

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MIMI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Auditor-General is the auditor of Mimi School (the School). The Auditor-General has appointed me, Steve Waite, using the staff and resources of BDO Taranaki, 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 20, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2017; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards Reduced Disclosure Regime.

Our audit was completed on 16 May 2018. This is the date at which our opinion is expressed.

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

Basis For Our Opinion

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

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

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

Responsibilities Of The Board Of Trustees For The Financial Statements

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

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

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

Responsibilities Of The Auditor For The Audit Of The Financial Statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other Information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, the KiwiSport Statement, the List of Trustees and Statement of Responsibility 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.



Steve Waite
BDO Taranaki
On behalf of the Auditor-General
New Plymouth, New Zealand

MIMI SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address: 23 Pukearuhe Road, RD 44, URENUI

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School Phone: 06 752 3617

School Email: admin@mimi.school.nz

Ministry Number: 2199

MIMI SCHOOL

Financial Statements - For the year ended 31 December 2017

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Mimi School

Statement of Responsibility

For the year ended 31 December 2017

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

Donna Ellis

Full Name of Board Chairperson



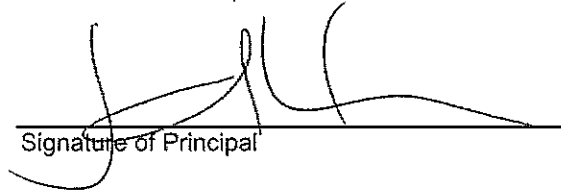
Signature of Board Chairperson

16/5/2018

Date:

Jared Holden

Full Name of Principal



Signature of Principal

16/5/2018

Date:

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

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	465,868	492,733	551,767
Locally Raised Funds	3	32,713	14,747	73,972
Interest Earned		1,866	1,000	2,349
		<u>500,447</u>	<u>508,480</u>	<u>628,088</u>
Expenses				
Locally Raised Funds	3	9,243	2,700	11,295
Learning Resources	4	296,052	343,267	383,260
Administration	5	39,836	39,950	45,729
Finance Costs		275	-	160
Property	6	141,788	114,367	133,808
Depreciation	7	23,134	17,244	17,244
Loss on Disposal of Property, Plant and Equipment		1,459	-	-
		<u>511,787</u>	<u>517,528</u>	<u>591,496</u>
Net Surplus / (Deficit)		(11,340)	(9,048)	36,592
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(11,340)</u>	<u>(9,048)</u>	<u>36,592</u>

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

Mimi School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	<u>193,420</u>	<u>193,420</u>	<u>156,828</u>
Total comprehensive revenue and expense for the year	(11,340)	(9,048)	36,592
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	1,760	-	-
Equity at 31 December	<u>183,840</u>	<u>184,372</u>	<u>193,420</u>
Retained Earnings	183,840	184,372	193,420
Equity at 31 December	<u>183,840</u>	<u>184,372</u>	<u>193,420</u>

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

Mimi School
Statement of Financial Position
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	8	38,866	87,830	39,370
Accounts Receivable	9	19,252	21,233	25,353
GST Receivable		1,094	1,039	5,514
Prepayments		2,307	301	561
Inventories	10	781	-	1,236
Investments	11	27,000	27,000	27,000
Funds owed for Capital Works Projects	16	11,212	-	7,738
		<u>100,512</u>	<u>137,403</u>	<u>106,772</u>
Current Liabilities				
Accounts Payable	13	19,036	33,522	32,843
Provision for Cyclical Maintenance	14	25,264	27,000	1,882
Finance Lease Liability - Current Portion	15	2,033	211	885
		<u>46,333</u>	<u>60,733</u>	<u>35,610</u>
Working Capital Surplus/(Deficit)		54,179	76,670	71,162
Non-current Assets				
Property, Plant and Equipment	12	145,318	117,642	155,415
		<u>145,318</u>	<u>117,642</u>	<u>155,415</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	13,567	9,940	31,941
Finance Lease Liability	15	2,090	-	1,216
		<u>15,657</u>	<u>9,940</u>	<u>33,157</u>
Net Assets		<u>183,840</u>	<u>184,372</u>	<u>193,420</u>
Equity		<u>183,840</u>	<u>184,372</u>	<u>193,420</u>

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

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

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		109,036	88,593	127,371
Locally Raised Funds		31,291	14,047	72,304
Goods and Services Tax (net)		4,420	-	(4,475)
Payments to Employees		(70,132)	(42,600)	(69,148)
Payments to Suppliers		(63,468)	26,790	(79,908)
Interest Paid		(275)	-	(160)
Interest Received		1,863	1,000	1,913
Net cash from / (to) the Operating Activities		12,735	87,830	47,897
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(11,142)	-	(26,291)
Net cash from / (to) the Investing Activities		(11,142)	-	(26,291)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,760	-	-
Finance Lease Payments		(383)	-	(667)
Funds Held for Capital Works Projects		(3,474)	-	(2,781)
Net cash from Financing Activities		(2,097)	-	(3,448)
Net increase/(decrease) in cash and cash equivalents		(504)	87,830	18,158
Cash and cash equivalents at the beginning of the year	8	39,370	-	21,212
Cash and cash equivalents at the end of the year	8	38,866	87,830	39,370

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 excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Mimi School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Mimi 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 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 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 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 for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

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

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

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.

