

FRASER HIGH SCHOOL
Te Kura Tuarua o Taniwharau



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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FRASER HIGH SCHOOL

Financial Statements - For the year ended 31 December 2017

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Fraser High 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.

Jeffery Raymond Green

Full Name of Board Chairperson



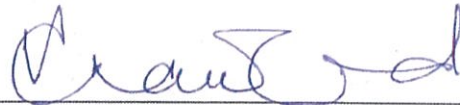
Signature of Board Chairperson

30/5/18

Date:

Virginia Crawford

Full Name of Principal



Signature of Principal

30/5/18

Date:

Fraser High 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	14,085,653	13,281,864	13,280,076
Locally Raised Funds	3	941,101	779,000	836,785
Interest Earned		11,813	15,000	9,081
International Students	4	6,766	-	2,978
		<u>15,045,333</u>	<u>14,075,864</u>	<u>14,128,920</u>
Expenses				
Locally Raised Funds	3	675,240	611,000	623,890
International Students	4	6,820	-	2,925
Learning Resources	5	9,427,071	8,811,276	8,910,502
Administration	6	856,287	1,116,250	1,003,737
Property	7	3,478,523	3,084,926	3,160,323
Depreciation	8	395,184	288,340	393,939
Amortisation of Intangible Assets	13	31,182	47,000	46,908
		<u>14,870,307</u>	<u>13,958,792</u>	<u>14,142,225</u>
Net Surplus / (Deficit) for the year		175,026	117,072	(13,305)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>175,026</u>	<u>117,072</u>	<u>(13,305)</u>

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

Fraser High 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	1,421,239	1,433,121	1,369,723
Total comprehensive revenue and expense for the year	175,026	117,072	(13,305)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	64,821
Equity at 31 December	1,596,265	1,550,193	1,421,239
Retained Earnings	1,596,265	1,550,193	1,421,239
Reserves	-	-	-
Equity at 31 December	1,596,265	1,550,193	1,421,239

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



Fraser High School
Statement of Financial Position
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Assets				
Cash and Cash Equivalents	9	444,884	406,418	179,568
Accounts Receivable	10	567,265	669,000	461,458
Funds held for Capital Works Projects	20			35,713
GST Receivable		27,269	20,000	15,878
Prepayments		12,362	12,000	5,044
Inventories	11	113,054	71,900	52,821
		<u>1,164,834</u>	<u>1,179,318</u>	<u>750,482</u>
Current Liabilities				
Accounts Payable	14	590,682	711,000	529,579
Borrowings - Due in one year	15	28,584	28,584	28,584
Revenue Received in Advance	16	37,703	11,000	28,135
Provision for Cyclical Maintenance	17	91,453	91,453	-
Painting Contract Liability - Current Portion	18	25,491	-	47,196
Finance Lease Liability - Current Portion	19	30,729	-	153,360
Funds held for Capital Works Projects	20	60,905	-	
		<u>865,547</u>	<u>842,037</u>	<u>786,854</u>
Working Capital Surplus/(Deficit)		299,287	337,281	(36,372)
Non-current Assets				
Property, Plant and Equipment	12	1,720,483	1,745,925	1,933,443
Intangible Assets	13	-	699	9,699
		<u>1,720,483</u>	<u>1,746,624</u>	<u>1,943,142</u>
Non-current Liabilities				
Borrowings	15	57,260	57,214	85,798
Provision for Cyclical Maintenance	17	319,840	319,840	319,840
Painting Contract Liability	18	-	30,000	3,785
Finance Lease Liability	19	46,405	126,658	76,109
		<u>423,505</u>	<u>533,712</u>	<u>485,532</u>
Net Assets		<u><u>1,596,265</u></u>	<u><u>1,550,193</u></u>	<u><u>1,421,239</u></u>
Equity		<u><u>1,596,265</u></u>	<u><u>1,550,193</u></u>	<u><u>1,421,239</u></u>

