

LAKE TAUPO CHRISTIAN SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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LAKE TAUPO CHRISTIAN SCHOOL

Financial Statements - For the year ended 31 December 2016

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Lake Taupo Christian 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.

Karen Collins

Full Name of Board Chairperson

Kevin Short

Full Name of Principal

K Collins

Signature of Board Chairperson

K Short

Signature of Principal

31/5/2017

Date:

31/5/2017

Date:

Lake Taupo Christian School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2016

		2016	2016	2015
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	1,169,570	1,119,014	1,125,500
Locally Raised Funds	3	28,424	14,260	71,969
Use of Land and Buildings Integrated		122,800	122,800	119,600
Interest Earned		1,515	3,000	3,439
		<u>1,322,309</u>	<u>1,259,074</u>	<u>1,320,508</u>
Expenses				
Locally Raised Funds	3	35,374	-	34,556
Learning Resources	4	1,024,789	1,021,788	983,670
Administration	5	94,500	76,823	101,437
Finance Costs		732	8,550	-
Property	6	192,242	202,159	191,004
Depreciation	7	13,752	7,500	14,983
Loss on Disposal of Property, Plant and Equipment		155	-	-
		<u>1,361,543</u>	<u>1,316,820</u>	<u>1,325,650</u>
Net Surplus / (Deficit)		(39,234)	(57,746)	(5,142)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(39,234)</u>	<u>(57,746)</u>	<u>(5,142)</u>

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

Lake Taupo Christian School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2016

	Actual 2016 \$	Budget (Unaudited) 2016 \$	Actual 2015 \$
Balance at 1 January	90,108	90,108	111,945
Total comprehensive revenue and expense for the year	(39,234)	(57,746)	(5,142)
Capital Contributions from the Ministry of Education	-	-	-
Contribution - Furniture and Equipment Grant	-	-	(16,695)
Prior Year Adjustments	-	-	-
Equity at 31 December	50,874	32,362	90,108
Retained Earnings	50,874	32,362	106,803
Prior Year Adjustments	-	-	(16,695)
Equity at 31 December	50,874	32,362	90,108

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

Lake Taupo Christian School
Statement of Financial Position
As at 31 December 2016

		2016	2016	2015
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	25,330	30,830	60,218
Accounts Receivable	9	51,580	83,285	83,285
GST Receivable		5,649	4,384	4,383
Prepayments		341	-	-
Inventories	10	9,086	9,261	9,261
Investments	11	21,612	-	20,859
		<u>113,597</u>	<u>127,760</u>	<u>178,006</u>
Current Liabilities				
Accounts Payable	13	60,794	97,449	97,449
Revenue Received in Advance	14	368	-	-
Provision for Cyclical Maintenance	15	-	2,500	2,500
Finance Lease Liability - Current Portion	16	11,602	-	-
Funds held in Trust	17	80	-	-
		<u>72,843</u>	<u>99,949</u>	<u>99,949</u>
Working Capital Surplus/(Deficit)		40,754	27,811	78,057
Non-current Assets				
Property, Plant and Equipment	12	72,824	37,086	44,586
		<u>72,824</u>	<u>37,086</u>	<u>44,586</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	37,535	32,535	32,535
Finance Lease Liability	16	25,169	-	-
		<u>62,704</u>	<u>32,535</u>	<u>32,535</u>
Net Assets		<u>50,874</u>	<u>32,362</u>	<u>90,108</u>
Equity		<u>50,874</u>	<u>32,362</u>	<u>90,108</u>

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

Lake Taupo Christian School
Statement of Cash Flows
For the year ended 31 December 2016

		2016	2016	2015
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		345,329	323,637	314,469
Locally Raised Funds		29,473	13,485	40,219
Goods and Services Tax (net)		(1,266)	(1,384)	(4,203)
Payments to Employees		(81,845)	(193,264)	(152,058)
Payments to Suppliers		(321,267)	(164,726)	(180,700)
Interest Paid		(732)	(8,550)	
Interest Received		1,466	3,000	3,440
Net cash from / (to) the Operating Activities		(28,842)	(27,802)	21,167
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		20,837	-	
Purchase of PPE (and Intangibles)		(24,677)	(1,586)	(6,244)
Purchase of Investments		(753)	-	(20,859)
Net cash from / (to) the Investing Activities		(4,593)	(1,586)	(27,103)
Cash flows from Financing Activities				
Finance Lease Payments		(1,533)	-	
Funds Administered on Behalf of Third Parties		80	-	
Net cash from Financing Activities		(1,453)	-	-
Net increase/(decrease) in cash and cash equivalents		(34,888)	(29,388)	(5,936)
Cash and cash equivalents at the beginning of the year	8	60,218	60,218	66,154
Cash and cash equivalents at the end of the year	8	25,330	30,830	60,218

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.