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 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 \$ 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	20-50 years
Furniture and Equipment	5-10 years
Information and Communication	5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) 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.

n) 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.

o) 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.

Long-term employee entitlements

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

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

p) 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.

q) 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 and these transactions are not recorded in the Statement of Revenue and Expense.. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) 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.

u) 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.

v) 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.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	102,680	88,593	104,435
Teachers' salaries grants	238,061	315,367	316,751
Use of Land and Buildings grants	114,908	88,773	105,893
Other MoE Grants	10,219	-	24,688
	<u>465,868</u>	<u>492,733</u>	<u>551,767</u>

3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
Donations	13,484	6,747	56,780
Trading	1,176	-	1,364
Activities	7,933	-	8,328
School House	10,120	8,000	7,500
	<u>32,713</u>	<u>14,747</u>	<u>73,972</u>
Expenses			
Activities	4,635	700	8,786
Trading	1,134	-	947
School House	3,474	2,000	1,562
	<u>9,243</u>	<u>2,700</u>	<u>11,295</u>
<i>Surplus for the year Locally raised funds</i>	<u>23,470</u>	<u>12,047</u>	<u>62,677</u>

4. Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	13,180	5,800	18,980
Library resources	647	300	139
Employee benefits - salaries	281,232	333,467	361,801
Staff development	993	3,700	2,340
	<u>296,052</u>	<u>343,267</u>	<u>383,260</u>

5. Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	3,412	3,800	3,785
Board of Trustees Fees	3,500	3,800	3,315
Board of Trustees Expenses	-	-	1,503
Communication	1,816	2,000	1,985
Consumables	4,846	5,650	6,891
Operating Lease	1,096	1,500	2,024
Other	4,110	1,500	5,193
Employee Benefits - Salaries	16,551	15,500	15,049
Insurance	365	1,000	484
Service Providers, Contractors and Consultancy	4,140	5,200	5,500
	<u>39,836</u>	<u>39,950</u>	<u>45,729</u>

6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	1,826	1,450	2,006
Cyclical Maintenance Expense	5,008	5,124	5,006
Grounds	3,943	4,850	4,747
Heat, Light and Water	3,312	4,170	4,128
Repairs and Maintenance	2,517	1,000	2,986
Use of Land and Buildings	114,908	88,773	105,893
Employee Benefits - Salaries	10,274	9,000	9,042
	<u>141,788</u>	<u>114,367</u>	<u>133,808</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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Building Improvements	5,564	5,528	5,528
Furniture and Equipment	5,054	3,944	3,944
Information and Communication Technology	10,089	5,987	5,987
Leased Assets	1,484	742	742
Library Resources	943	1,043	1,043
	<u>23,134</u>	<u>17,244</u>	<u>17,244</u>

8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
TSB 0234571-80 On Call	5,006	87,830	8,235
TSB 0234571-00 Cheque	2,945	-	718
TSB 0234571-01 School House	10,915	-	10,417
Short-term Bank Deposits	20,000	-	20,000
Cash equivalents and bank overdraft for Cash Flow Statement	<u>38,866</u>	<u>87,830</u>	<u>39,370</u>

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

9. Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	3,464	-	1,918
Receivables from the Ministry of Education	1,939	-	-
Interest Receivable	439	-	436
Teacher Salaries Grant Receivable	13,410	21,233	22,999
	<u>19,252</u>	<u>21,233</u>	<u>25,353</u>
Receivables from Exchange Transactions	3,903	-	2,354
Receivables from Non-Exchange Transactions	15,349	21,233	22,999
	<u>19,252</u>	<u>21,233</u>	<u>25,353</u>

10. Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	781	-	1,236
	<u>781</u>	<u>-</u>	<u>1,236</u>

11. Investments

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	27,000	27,000	27,000

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Land	10,000	-	-	-	-	10,000
Building Improvements	84,187	-	-	-	(5,564)	78,623
Furniture and Equipment	22,528	4,342	(1,459)	-	(5,054)	20,357
Information and Communication Tech	29,414	6,309	-	-	(10,089)	25,634
Leased Assets	1,975	3,370	-	-	(1,484)	3,861
Library Resources	7,311	475	-	-	(943)	6,843
Balance at 31 December 2017	155,415	14,496	(1,459)	-	(23,134)	145,318

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Land	10,000	-	10,000
Building Improvements	161,817	(83,194)	78,623
Furniture and Equipment	51,533	(31,176)	20,357
Information and Communication	64,611	(38,977)	25,634
Leased Assets	6,086	(2,225)	3,861
Library Resources	39,895	(33,052)	6,843
Balance at 31 December 2017	333,942	(188,624)	145,318

