</u>	<u>42,260</u>	<u>43,525</u>

## 4. Learning Resources

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Curricular	6,255	10,900	9,283
Extra-curricular activities	6,796	-	17,101
Library resources	-	1,000	106
Employee benefits - salaries	402,051	393,917	443,964
Staff development	7,175	12,700	9,461
Minor Equipment/Repairs & Maintenance	674	1,200	968
ICT	3,828	4,700	4,592
	<u>426,779</u>	<u>424,417</u>	<u>485,475</u>

#### 5. Administration

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Audit Fee	4,486	5,200	4,488
Board of Trustees Fees	2,225	3,500	2,730
Board of Trustees Expenses	2,580	1,850	1,808
Communication	2,067	2,100	2,831
Consumables	6,253	7,200	1,429
Operating Lease	5,370	1,800	12,642
Other	7,542	7,800	7,426
Employee Benefits - Salaries	29,480	33,408	29,663
Insurance	1,549	1,600	1,498
Service Providers, Contractors and Consultancy	4,709	4,880	4,020
	<u>66,261</u>	<u>69,338</u>	<u>68,535</u>

#### 6. Property

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Caretaking and Cleaning Consumables	5,945	5,200	4,424
Cyclical Maintenance Provision	6,118	4,349	1,513
Grounds	13,537	9,700	10,604
Heat, Light and Water	5,151	7,600	6,276
Repairs and Maintenance	4,014	1,550	3,199
Use of Land and Buildings	309,504	309,504	144,265
Security	1,318	1,500	1,904
Employee Benefits - Salaries	19,796	20,202	18,505
	<u>365,383</u>	<u>359,685</u>	<u>190,690</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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Building Improvements	626	861	627
Furniture & Equipment	5,388	8,922	6,495
Information & Communication Technology	287	290	211
Leased Assets	763	-	-
Library Resources	34	927	675
	<u>7,118</u>	<u>11,000</u>	<u>8,008</u>

#### 8. Cash and Cash Equivalents

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash on Hand	100	-	100
Bank Current Account	46,253	40,755	37,053
Bank Call Account	5,003	-	4,952
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>51,356</u>	<u>40,755</u>	<u>42,105</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	594	631	631
Receivables from the Ministry of Education	2,309	-	-
Interest Receivable	2,103	2,552	2,552
Teacher Salaries Grant Receivable	19,394	24,955	24,955
	<u>24,400</u>	<u>28,138</u>	<u>28,138</u>
Receivables from Exchange Transactions	2,697	3,183	3,183
Receivables from Non-Exchange Transactions	21,703	24,955	24,955
	<u>24,400</u>	<u>28,138</u>	<u>28,138</u>

**10. Inventories**

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Stationery	-	88	88
Uniforms	2,855	2,854	2,854
	<u>2,855</u>	<u>2,942</u>	<u>2,942</u>

**11. Investments**

The School's investment activities are classified as follows:

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Asset			
Short-term Bank Deposits	82,590	79,283	79,283



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2016</b>						
Building Improvements	8,019	-	-	-	(626)	7,393
Furniture & Equipment	15,873	920	-	-	(5,388)	11,405
Information & Communication Technology	1,147	-	-	-	(287)	860
Leased Assets	-	3,240	-	-	(783)	2,457
Library Resources	242	-	-	-	(34)	208
<b>Balance at 31 December 2016</b>	<b>25,281</b>	<b>4,160</b>	<b>-</b>	<b>-</b>	<b>(7,116)</b>	<b>22,323</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2016</b>			
Building Improvements	16,639	(9,246)	7,393
Furniture & Equipment	146,453	(135,048)	11,405
Information & Communication Technology	17,635	(16,775)	860
Leased Assets	3,241	(784)	2,457
Library Resources	21,865	(21,657)	208
<b>Balance at 31 December 2016</b>	<b>205,833</b>	<b>(183,510)</b>	<b>22,323</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2015</b>						
Building Improvements	8,646	-	-	-	(627)	8,019
Furniture & Equipment	22,368	-	-	-	(6,495)	15,873
Information & Communication Technology	135	1,223	-	-	(211)	1,147
Library Resources	641	276	-	-	(675)	242
<b>Balance at 31 December 2015</b>	<b>31,790</b>	<b>1,499</b>	<b>-</b>	<b>-</b>	<b>(8,008)</b>	<b>25,281</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2015</b>			
Building Improvements	16,639	(8,620)	8,019
Furniture & Equipment	145,534	(129,661)	15,873
Information & Communication Technology	17,635	(16,488)	1,147
Library Resources	21,865	(21,623)	242
<b>Balance at 31 December 2015</b>	<b>201,673</b>	<b>(176,392)</b>	<b>25,281</b>