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

Fraser High 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		3,787,737	3,740,191	3,756,866
Locally Raised Funds		919,925	768,500	839,092
International Students		6,766	-	2,978
Goods and Services Tax (net)		(11,391)	-	4,243
Payments to Employees		(2,446,805)	(2,271,836)	(2,546,704)
Payments to Suppliers		(1,689,275)	(1,734,031)	(1,598,081)
Interest Received		11,813	15,000	9,081
Net cash from / (to) the Operating Activities		578,770	517,824	467,475
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(203,709)	(144,430)	(147,141)
Net cash from / (to) the Investing Activities		(203,709)	(144,430)	(147,141)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	64,821
Finance Lease Payments		(152,335)	(99,342)	(102,811)
Painting contract payments		(25,490)	(21,000)	(23,244)
Loans Received/ Repayment of Loans		(28,538)	(26,202)	(28,538)
Funds Administered on Behalf of Third Parties		-	-	(68,466)
Funds Held for Capital Works Projects		96,618	-	-
Net cash from Financing Activities		(109,745)	(146,544)	(158,238)
Net increase/(decrease) in cash and cash equivalents		265,316	226,850	162,096
Cash and cash equivalents at the beginning of the year	9	179,568	179,568	17,472
Cash and cash equivalents at the end of the year	9	444,884	406,418	179,568

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.



BDO WAIKATO

Fraser High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Fraser High 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 19.

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 investment securities.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

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 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	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	3,245,934	3,293,311	3,169,753
Teachers' salaries grants	7,621,915	7,200,000	7,181,536
Use of Land and Buildings grants	2,676,002	2,341,673	2,341,673
Other MoE Grants	25,820	37,000	56,183
Other government grants	515,982	409,880	530,930
	<u>14,085,653</u>	<u>13,281,864</u>	<u>13,280,076</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	28,471	37,000	39,841
Other revenue	20,580	87,000	51,001
Trading	217,478	185,000	184,773
Activities	564,724	470,000	464,131
Curriculum Recoveries	109,848	-	97,039
	<u>941,101</u>	<u>779,000</u>	<u>836,785</u>
Expenses			
Activities	578,886	508,000	505,232
Trading	96,354	103,000	118,658
	<u>675,240</u>	<u>611,000</u>	<u>623,890</u>
<i>Surplus for the year Locally raised funds</i>	<u>265,861</u>	<u>168,000</u>	<u>212,895</u>

4. International Student Revenue and Expenses

	2017	2017	2016
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	0	0	0
Revenue			
International student fees	6,766	-	2,978
Expenses			
Recruitment	-	-	304
Other Expenses	6,820	-	2,620
	<u>6,820</u>	<u>-</u>	<u>2,925</u>
<i>Surplus for the year International Students'</i>	<u>(54)</u>	<u>-</u>	<u>53</u>

5. Learning Resources			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	168,802	120,150	120,824
Information and communication technology	11,618	3,000	18,609
Extra-curricular activities	117,735	221,090	206,042
Library resources	7,080	5,500	4,394
Employee benefits - salaries	9,060,246	8,384,536	8,500,543
Staff development	61,589	77,000	60,090
	<u>9,427,071</u>	<u>8,811,276</u>	<u>8,910,502</u>

6. Administration			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	9,732	9,500	9,589
Board of Trustees Fees	5,335	7,000	5,112
Board of Trustees Expenses	8,526	6,800	6,423
Communication	35,683	49,000	50,753
Consumables	(26,029)	131,300	20,231
Legal Fees	-	-	(2,609)
Other	123,381	123,350	135,080
Employee Benefits - Salaries	692,751	779,300	769,367
Insurance	6,908	10,000	9,791
	<u>856,287</u>	<u>1,116,250</u>	<u>1,003,737</u>

7. Property			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	31,067	25,000	34,655
Consultancy and Contract Services	9,057	4,000	121,587
Cyclical Maintenance Expense	91,453	91,453	91,453
Grounds	43,790	40,500	33,862
Heat, Light and Water	155,169	165,000	182,353
Rates	6,427	5,000	4,887
Repairs and Maintenance	149,835	104,300	132,687
Use of Land and Buildings	2,676,002	2,341,673	2,341,673
Employee Benefits - Salaries	315,723	308,000	217,167
	<u>3,478,523</u>	<u>3,084,926</u>	<u>3,160,323</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.