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Land	10,000	-	-	-	-	10,000
Building Improvements	88,391	1,323	-	-	(5,528)	84,186
Furniture and Equipment	21,387	5,086	-	-	(3,944)	22,529
Information and Communication Tech	15,519	19,882	-	-	(5,987)	29,414
Leased Assets	-	2,717	-	-	(742)	1,975
Library Resources	8,339	15	-	-	(1,043)	7,311
Balance at 31 December 2016	143,636	29,023	-	-	(17,244)	155,415

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Land	10,000	-	10,000
Building Improvements	161,817	(77,631)	84,186
Furniture and Equipment	50,109	(27,580)	22,529
Information and Communication	58,302	(28,888)	29,414
Leased Assets	2,717	(742)	1,975
Library Resources	39,420	(32,109)	7,311
Balance at 31 December 2016	322,365	(166,950)	155,415

13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	2,023	11,963	5,634
Accruals	3,412	-	3,866
Capital accruals for PPE items	-	-	18
Employee Entitlements - salaries	13,410	21,233	22,999
Employee Entitlements - leave accrual	191	326	326
	<u>19,036</u>	<u>33,522</u>	<u>32,843</u>
Payables for Exchange Transactions	19,036	33,522	32,843
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>19,036</u>	<u>33,522</u>	<u>32,843</u>

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	33,823	33,816	28,817
Increase to the Provision During the Year	5,008	5,124	5,006
Use of the Provision During the Year	-	(2,000)	-
Provision at the End of the Year	<u>38,831</u>	<u>36,940</u>	<u>33,823</u>
Cyclical Maintenance - Current	25,264	27,000	1,882
Cyclical Maintenance - Term	13,567	9,940	31,941
	<u>38,831</u>	<u>36,940</u>	<u>33,823</u>

15. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	2,033	211	885
Later than One Year and no Later than Five Years	2,090	-	1,216
	<u>4,123</u>	<u>211</u>	<u>2,101</u>

16. Funds Owed (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:

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Roll Growth Classroom	<i>in progress</i>	1,381	-	-	-	1,381
Toilets	<i>in progress</i>	6,357	-	3,474	-	9,831
Totals		7,738	-	3,474	-	11,212

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Due from the Ministry of Education	11,212
	11,212

	2016	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Roll Growth Classroom	<i>in progress</i>	-	-	1,381	-	1,381
Toilets	<i>in progress</i>	4,957	-	1,400	-	6,357
Totals		4,957	-	2,781	-	7,738

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.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,500	3,315
Full-time equivalent members	0.10	0.12
<i>Leadership Team</i>		
Remuneration	83,912	97,017
Full-time equivalent members	1.07	1.00
Total key management personnel remuneration	87,412	100,332
Total full-time equivalent personnel	1.17	1.12

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

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Principal A		
Salary and Other Payments	10 - 20	90 - 100
Benefits and Other Emoluments	0 - 1	2 - 3
Termination Benefits	-	-
Principal B		
Salary and Other Payments	10 - 20	0 - 10
Benefits and Other Emoluments	0 - 1	0 - 1
Termination Benefits	-	-
Principal C		
Salary and Other Payments	40 - 50	-
Benefits and Other Emoluments	1 - 2	-
Termination Benefits	-	-

Other Employees

The number of other employees with remuneration greater than \$100,000 was in the following bands:

Remuneration \$000	2017 FTE Number	2016 FTE Number
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 member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

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

20. Contingencies

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

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2017 (Capital commitments at 31 December 2016: nil).

(b) Operating Commitments

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

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	-	130
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>130</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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	38,866	87,830	39,370
Receivables	19,252	21,233	25,353
Investments - Term Deposits	27,000	27,000	27,000
Total Loans and Receivables	<u>85,118</u>	<u>136,063</u>	<u>91,723</u>

Financial liabilities measured at amortised cost

Payables	19,036	33,522	32,843
Borrowings - Loans	-	-	-
Finance Leases	4,123	211	2,101
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>23,159</u>	<u>33,733</u>	<u>34,944</u>

24. Events After Balance Date

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



"WHERE THE COUNTRY, COAST, AND CLASSROOM MEET"