Lake Taupo Christian School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Lake Taupo Christian 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 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.

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.

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.

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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

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 stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

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

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

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

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

k) Property, Plant and Equipment

Land and buildings owned by the Proprietor are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

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

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

Property, plant and equipment acquired with individual values under \$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:

Furniture and equipment	5–15 years
Information and communication technology	4 years
Other equipment	10-20 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

l) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

o) Revenue Received in Advance

Revenue received in advance relates to 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.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building and other facilities on the School site in a state of good order and repair.

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

r) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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.

s) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

t) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

Operational grants
Teachers' salaries grants
Resource teachers learning and behaviour grants
Other MoE Grants
Transport grants
Other government grants

2016	2016	2015
Actual	Budget	Actual
\$	(Unaudited)	\$
312,557	294,182	298,863
809,809	795,377	806,857
1,867	-	-
6,099	9,100	6,232
26,705	-	-
12,534	20,355	13,548
1,169,570	1,119,014	1,125,500

3. Locally Raised Funds

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

Revenue

Donations
Fundraising
Other revenue
Transport Revenue
Trading
Activities

2016	2016	2015
Actual	Budget	Actual
\$	(Unaudited)	\$
2,622	2,000	2,095
2,851	2,000	17,082
7,400	10,260	-
1,309	-	28,933
8,248	-	9,410
5,994	-	14,449
28,424	14,260	71,969

Expenses

Activities
Trading
Fundraising (costs of raising funds)
Transport (local)
Other Locally Raised Funds Expenditure

-	-	-
8,459	-	9,259
447	-	882
24,130	-	24,415
2,338	-	-
35,374	-	34,556

Surplus for the year Locally raised funds

(6,950)	14,260	37,413
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4. Learning Resources

Curricular
Equipment repairs
Information and communication technology
Extra-curricular activities
Library resources
Employee benefits - salaries
Resource/attached teacher costs
Staff development

2016	2016	2015
Actual	Budget	Actual
\$	(Unaudited)	\$
77,742	84,059	63,756
8,375	7,500	169
(1,145)	2,500	-
8,690	1,000	14,502
85	1,000	-
912,545	911,694	896,647
5,139	5,535	-
13,359	8,500	8,596
1,024,789	1,021,788	983,670

5. Administration

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Audit Fee	3,050	3,000	5,966
Board of Trustees Fees	3,055	-	5,040
Board of Trustees Expenses	6,463	8,565	1,921
Communication	4,705	6,000	6,193
Consumables	8,153	7,000	5,724
Operating Lease	10,530	-	10,877
Other	3,155	3,000	6,989
Employee Benefits - Salaries	52,287	45,574	54,203
Insurance	339	1,184	1,204
Service Providers, Contractors and Consultancy	2,764	2,500	3,320
	<u>94,500</u>	<u>76,823</u>	<u>101,437</u>

6. Property

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Caretaking and Cleaning Consumables	20,876	25,000	25,692
Cyclical Maintenance Provision	2,500	2,500	2,500
Grounds	4,897	5,500	4,140
Heat, Light and Water	13,264	15,000	14,960
Rates	6,405	6,800	6,211
Repairs and Maintenance	7,750	10,000	2,077
Use of Land and Buildings	122,800	122,800	119,600
Security	-	-	671
Employee Benefits - Salaries	13,750	14,559	15,153
	<u>192,242</u>	<u>202,159</u>	<u>191,004</u>

7. Depreciation of Property, Plant and Equipment

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Furniture and Equipment	2,034	1,500	2,402
Information and Communication Technology	5,441	3,000	6,304
Other Equipment	2,698	1,500	4,395
Leased Assets	2,621	600	-
Library Resources	957	900	1,882
	<u>13,752</u>	<u>7,500</u>	<u>14,983</u>