8. Depreciation			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	22,553	22,500	22,553
Building Improvements	7,546	12,000	12,263
Furniture and Equipment	92,075	99,040	99,416
Information and Communication Technology	128,243	116,000	118,485
Motor Vehicles	20,507	17,000	17,017
Textbooks	17,148	17,300	17,322
Leased Assets	102,811	-	102,811
Library Resources	4,302	4,500	4,074
	<u>395,184</u>	<u>288,340</u>	<u>393,939</u>



9. Cash and Cash Equivalents			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	700	800	800
Bank Current Account	441,029	35,407	168,517
Bank Call Account	3,155	370,211	10,250
Cash equivalents and bank overdraft for Cash Flow Statement	<u>444,884</u>	<u>406,418</u>	<u>179,568</u>

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

The following notes should be used where applicable:

Of the \$440,934 Cash and Cash Equivalents, \$60,904 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$440,934 Cash and Cash Equivalents, \$0 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

10. Accounts Receivable			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	34,019	9,000	3,274
Teacher Salaries Grant Receivable	533,246	660,000	458,184
	<u>567,265</u>	<u>669,000</u>	<u>461,458</u>
Receivables from Exchange Transactions	34,019	9,000	3,274
Receivables from Non-Exchange Transactions	533,246	660,000	458,184
	<u>567,265</u>	<u>669,000</u>	<u>461,458</u>

11. Inventories			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	15,106	11,900	13,386
School Uniforms	88,589	60,000	30,077
Canteen	9,359	-	9,359
	<u>113,054</u>	<u>71,900</u>	<u>52,821</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Land Improvements	78,399				(7,534)	70,865
Buildings	518,137				(15,019)	503,118
Building Improvements	25,135	6,452			(7,546)	24,041
Furniture and Equipment	584,902	56,718			(92,075)	549,545
Information and Communication	318,700	114,644			(128,243)	305,101
Motor Vehicles	123,669				(20,507)	103,163
Textbooks	31,425	597			(17,148)	14,874
Leased Assets	229,469				(102,811)	126,658
Library Resources	23,607	3,814			(4,302)	23,119
Balance at 31 December 2017	1,933,443	182,224	-	-	(395,184)	1,720,483

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Land Improvements	150,676	(79,811)	70,865
Buildings	750,953	(247,835)	503,118
Building Improvements	304,957	(280,916)	24,041
Furniture and Equipment	3,025,262	(2,475,717)	549,545
Information and Communication	923,759	(618,658)	305,101
Motor Vehicles	178,143	(74,981)	103,163
Textbooks	445,750	(430,876)	14,874
Leased Assets	332,280	(205,622)	126,658
Library Resources	234,924	(211,805)	23,119
Balance at 31 December 2017	6,346,704	(4,626,221)	1,720,483

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Land Improvements	85,932		-	-	(7,534)	78,399
Buildings	533,156		-	-	(15,019)	518,137
Building Improvements	37,398		-	-	(12,263)	25,135
Furniture and Equipment	659,512	24,805	-	-	(99,416)	584,902
Info and Communication Technology	341,773	95,412	-	-	(118,485)	318,700
Motor Vehicles	140,686		-	-	(17,017)	123,669
Textbooks	48,040	707	-	-	(17,322)	31,425
Leased Assets	332,280		-	-	(102,811)	229,469
Library Resources	24,800	2,881	-	-	(4,074)	23,607
Balance at 31 December 2016	2,203,577	123,806	-	-	(393,939)	1,933,443

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Land Improvements	150,676	(72,277)	78,399
Buildings	750,953	(232,816)	518,137
Building Improvements	298,505	(273,370)	25,135
Furniture and Equipment	2,968,544	(2,383,642)	584,902
Information and Communication Technology	809,115	(490,416)	318,700
Motor Vehicles	178,143	(54,474)	123,669
Textbooks	445,153	(413,728)	31,425
Leased Assets	332,280	(102,811)	229,469
Library Resources	231,110	(207,503)	23,607
Balance at 31 December 2016	6,164,480	(4,231,037)	1,933,443