www.mimi.school.nz

23 Pukearuhe Road RD 44 Urenui 43 Ph/Fax (06) 752 3617

email admin@mimi.school.nz

MIMI SCHOOL BOARD OF TRUSTEES FOR 2016/2017

NAME	EMPLOYMENT	GENDER	POSITION BOARD	TYPE OF MEMBER	START DATE	FINISH
Andrew Birchler	Principal	Male	ME	SR/PR	1 Feb 2016	17 Mar 2017
Sarah Blyde	Mother/Farmer	Female	ME	EL	5 Feb 2013	Ongoing
Andrew Brendon	Dairy Farmer/ Orchardist	Male	ME	EL	10 June 2016	Ongoing
Neil Davy	Dairy Farmer	Male	ME	EL	10 June 2016	7 July 2017
Donna Ellis	Analyst	Female	CH	EL	21 May 2013	Ongoing
Davis McClutchie	Electrician	Male	ME	EL	21 May 2013	Ongoing
Nicky McDonald	Teacher	Female	ME	SR	10 June 2016	16 Dec 2016
John Elliott	Acting Principal	Male		SR/PR	20 Mar 2017	7 July 2017
Jared Holden	Principal	Male		SR/PR	24 Jul 2017	Ongoing
Nicole Megaw	Teacher	Female	ME	SR	1 Feb 2017	2 Jun 2017
Sibylle Sulzberger	School Administrator	Female	ME	SR	12 Sept 2017	Ongoing
Greg Gillett	Dairy Farmer	Male	ME		12 Sept 2017	Ongoing

Analysis of Variance 2017
Accelerating Learning in Literacy for all Students
End of Year Reflections

Target Area	Literacy focusing on written language
Strategic Goal	Our students will be able to access The New Zealand Curriculum through experiencing quality teaching and learning with emphasis given to literacy and mathematics in relation to the National Standards.
Target Group	A special focus on the fourteen students underachieving in written language at the end of 2016 taken from the National Standards data. A high proportion of the students who are underachieving at in the year four group for 2017.
Annual Goal	To develop teaching and learning in the area of written language. To ensure the staff are up to date with the current pedagogical content with digital technology.
Expected Outcome	To have 85% of all the students working at or higher in writing by the end of 2017.
Historical Position	At the end of 2016, 5 out of 8 students in year three were achieving at a level below the National Standards. At the end of 2016, 38 out of 52 students over all the year levels were achieving at or above for the National Standards.

Planned Actions for 2017	Timeframe	Outcome
Acceptance of the school to be involved in the A.L.L contract.	Term Two	Due to the resignation of the Principal in March 2017 it was decided by the Acting Principal and staff to put the ALL programme on hold for Term 1. Mimi School was accepted into ALL programme for intake 2 starting in June/July 2017. The newly appointed Principal and Literacy Lead teacher attended ALL training in May.
A.L.L. teacher appointed to lead the school through the contract.	Term Two	Teacher in Senior class appointed to lead school through the ALL. The new Principal and Lead Literacy teacher to support the teacher through the implementation of the project.
Whole school participation in the A.L.L. (Accelerated Learning in Literacy) contract from the MOE.	Throughout term three	As a result of issues with staffing it was decided by the new Principal, Lead Literacy teacher, ALL teacher and ALL Mentor to implement the ALL programme through a withdrawal group of 5 students from the senior class.
Ten to fifteen week invention programme run for improving outcomes for targeted students.	Throughout term three	A 13 week intervention was run from the start of Term 3 2017. The programme finished in Week 3 of Term 4.
Review the assessment tools and the timing of them being used for literacy across the school.	Term two and three	Following discussion with the Lead Literacy teacher and the teacher of the Senior class and a brief review of how writing was currently being assessed, the new Principal implemented the use of e-asttle school wide for writing assessment. It was decided that one formal writing sample was completed each term using e-asttle. Staff from Mimi were subsequently involved in e-asttle moderation PLD session with the other schools within the Tainui cluster. It was identified that Mimi staff needed to work with the 'e-asttle assessment rubric' more often in order to make better 'best fit' judgements.

To work in partnership with Urenui School and other interested schools to participate in digital technology professional development with a focus on motivating and developing the student's ability in written language.	Term two and three	Mimi School joined Urenui and Uruti in a centrally funded PLD contract with Jacqui Sharp. Jacqui is working with Mimi staff to enhance their confidence in IT use and facilitate the development of resources to motivate students and improve their skills in writing.
Student portfolios are developed making use of best technologies to allow for students to share learning, progress and achievement in the core learning areas with families in a secure and private manner.	Throughout the year	Due to the appointment of a new Principal and new staff in the Senior room of the school Portfolios were put on hold for 2017.
To integrate digital technologies into the written language programme.	Throughout the year.	Digital technologies were integrated heavily into the written language programme in the senior area of the school. All students have been using Digital technology to research, draft, create and publish work within written language. Google Doc's was introduced to the students as a way of creating and peer assessing work before publishing.
To develop the use of the SMS to record assessment information and use it for reporting.	Throughout the year.	Due to changes in staffing only some assessment data was recorded into the SMS, other data was entered into spreadsheets and other formats as the year progressed.
To receive professional development in the use of PACT	Term three	Due to the appointment of a new Principal and new staff in the Senior room the implementation and professional development in the use of PacT was put on hold for 2017.
To use PACT in the moderation process for written language.	Term three	Due to the appointment of a new Principal and new staff in the Senior room the implementation and professional development in the use of PacT was put on hold for 2017.