8. Cash and Cash Equivalents

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash on Hand	337	-	-
Bank Current Account	24,993	30,830	60,218
	<u>25,330</u>	<u>30,830</u>	<u>60,218</u>
Net cash and cash equivalents and bank overdraft for Cash Flow Statement			

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	93	775	775
Receivables from the Ministry of Education	14,432	-	-
Interest Receivable	49	-	-
Teacher Salaries Grant Receivable	37,006	82,510	82,510
	<u>51,580</u>	<u>83,285</u>	<u>83,285</u>
Receivables from Exchange Transactions	142	775	775
Receivables from Non-Exchange Transactions	51,438	82,510	82,510
	<u>51,580</u>	<u>83,285</u>	<u>83,285</u>

10. Inventories

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
School Uniforms	9,086	9,261	9,261
	<u>9,086</u>	<u>9,261</u>	<u>9,261</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	21,612	-	20,859

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2016						
Furniture and equipment	14,667				(2,034)	12,633
Information and communication technology	9,934	1,178			(5,441)	5,671
Other equipment	13,490	1,346			(2,698)	12,138
Leased assets	-	38,304			(2,621)	35,683
Library resources	6,495	1,317	(155)		(957)	6,700
Balance at 31 December 2016	<u>44,586</u>	<u>42,145</u>	<u>(155)</u>	<u>-</u>	<u>(13,752)</u>	<u>72,824</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Furniture and equipment	68,964	(56,333)	12,632
Information and communication technology	108,604	(102,932)	5,671
Other equipment	56,245	(44,107)	12,138
Leased assets	38,304	(2,621)	35,683
Library resources	36,737	(30,037)	6,700
Balance at 31 December 2016	308,854	(236,030)	72,824

The net carrying value of equipment held under a finance lease is \$35,683

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2015						
Furniture and equipment	17,069				(2,402)	14,667
Information and communication technology	11,789	4,449			(6,304)	9,934
Other equipment	17,052	834			(4,395)	13,490
Leased assets					-	-
Library resources	7,415	962			(1,882)	6,495
Balance at 31 December 2015	53,325	6,245	-	-	(14,983)	44,586

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2015			
Furniture and equipment	68,965	(54,298)	14,667
Information and communication technology	107,144	(97,210)	9,934
Other equipment	54,909	(41,419)	13,490
Library resources	36,286	(29,791)	6,495
Balance at 31 December 2015	267,304	(222,718)	44,586

13. Accounts Payable

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
	\$	\$	\$
Operating creditors	11,263	93,699	93,699
Accruals	8,108	3,750	3,750
Employee Entitlements - salaries	38,149	-	-
Employee Entitlements - leave accrual	3,275	-	-
	60,794	97,449	97,449
Payables for Exchange Transactions	60,794	97,449	97,449
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	60,794	97,449	97,449

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Other	368	-	-
	<u>368</u>	<u>-</u>	<u>-</u>

15. Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Provision at the Start of the Year	35,035	35,035	32,535
Increase to the Provision During the Year	2,500	2,500	2,500
Adjustment to the Provision	-	(2,500)	
Use of the Provision During the Year			
Provision at the End of the Year	<u>37,535</u>	<u>35,035</u>	<u>35,035</u>
	-	2,500	2,500
Cyclical Maintenance - Current	37,535	32,535	32,535
Cyclical Maintenance - Term	<u>37,535</u>	<u>35,035</u>	<u>35,035</u>

16. Finance Lease Liability

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	11,602	-	-
Later than One Year and no Later than Five Years	25,169	-	-
Later than Five Years	-	-	-
	<u>36,770</u>	<u>-</u>	<u>-</u>

17. Funds held in Trust

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Funds held in Trust on behalf of third parties - Current	80	-	-
	<u>80</u>	<u>-</u>	<u>-</u>

These funds are held in trust for the Catholic Diocese.

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.

The Proprietor of the School (Lake Taupo Christian School Trust) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor that are material transactions that have occurred has been disclosed appropriately.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during 2016 is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

19. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy Principals and Heads of Departments.