13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

2017	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Cost					
Intangible Assets (Cost)	275,997	21,483	-	-	297,480
Balance at 31 December 2017	275,997	21,483	-	-	297,480
Accumulated Amortisation					
Intangible Assets (Amortisation for the year)	266,298	-	-	(31,182)	297,480
Balance at 31 December 2017	266,298	-	-	(31,182)	297,480
Net Book Value at 31 December 2017					(0)

2016	Opening \$	Additions \$	Disposals \$	Impairment \$	Closing \$
Cost					
Intangible Assets	252,661	23,336	-	-	275,997
Balance at 31 December 2016	252,661	23,336	-	-	275,997
Accumulated Amortisation					
Intangible Assets (Amortisation for the year)	(219,390)	-	-	(46,908)	266,298
Balance at 31 December 2016	(219,390)	-	-	(46,908)	266,298
Net Book Value at 31 December 2016					9,699

14. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	47,497	40,000	61,806
Accruals	9,938	11,000	9,589
Capital accruals for PPE items	-	-	-
Banking staffing overuse	-	-	-
Employee Entitlements - salaries	533,246	660,000	458,184
Employee Entitlements - leave accrual	-	-	-
	590,682	711,000	529,579
Payables for Exchange Transactions	590,682	711,000	529,579
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	590,682	711,000	529,579

The carrying value of payables approximates their fair value.

15. Borrowings

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Due in One Year	28,584	28,584	28,584
Due Beyond One Year	57,260	57,214	85,798
	85,844	85,798	114,382

The school has borrowings at 31 December 2017 of \$85,844 (31 December 2016 \$114,382). This loan is from the Little Feet / Campus Creche. The loan is unsecured, interest is 0.0% per annum and the loan is payable with interest in equal instalments of \$28,584



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16. Revenue Received In Advance

	2017	2017 Budget (Unaudited)	2016
	Actual \$	\$	Actual \$
Student deposits	37,703	11,000	28,135
	<u>37,703</u>	<u>11,000</u>	<u>28,135</u>

17. Provision for Cyclical Maintenance

	2017	2017 Budget (Unaudited)	2016
	Actual \$	\$	Actual \$
Provision at the Start of the Year	319,840	319,840	228,387
Increase to the Provision During the Year	91,453	91,453	91,453
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>411,293</u>	<u>411,293</u>	<u>319,840</u>
Cyclical Maintenance - Current	91,453	91,453	91,453
Cyclical Maintenance - Term	319,840	319,840	228,387
	<u>411,293</u>	<u>411,293</u>	<u>319,840</u>

18. Painting Contract Liability

	2017	2017 Budget (Unaudited)	2016
	Actual \$	\$	Actual \$
Current Liability	25,491	-	47,196
Non Current Liability	-	30,000	3,785
	<u>25,491</u>	<u>30,000</u>	<u>50,981</u>

In 2012 the Board signed an agreement with Programme Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2012, with regular maintenance in subsequent years. The agreement has an annual commitment of \$47,196. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

19. 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	2017 Budget (Unaudited)	2016
	Actual \$	\$	Actual \$
No Later than One Year	30,729	-	153,360
Later than One Year and no Later than Five Years	46,405	-	76,109
Later than Five Years	-	-	-
	<u>77,134</u>	<u>-</u>	<u>229,469</u>

20. Funds Held for Capital Works Projects

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

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Classroom Blocks (B, H, M)	<i>in progress</i>	(35,713)	145,324	(61,495)	-	48,116
Weather tightness / Roof / Gutters	<i>in progress</i>	-	152,010	(139,221)	-	12,789
Special Needs	<i>Completed</i>	-	11,612	(11,612)	-	-
Fire - Toilet	<i>Completed</i>	-	28,615	(28,615)	-	-
10YPP	<i>Completed</i>	-	15,450	(15,450)	-	-
Totals		(35,713)	353,011	(256,393)	-	60,905

Represented by:

Funds Held on Behalf of the Ministry of Education	60,905
Funds Due from the Ministry of Education	-
Totals	60,905

	2016	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Classroom Blocks (B, H, M)	<i>in progress</i>	-	42,900	(78,613)	-	(35,713)
Totals		-	42,900	(78,613)	-	(35,713)

21. Funds Held for Teen Parent Unit

The school's Teen Parent Unit is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expenditure is included in the school's Statement of Revenue and Expense. During the year the funds were spent on employee benefit expenses, administration, curriculum, assets and property management expenses.