Position at the end of 2017

Our aspirational goal of having 85% of students achieving at or above the National Standard for Writing was unfortunately not met and our overall results do not show a vast improvement in achievement. There are a number of factors that contributed to us not meeting our expectations: Changes to key staff - 3 Principals during the year, a change of teacher within the Senior Class half way through the year; a lack of robust, moderated assessment practices in writing and changes to the direction of the writing programme and assessment processes partway through the year. Although we were unable to make the progress we wished to our involvement in the ALL programme certainly enhanced teacher practice within the Senior class and greatly enhanced student confidence in their abilities as writers. The ALL assessment data, submitted to MOE, showed that 4 of 5 students involved in the programme made hugely accelerated gains in writing. (ALL results attached).

As a result of this Annual Target and the subsequent results in Writing in 2017. There are a number of changes that will be implemented to aid the enhancement of Writing in 2018. Professional development will be scheduled to develop Writing assessment through E-Asttle with specific focus on working with the 'e-asttle assessment rubric' more often in order to make better 'best fit' judgements, Learning Progression Frameworks and Pact. A third party digital application (Beagle) will be utilised to make better use of assessment data, helping teachers and leaders identify trends and learner needs. Digital Portfolios to be investigated and trialled throughout 2018. Due the changes in the structure of the ALL programme a modified 'ALL MIMI' writing project will be developed and implemented in terms two and three of 2018.

It is for the above reasons that accelerating Writing achievement will be one on Mimi School's Targets for Student Achievement in 2018.

At the end of 2017, 4 out of 7 Year 4 students were achieving at a level below the National Standard.

At the end of 2017, 28 out of 42 students over all year levels were achieving at or above the National Standard.

Analysis of Variance 2017
Maintaining the Accelerated Learning in Mathematics for Priority Learners.
End of Year Reflections

Target Area	Mathematics
Strategic Goal	Our students will be able to access The New Zealand Curriculum through experiencing quality teaching and learning with emphasis given to literacy and mathematics in relation to the National Standards.
Target Group	A special focus on the six students underachieving in mathematics at the end of 2016 taken from a whole school prospective.
Annual Goal	To monitor and develop the students who were targeted in the ALiM programme during 2016.
Expected Outcome	All students will make progress across the levels of the National Standards. For 88% or greater of the students achieving at or above in mathematics.
Historical Position	In 2014 eleven students were achieving below or well below in mathematics at the end of the year. In 2015 four students were achieving below or well below in mathematics at the end of the year. In 2016 six students were achieving below in mathematics at the end of the year.

Planned Actions for 2017	Timeframe	Outcome
Priority students are identified and support put in place to target their learning needs.	By the end of February 2017	Priority students were identified in February using National Standards data and teacher recommendation. Teacher Aide hours were secured to assist students and teachers in skills development in Maths.
Mathletics membership is to be put in place for all students.	By week 3, term 1	Mathletics membership was purchased and put in place for all students with support from the TSB Numeracy grant. All students have access to Mathletics at school and at home.
Staff to receive professional development in the use of PACT to moderate the level of achieve in mathematics.	Term three and four	Due to the appointment of a new Principal and new staff in the Senior room the implementation and professional development in the use of PacT was put on hold for 2017.
Students will develop their e-portfolios to share their level of achievement in mathematics.	Term 2 and 3	Due to the appointment of a new Principal and new staff in the Senior room of the school the development and application of Digital Portfolios were put on hold for 2017.
Review the assessment tools to be used in the school for Mathematics such as PAT Maths, JAM, GLoSS, Number Knowledge test.	Throughout the year	Following discussion with the teachers, a brief review of how Maths was currently being assessed was conducted in Term 3. It was decided that the 2017 assessment schedule, set in January, would continue to be implemented and the assessment tools indicated would be used. Teachers would be free to use other assessment tools for Mathematics if they wished.
Time in staff meetings will be set aside to reflect on the teaching and learning of mathematics for individual students, for the class and for the teacher.	Throughout the year	Due to significant staff changes throughout the year, Mathematics was focused on in staff meetings in Term 1 2017.

Position at the end of 2017

Our aspirational goal of having 88% of students achieving at or above the National Standard for Mathematics was unfortunately not met and our overall results do not show a vast improvement in achievement. There are a number of factors that contributed to us not meeting our expectations: Changes to key staff - 3 Principals during the year, a change of teacher within the Senior Class half way through the year; a significant change in focus from Mathematics to Literacy during the year.

As a result of this Annual Target and the subsequent results in Mathematics in 2017. There are a number of changes that will be implemented to aid the enhancement of Mathematics in 2018. Professional development will be scheduled to develop Mathematics assessment through PaCT and the Learning Progressions Framework. A third party digital application (Beagle) will be utilised to make better use of assessment data, helping teachers and leaders identify trends and learner needs. Digital Portfolios to be investigated and trialled throughout 2018. Due the changes in the structure of the ALIM programme a modified programme 'ALIM MIMI' Mathematics project will be investigated for implementation in terms two and three of 2018 in the Senior Class.

It is for the above reasons that accelerating Mathematics achievement will be one on Mimi School's Targets for Student Achievement in 2018.