13. Accounts Payable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operating creditors	4,219	7,096	3,655
Accruals	4,486	-	3,441
Employee Entitlements - salaries	19,394	24,955	24,955
Employee Entitlements - leave accrual	15,042	15,848	15,848
	<u>43,141</u>	<u>47,899</u>	<u>47,899</u>
Payables for Exchange Transactions	43,141	47,899	47,899
	<u>43,141</u>	<u>47,899</u>	<u>47,899</u>

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Provision at the Start of the Year	45,660	45,660	44,336
Increase to the Provision During the Year	6,118	1,492	1,513
Use of the Provision During the Year	(6,438)	-	(189)
Provision at the End of the Year	<u>45,340</u>	<u>47,152</u>	<u>45,660</u>
Cyclical Maintenance - Current	14,617	-	32,813
Cyclical Maintenance - Term	30,723	47,152	12,847
	<u>45,340</u>	<u>47,152</u>	<u>45,660</u>

15. Finance Lease Liability

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	1,047	-	-
Later than One Year and no Later than Five Years	1,554	-	-
	<u>2,601</u>	<u>-</u>	<u>-</u>

**16. Funds Held (Owed) 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 \$
Modernisation Project Income	<i>completed</i>	218	-	218	-	-
<b>Totals</b>		<u>218</u>	<u>-</u>	<u>218</u>	<u>-</u>	<u>-</u>

**Represented by:**

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

	2015	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Modernisation Project Income	<i>completed</i>	1,410	19,325	20,517	-	218
<b>Totals</b>		<u>1,410</u>	<u>19,325</u>	<u>20,517</u>	<u>-</u>	<u>218</u>

**17. 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.

**18. 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	2,225	2,730
Full-time equivalent members	0.04	0.10
<i>Leadership Team</i>		
Remuneration	109,105	91,274
Full-time equivalent members	1.00	0.90
Total key management personnel remuneration	111,330	94,004
Total full-time equivalent personnel	1.04	1.00

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:

	2016 Actual \$000	2015 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	100 - 110	90 - 100
Benefits and Other Emoluments	0 - 1	-
Termination Benefits	-	-

*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
100 - 110	-	-
	0.00	0.00

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

**19. 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 payable was as follows:

	2016 Actual	2015 Actual
Total Number of People	-	-

**20. Contingencies**

There are no contingent liabilities and no contingent assets as at 31 December 2016 (Contingent liabilities and assets at 31 December 2015: nil).

## 21. Commitments

### (a) Capital Commitments

There are no capital commitments as at 31 December 2016 (Capital commitments at 31 December 2015: nil).

### (b) Operating Commitments

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

#### (a) operating lease of laptops;

	2016 Actual \$	2015 Actual \$
No later than One Year	735	1,565
Later than One Year and No Later than Five Years	588	1,028
Later than Five Years	-	-
	<u>1,323</u>	<u>2,593</u>

## 22. 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.

## 23. 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	51,356	40,755	42,105
Receivables	24,400	28,138	28,138
Investments - Term Deposits	82,590	79,283	79,283
Total Loans and Receivables	<u>158,346</u>	<u>148,176</u>	<u>149,526</u>

### Financial liabilities measured at amortised cost

Payables	43,141	47,899	47,899
Finance Leases	2,601	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>45,742</u>	<u>47,899</u>	<u>47,899</u>

## 24. Events After Balance Date

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

## 25. Comparative Figures

Some comparative figures have been restated to ensure compliance with the Ministry of Education's Kiwi Park School model financial statements. Compliance with the model is compulsory. This change does not materially alter the financial statements.

**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF RIDGEVIEW SCHOOL'S FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The Auditor-General is the auditor of Ridgeview School (the School). The Auditor-General has appointed me, Wayne Monteith, using the staff and resources of BDO Auckland, 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 Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime

Our audit was completed on 15 August 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 Board of Trustees listing, Kiwisports Funding Report and Analysis of Variance, 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.



**Wayne Monteith**  
BDO Auckland  
On behalf of the Auditor-General  
Auckland, New Zealand