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	78,193	-	32,753
Revenue			
Funds Received from the Ministry of Education	128,298	128,298	128,318
Other Revenue	2,170	-	3,711
Total funds available	208,661	128,298	132,029
Expenses			
Employee Benefit - Salaries	35,992	35,000	20,609
Administration	29,437		14,610
Curriculum Resources	39,116		31,767
Asset Purchases	9,792		4,710
Property Management	10,000		14,893
c/f to 2018 Building alterations	84,324		78,193
Total funds available	208,661	35,000	164,782
Funds Held at Year End	-	-	-



22. 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.

Key Personnel

Lorena Strother (Teacher) is a sister-in-law of Virginia Crawford (Principal)

The total wages paid to Lorena Strother during the year was in the range \$90,000 - \$95,000 (2016 \$90,000 - \$95,000)

23. 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	5,335	5,112
Full-time equivalent members	0.51	0.24
<i>Leadership Team</i>		
Remuneration	643,026	669,132
Full-time equivalent members	5.50	6.00
Total key management personnel remuneration	648,361	674,244
Total full-time equivalent personnel	6.01	6.24

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

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170-180	170-180
Benefits and Other Emoluments	5-6	5-6
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
111-120	0.00	0.00
100-110	3.00	3.00
	3.00	3.00

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

24. 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	\$29,250 1	\$22,165 2

25. Contingencies

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

26. Commitments

(a) Capital Commitments

As at 31 December 2017 the Board has entered into contract agreements for capital works as follows:

\$74,875 contract for He Puaawai Unit Alterations to be completed in 2018, which will be fully funded by the Fraser High School Board of Trustees

(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 a photocopier;

	2017 Actual \$	2016 Actual \$
No later than One Year	-	11,416
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>11,416</u>

(b) painting contract;

	2017 Actual \$	2016 Actual \$
No later than One Year	25,491	47,196
Later than One Year and No Later than Five Years	-	3,785
Later than Five Years	-	-
	<u>25,491</u>	<u>50,981</u>

27. 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.

28. Financial Instruments

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

Loans and receivables

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	444,884	406,418	179,568
Receivables	567,265	669,000	461,458
Investments - Term Deposits	-	-	-
Total Loans and Receivables	1,012,149	1,075,418	641,025

Financial liabilities measured at amortised cost

Payables	590,682	711,000	529,579
Borrowings - Loans	85,844	85,798	114,382
Finance Leases	77,134	126,658	229,469
Painting Contract Liability	25,491	30,000	50,981
Total Financial Liabilities Measured at Amortised Cost	779,151	953,456	924,411

29. Events After Balance Date

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



2017 Variance Report

Core Strategic Area Strategic Intent	Outcomes	Follow Up - 2018
<p>Community</p> <p>This goal has three components:</p> <ul style="list-style-type: none"> · Support the Fraser community by improving the quality of communication · Engage with the Community of Learning · In consultation with Fraser's communities improve and design school curriculums and structures that support all learners – timetable, learning programmes, Senior and Junior Schools 	<p>MET - Participated in calendar events</p> <p>MET - Receive positive feedback from the community</p> <p>MET - LEAD activities developed using Student Voice, and also through Student Councils</p> <p>MET - Fulfil Graduation requirements for Community Service.</p> <p>MET - Improve and increase community political awareness of inclusive issues.</p> <p>MET - Showcase and celebrate Fraser learners achievements and talents.</p> <p>MET - Maaori Community is informed about learning and achievement.</p> <p>MET - Develop a Pasifika Plan</p> <p>MET - Organised and facilitated a Parent/community focus group(s)</p> <p>MET - Consult with specific stakeholders to inform decision making to improve the provision of education at Fraser</p> <p>ONGOING - Improve Sport participation and support from staff, community and students – refer to Sport Co-ordinator Report to Sport Waikato.</p> <p>ONGOING - Improve the quality of information in a timely manner.</p>	<p>Implement recommendations from Community Perception Survey review - BOT</p> <p>Improve Sport participation and support from staff, community and students – refer to Sport Manager's Report to Sport Waikato - TWJenn</p> <p>Improve the quality of information in a timely manner - ROP,TEJ,RUN</p> <p>Improve inclusivity of the community - Student Led Groups</p> <p>Appoint an Archivist - BOT</p>