At the end of 2017, 11 students across all year groups were achieving at a level below the National Standard.

At the end of 2017, 31 out of 42 students over all year levels were achieving at or above the National Standard.

Kiwisport Statement 2017: Mimi School 2199

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2017 Mimi School received \$635 excluding GST.

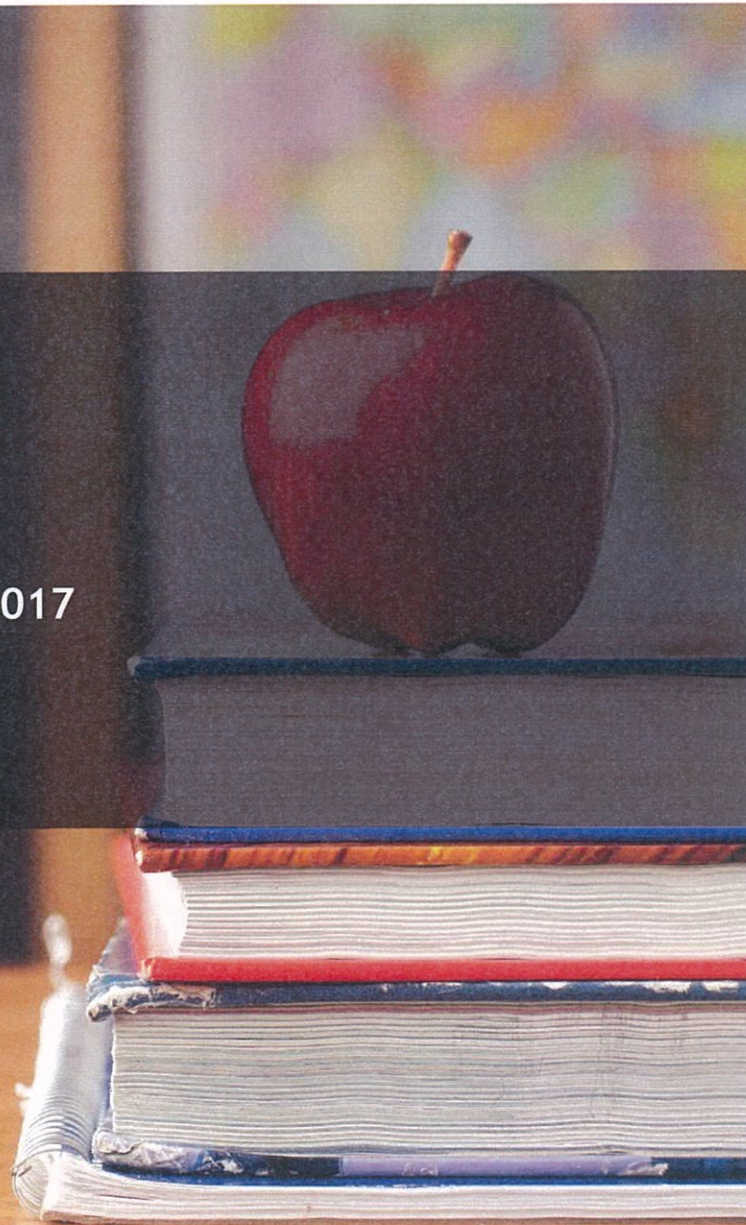
The funding was spent on employing specialist coaches for Golf, Athletics and Swimming, travel to sporting events and extra sporting equipment.

In 2017 34 students for Mimi school participated in organised sports across a variety of codes.

Mimi School

FINAL REPORT TO THE BOARD

For the year ended 31 December 2017



22 August 2018

Donna Ellis
Chairperson
School Board of Trustees
Mimi School
23 Pukearuhe Road
RD 44
URENUI 4377

Dear Donna

Mimi School - Board Report

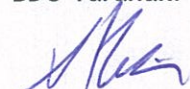
We have recently completed the audit of the Mimi School financial statements for the year ended 31 December 2017. Please find attached our Board Report in connection with the audit. The Report incorporates any responses from your Principal.

We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely on for audit purposes. Our examination may not have identified and should not be relied upon to identify all control weaknesses that exist.

We congratulate the Board on its efforts to maintain effective internal controls in the School. We take this opportunity to thank Jared and Sibylle for the co-operation afforded to us during the course of the audit.

If we can be of further assistance, please advise.

Yours faithfully
BDO Taranaki

A handwritten signature in blue ink, appearing to read 'Steve Waite', written over a faint blue circular stamp.

Steve Waite
Appointed Auditor / Audit Partner

Email: steve.waite@bdo.co.nz

Encl: Board Report

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EXECUTIVE SUMMARY

This report details the processes, findings and recommendations from our audit of Mimi School (the “School”) in accordance with the Auditor General’s Auditing Standards which incorporate International Standards on Auditing (NZ), and the terms of our engagement as set out in our audit engagement letter.