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	3,055	5,040
Full-time equivalent members	0.09	0.23
<i>Leadership Team</i>		
Remuneration	212,647	201,660
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	215,702	206,700
Total full-time equivalent personnel	2.09	2.23

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
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	120-130
Benefits and Other Emoluments	3-4	
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
	0.00	0.00

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

20. Compensation and Other Benefits Upon Leaving

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

	2016 Actual	2015 Actual
Total	\$0	\$0
Number of People	0	0

21. Contingencies

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

22. Commitments

(a) Capital Commitments

As at 31 December 2016 the Board has not entered into contract agreements for capital works:
(Capital commitments at 31 December 2015: nil)

(b) Operating Commitments

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

	2016 Actual \$	2015 Actual \$
(a) Copier	6,740	3,578
(b) Laptops	3,204	9,745
No later than One Year	-	-
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	9,944	13,323

23. Managing Capital

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

24. Financial Instruments

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

Loans and receivables

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash and Cash Equivalents	25,330	30,830	60,218
Receivables	51,580	83,285	83,285
Total Loans and Receivables	76,910	114,115	143,503

Financial liabilities measured at amortised cost

Payables	60,794	97,449	97,449
Finance Leases	36,770	-	-
Total Financial Liabilities Measured at Amortised Cost	97,564	97,449	97,449

25. Events After Balance Date

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

Lake Taupo Christian School
Board of Trustee Members
For the year ended 31 December 2016

Full Name	Position on Board	How Gained	Term Expired/Expires
Kevin Short	Principal	Appointed	
Carla Crowe	Parent Representative	Re-elected May 2016	May-19
Suzy Aislabie	Staff Representative	Elected May 2016	May-19
Karen Collins	Trust/Parent Representative	Re-elected May 2016	May-19
Chelsea Tautala	Parent Representative	Elected May 2016	May-19
Elaine Arnold	Parent Representative	Elected May 2016	May-19
Samuel Mason	Student Representative	Elected Sept 2016	Sep-17
Phil Laws	Parent Representative	Co-opted April 2016	May-16
Paul Riedel	Parent Representative	Co-opted Feb 2015	Apr-16
Tony Gummer	Staff Representative	Elected March 2012	Apr-16
Jewel Laws	Student Representative	Elected Sept 2015	Sep-16
Andrew Simpson	Parent Representative	Re-elected May 2016	Dec-16

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF LAKE TAUPO CHRISTIAN SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

The Auditor-General is the auditor of Lake Taupo Christian School (the School). The Auditor-General has appointed me, Stephen Graham, using the staff and resources of BDO Rotorua Limited, 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 Standards, Reduced Disclosure Regime.

Our audit was completed on 31 May 2017. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information includes 1 page Board of Trustee listing and details which also includes details of Kiwi sports funding and the 2 page Analysis of Variance Report, but does not include the financial statements, and our auditor's report thereon.


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

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

Independence

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

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

A blue ink signature consisting of several overlapping loops and a long horizontal stroke.

Stephen Graham
BDO ROTORUA LIMITED
On behalf of the Auditor-General
Rotorua, New Zealand

Members of the Board of Trustees

For the year ended 31 December 2016

School Name:		Lake Taupo ChristianSchool		
BOT MEMBERS:				
NAME	POSITION HELD	HOW POSITION WAS GAINED Elected/Co-opted	OCCUPATION	TERM EXPIRES
Kevin Short	Principal		Principal	
Suzy Aislabie	Staff Rep	Elected	Teacher	2019
Carla Crowe	Treasurer	Elected	Teacher Aid	2019
Phil Laws	Parent rep	Elected	Pastor	2016
Andrew Simpson	Chair	Elected	Engineer	Dec 2016
Paul Riedel	Parent rep	Elected	Builder	2016
Karen Collins	Parent rep	Elected	Administrator	2019
Chelsea Tautala	Secretary	Elected	Funeral Director	2019
Elaine Arnold	Parent Rep	Elected	Stay at home mum	2019
Samuel Mason	Student Rep	Elected	Student	2017
Jewel Laws	Student Rep	Elected	Student	2016
Tony Gummer	Staff Rep	Elected	Teacher	2016

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2016, the school received total Kiwisport funding of \$1603.11 (excluding GST). The funding was spent on sporting endeavours.