	<p>ONGOING - Meet COL Achievement Targets</p> <p>ONGOING - Improve inclusivity of the community.</p> <p>Register of Past Fraser Pupils - PAST PUPILS ASSOCIATION</p> <p>YET TO BE MET - Appoint an Archivist</p>	
<p>Resourcing</p> <p>This goal has two components:</p> <ul style="list-style-type: none"> Support the design and development of a responsive school curriculum, responsive to learners in Senior and Junior Schools Enable access to professional learning that supports the Charter's Strategic Plan, with a specific focus on <ul style="list-style-type: none"> – whānau engagement, teacher efficacy and student agency – and effectively building community partnerships 	<p>ONGOING - Conducted an inquiry to inform the design of learning and teaching at Fraser beginning with the Timetable.</p> <p>ONGOING - Digital Strategic goals met</p> <p>ONGOING - Use consultation data to re-design relevant learning programmes in alignment with vocational learning and pathways. Use the data to inform the Charter document, the strategic direction of the school.</p> <p>MET - Community Of Learning Strategic Plan</p> <p>MET - PL workshops at least twice a term, addressing PL needs of all learners</p> <p>MET - Achieve goals from the COL plan</p> <p>MET - Address Appraisal PL needs of staff</p>	<p>Implement teaching and learning for inquiry to inform the design of learning and teaching at Fraser beginning with the Timetable - SUS, PL Team, HWEN WST and ASL</p> <p>Use data and evidence to re-design relevant learning programmes in alignment with vocational learning and pathways - LOCs, LOLs, RUN,TEJ,CRV</p> <p>Implement the Digital Strategic Plan - ROP</p>
<p>Learning</p> <p>This goal has four components:</p> <ul style="list-style-type: none"> Implement effective pedagogy using an Inquiry model: learning as inquiry and teaching as inquiry. 	<p>MET - Ki Te Whaiao goals met</p> <p>MET - Pasifika goals met.</p> <p>MET - He Puawai goals met</p> <p>MET - Hei Taniwha goals met</p> <p>ONGOING - Charter Achievement Targets met</p> <p>ONGOING - Faculty Achievement Targets met</p>	<p>Implement school-wide Internal Evaluation - SLT</p> <p>Implement recommendations from ERO and Junior School reviews - SLT, STL,TAS</p> <p>Re-design the School timetable to support learning principles - ROP,TEJ</p> <p>Implement mini sabbaticals - CRV,SUS</p>

<ul style="list-style-type: none"> Review school infrastructure to ensure it supports pedagogy – systems have a sound pedagogical foundation Implement the Junior School Learning Hub models Design the Senior School 	<p>ONGOING - School Timetable is flexible and responsive to learning needs and specific learning programmes.</p> <p>ONGOING - Achievement targets improve</p> <p>ONGOING - Learning programmes are responsive, flexible and culturally responsive</p> <p>ONGOING - School Timetable is based on pedagogical principles that align with learning programmes.</p> <p>ONGOING - Selected staff complete a mini sabbatical to improve teaching and learning of teachers and students. Present to the BOT, and either the faculty or staff.</p>	
<p>Learning Pathways</p> <p>This goal has three components:</p> <ul style="list-style-type: none"> Tracking learning and achievement in a timely and responsive manner. Implementing Vocational Pathways in the school curriculum Designing assessment tools responsive to the learning and used to inform effective teaching and next steps learning – review the purpose of NCEA Level 1, and focus on NCEA Level 2 as the first formal qualification for all students – focus on naturally occurring opportunities to assess learning and achievement 	<p>ONGOING - Achievement and learning of all students may be accessed when required by the learner, parent/caregiver, and relevant staff – tracking is timely</p> <p>ONGOING - Deans, SLT and the BOT to use the PB4L data to inform decisions to improve attendance, engagement and reduce truancy and discipline events.</p> <p>ONGOING - The LEAD programme is invigorated and developed further by Student Led groups e.g. the Student Councils</p> <p>ONGOING - Deans are knowledgeably conversant about vocational pathways and use that knowledge to counsel students and parents/caregivers as to the most appropriate learning pathway for each student; and record on KAMAR.</p>	<p>Streamline access to student learning and pastoral for staff and parent/caregiver - ROP,HOG</p> <p>Strengthen access and use of PB4L evidence and data - HOG</p> <p>Invigorate LEAD - begin with student leadership - HOG</p> <p>Deans are engaged in PL to update their understanding and knowledge about vocational pathways - Deans,HOG</p> <p>Deans use a range of student support services to re-engage learners - Deans,HOG</p> <p>Use Leavers' data to inform strategic decisions - TEJ,RUN,CRV</p>