We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely for audit purposes. Our examination may not have identified and should not be relied upon to identify all control weaknesses that exist.

Overall, we are satisfied that the School has presented its results for the year ended 31 December 2017 to a good level of compliance with applicable financial reporting standards. Adjustments made during the audit are noted in Appendix 1.

We would like to thank Jared and Sibylle and the staff of the School for their co-operation extended to us, during the course of the audit. We have received full and frank co-operation. There is nothing we wish to raise solely with the Board.

AUDIT SCOPE AND OBJECTIVES

BDO Taranaki (‘BDO’) is the Appointed Audit Firm of the School.

BDO’s responsibilities include a requirement to express an opinion on the School’s financial statements arising from our audit conducted in accordance with the Auditor-General’s Auditing Standards which incorporate International Standards on Auditing (NZ).

Our audit objectives are to:

- report on whether the financial statements give a true and fair view, and
- report to Management about control environment issues that should be addressed by the School.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested and assessed the controls supporting the School’s key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Summary Findings section of this report.



CONFIRMATION OF AUDIT INDEPENDENCE

In conducting our audit, we are required to comply with the independence requirements of the Code of Ethics issued by the Professional Standards Board of Chartered Accountants Australia and New Zealand and the External Reporting Board.

Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.

For the comfort of the Board, we note that the following processes assist in maintaining our independence:

- No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner.
- All services performed by any national BDO office will be reported to the governing body.

We have not provided any non-audit services to the School. We confirm the independence of the BDO Taranaki audit engagement team.

KEY FINANCIAL STATEMENT AUDIT RISKS

We have set out below our findings in areas we have identified as risks.

1. Revenue Recognition

Identified audit risks

A key audit risk is in relation to revenue recognition. There is a rebuttable presumption under Auditing Standards that there is a risk of fraud in relation to revenue recognition.

Conclusion of our work

From our audit work performed we found no issues regarding revenue recognition in the financial statements.

2. Locally Raised Funds

Identified audit risks

Due to the nature of locally raised funds (often being cash), there is a risk of material misstatement around the completeness of locally raised funds income and limited audit procedures that can be applied to detect such misstatement.

Conclusion of our work

From our audit work performed we found no issues regarding locally raised funds income or expense balances in the financial statements.

3. Payroll not Approved or Checked

Identified audit risks

Payroll is processed by Novopay. The accuracy of payroll processing is dependent on appropriate approval of payroll changes and checking of the fortnightly SUE report.

Conclusion of our work

From our audit work performed we found no issues regarding payroll balances included in the financial statements.

4. Cyclical Maintenance Provision

Identified audit risks

Cyclical Maintenance is an area of judgment and could lead to material misstatement in the financial statements. For Schools to be able to calculate the appropriate cyclical maintenance provision a 10 Year Property Plan (10YPP) needs to be prepared and/or reviewed by an expert.

Conclusion of our work

From our audit work performed, there were no issues regarding the provision for Cyclical Maintenance in the Financial Statements.

MANAGEMENT JUDGEMENTS AND ESTIMATES

Under International Standards on Auditing (NZ) we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions or valuation judgements. Overall we note that the judgements and estimates by management in preparing the results for the year ended 31 December 2017 appear reasonable.

The most significant areas of judgement, assumptions and estimates applied by management relate to:

- Provision for Cyclical Maintenance and Cyclical Maintenance Expense

We are not aware of any other sensitive accounting estimates, assumptions or valuation judgements made by the School.

MATTERS REQUIRING BOARD INPUT

We have placed reliance on the Board's review and approval of the following matters:

- Minutes of the Board meetings;
- Implementation of such controls as is needed to ensure that financial statements are presented fairly;



- Review and approval of management accounts;
- Review and approval of 2017 and 2018 budgets;
- Review and approval of 10 Year Property Plan;
- Notification of fraud; and
- Review and approval of the financial statements.

GOVERNANCE AND ACCOUNTABILITY

Good governance and accountability need and support each other and, if done well, enhance the public's trust in our public sector. Good governance encourages and can result in good accountability. In turn, accountability is a vital element of good governance.

The Auditor-General has published a report, *Reflections from our audits: Governance and accountability*. This report reflects on common issues, and highlights examples of good and emerging practise, which public entities can use to help improve their governance and accountability arrangements. It also identifies eight elements of good governance and looks at some trends that present new challenges and opportunities for enhancing accountability.

We encourage you to use the findings and examples in this report to consider your school's governance and accountability arrangements. This report is available on the OAG website at www.oag.govt.nz/2017/reflections

ACCOUNTING POLICIES

Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. We reviewed the financial statements of the School against the Kiwi Park Model and noted no material departures from the requirements.

MATERIALITY AND ADJUSTED / UNADJUSTED DIFFERENCES

Materiality means, in the context of an audit or review, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the financial report. Materiality is initially calculated at the planning stage and has an influence on the amount of work we do, as well as where we direct our audit efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.

During the course of our audit we have identified adjustments. All adjusted differences have been detailed in Appendix 1 of this report.

It should be noted that the auditing standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.



GOING CONCERN

Management and governance are required to make a formal assessment on going concern. Under Auditing Standards, we are required to review this assessment for appropriateness.

During the course of our audit we have identified no material misstatements. All unadjusted differences (none of which we consider material, either individually or in aggregate) have been detailed in Appendix 1 of this report.

Paragraph 15 of ISA (NZ) 570 states:

15. *The auditor shall enquire of those charged with governance as to their knowledge of events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.*

The assumption of going concern was concluded as appropriate given the School's funding sources and its operating budget for following financial period.

FRAUD

During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud however, should instances of fraud come to our attention, we will report them to you.

COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.

PROBITY, WASTE AND PERFORMANCE

We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We did not identify any issues of concern with respect to probity, waste and performance.

OVERALL RESULT

There are no significant or material weaknesses arising from our audit.

Our audit work is complete. We have issued an unmodified audit report on the financial statements of the School for the year ended 31 December 2017.

To enable management to set priorities on their action plans we have assessed our findings on the following basis, namely, critical, high, moderate, and low based on our assessment of the importance of each finding. Classifications of findings are detailed in Appendix 2 of this report.

These findings and recommendations are discussed and agreed with the School's management and those charged with governance.

	Critical	High	Moderate	Low
Number of findings	-	-	3	-

Provided below is a summary of key findings:

ITEM NO	FINDINGS AND RECOMMENDATIONS	RATING
1	TRL leases	Moderate
2	Asset Register - due for Review	Moderate
3	Dates on Timesheets	Moderate

SUMMARY OF FINDINGS

1. TRL Leases		Rating of finding: Moderate	
Background			
<p>We reviewed your accounting treatment of your TRL finance leases in accordance with the relevant financial reporting standard, which is PBE IPSAS 13. We concluded that there was a misstatement in the financial statements to the maximum value of \$583, because the future finance charge has been incorporated into the liability that is recorded on the balance sheet. The balance sheet should reflect the principal payments only with the note disclosing the value of the interest and principal.</p>			
Implications			
<p>The liabilities are overstated by the future finance charges.</p>			
Recommendation			
<p>We reiterate the importance of preparing all elements of the financial statements in accordance with the requirements of generally accepted accounting practice and specifically recommend that the future finance charges on finance leases are calculated and the current and non-current portions are disclosed correctly in the balance sheet and in the note to the financial statements in future.</p>			
Management comments and actions			
No comment received			
Responsibility		Target date	

2. Asset register - due for Review		Rating of finding: Moderate	
Background			
We have noted that a stock take of assets has not been performed for the year ended 31 December 2017.			
Implications			
Not performing asset stock takes can result in assets that have been disposed of not being removed from the asset register. It can also result in new additions not being added to the asset register. This will then not portray a true and fair view of the assets the School holds.			
Recommendation			
We recommend that a stock take of the schools fixed assets be completed at least once every three years so any assets that require write offs can be adjusted for.			
Management comments and actions			
No comment received			
Responsibility		Target date	

3. Dates on Timesheets

Rating of finding: Moderate

Background

We have noted during our testing that the timesheets for the cleaner are not always dated.

Implications

Not having dates on timesheets could lead to issues such as an employee not being paid or being overpaid.

Recommendation

We recommend that all timesheets completed are filled out with the dates worked included as a proof of when the employee worked and the time they worked for.

Management comments and actions

No comment received

Responsibility		Target date	



APPENDIX 1 - ADJUSTED AND UNADJUSTED DIFFERENCES

Adjusted differences

The following audit adjustments were made to the financial statements:

Description	Profit	Assets	Liabilities	Reserves
	Inc / (Dec)	Inc / (Dec)	Inc / (Dec)	Inc / (Dec)
	\$	\$	\$	\$
Teacher's Salaries accrual		2,256	2,256	
Record bank staffing underused	1,686	1,939	253	
Net Effect of Adjustments made:	1,686	4,195	2,509	

Unadjusted differences

There are no unadjusted differences as at 31 December 2017.

APPENDIX 2 - FINDINGS RATING

The following framework for ratings has been developed to facilitate discussion with the School's management in order to prioritise issues according to their relative significance.

Rating	Definition
Critical	Issue represents a control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability to achieve process objectives.
High	Issue represents a control weakness, which could have or is having major adverse effect on the ability to achieve process objectives.
Moderate	Issue represents a control weakness, which could have or is having significant adverse effect on the ability to achieve process objectives.
Low	Issue represents a minor control weakness, with minimal but reportable impact on the ability to achieve process objectives.



APPENDIX 3 - UPDATE ON FINDINGS FROM PREVIOUS YEAR

Action Taken on Prior Year Management Letter Suggestions

We always appreciate the efforts made by Boards in implementing the recommendations in our previous year's management letter. We acknowledge and say thanks for the proactive manner in which the matters from the previous year's management letter have been addressed by your school.