	<p>ONGOING - Deans will make the most appropriate decisions regarding the use of services required to support a student's re-engagement in learning.</p> <p>ONGOING - Every student's learning pathway leads to a vocational pathway and this is recorded on KAMAR by either the DP, Dean and Group Teacher.</p> <p>ONGOING - Use school leavers' data to inform curriculum design</p> <p>MET - To inform parents/caregivers and students of their learning and achievement record</p>	
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2017-2018

Name	Position on board [Chair CH, Trustee T, Commissioner CMR, Member ME]	Type of member [Note 1]	Start date	Left the board date	Current Term expires
Tracy Carter	ME	Elected	10/06/2016		06/06/2019
Jeff Green	ME	Elected	10/06/2016		06/06/2019
Jackie Kara	ME	Staff Trustee	10/06/2016		06/06/2019
Virginia Crawford	ME	Principal			
Te Rehia Papesch	ME	Elected	10/06/2016		06/06/2019
Milton Ngaruhe	ME	Elected	10/06/2016		06/06/2019
Heidi Christian	ME	Elected	10/06/2016		06/06/2019
Joel Hall	ME	Student Trustee	10/10/2016		14/09/2017
Phoenix Te Whau	ME	Student Trustee	15/09/2017		14/9/2018
Lucy Faletau	ME	Selection/Elected	11/09/2017		06/06/2019
Cathy Glasgow	ME	Selection/Elected	11/09/2017		06/06/2019

Note 1: Elected, selected, co-opted, staff trustee, student trustee, proprietor's appointee, principal

Note 2: If the board opts into or out of mid-term election cycle please ensure it is noted here and the MoE are advised

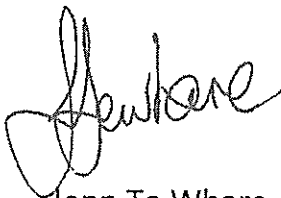
31 May 2018

Kiwi sport Funding 2017 – Fraser High School

The Kiwisport Funding that is received from Fraser High School is used to increase the number of students involved in sport and to help get resources to ensure the students have plenty of opportunities to play sport without barriers.

Fraser is one of the biggest schools in Hamilton with a role of 1500 students, and we have increased sport participation by 3% from 2016 – 2017.

The funds assist us to purchase equipment, provide our volunteers with resources to attend coaching Courses, and provides the opportunity to have an additional administrator in the office for 20 hours per week which is crucial in a school this big. We are hopeful that in 2018 our sport participation will increase to well over 50% participation rate.



Jenn Te Whare
Sport Manager
Fraser High



BDO WAIKATO

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Fraser High School (the School). The Auditor-General has appointed me, Bernard Lamusse, using the staff and resources of BDO Waikato Audit Ltd, 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 the pages stamped by BDO Waikato 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 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 and have been prepared in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 30 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, and we explain our independence.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in pages 21 to 29 of the Analysis of Variance, the List of Trustees and Statement of Responsibility, which form part of the Annual 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 handwritten signature in blue ink, appearing to read 'Bernard Lamusse', with a horizontal line underneath.

Bernard Lamusse
BDO Waikato Audit Limited
On behalf of the Auditor-General
Hamilton, New Zealand