



**Board of Trustees**  
***Annual Financial Report***  
**Year ending December 31, 2015.**

Russell Street School utilises the services of Education Services Ltd for the monthly reporting of the school's financial situation. Monthly income and expenditure was compared to projected income and expenditure derived from a budget prepared by the Board of Trustees prior to January 1<sup>st</sup>, 2015. As required by law, the school finances and accounting practices have been reviewed by an independent auditor from Cotton Kelly, approved by the Office of the Auditor-General.

Statements of:

- Responsibility
- Comprehensive Income
- Changes in Equity
- Financial Position, and
- Auditor's report

These, along with an "Analysis of Variance", "National Standards Report", the "Kiwisport Report" and an 'Annual Report' may be found in the document "Russell Street School, Annual Reports as at 31 December 2015, held in the school office or on our school website: [www.russellst.school.nz](http://www.russellst.school.nz)

**Auditor's report**

The financial statements prepared

- Comply with accepted accounting practices
- Fairly reflect the school's financial position
- Fairly reflect the results of the school's operation for the year ended 31 December 2015.

Recommendations from the annual audit are included here too.

**Summary for 2015**

**1. Income**

- a. Income up on budget largely due to higher than budgeted (roll-based) staffing (as provided by Ministry of Ed) and also other MOE grants (e.g. Innovation Fund)
- b. Investment income higher than budgeted (we put off the repaint of school which meant more money invested)
- c. Local funds much lower than previous year (2014 was a camp year)

<b>Income from Locally Raised Funds</b>		
<i>Year</i>	<i>% locally raised funds</i>	<i>median for NZ decile and type</i>
2010	7.8	7.5
2011	5.1	7.0
2012	6.4	7.0
2013	5.1	this information no longer available
2014	7.2	
2015	5.6	

## **2. Expenses**

- a. Actual expenses slightly lower than 2014 mostly due to 25k lower (notional) cost of 'renting' buildings.
- b. Administration costs slightly higher –mostly salaries.
- c. Depreciation –in same vicinity as recent years and in keeping with budget.
- d. Expenditure on learning resources almost exactly the same as previous year
- e. Expenditure on Property lower but (see bullet a).

<b>Expenditure on Property</b>			
<i>Year</i>	<i>Expenditure</i>	<i>% income spent on property</i>	<i>NZ Median for decile/type</i>
2010	446,889	20.7	19.9
2011	460850	21.2	20.9
2012	559542	23.5	21.9
2013	555225	23.2	
2014	547967	22.2	
2015	521957	21.4	

<b>Expenditure on Depreciation</b>			
<i>Year</i>	<i>Expenditure</i>	<i>% Income spent on Depreciation</i>	<i>NZ Median for decile/type</i>
2010	71294	3.3	2.8
2011	70739	3.3	2,7
2012	74646	3.1	2.7
2013	64598	2.7	
2014	72913	2.9	
2015	74416	3.0	

<b>Expenditure on Learning Resources</b>			
<i>Year</i>	<i>Expenditure</i>	<i>% Income spent on Learning resources</i>	<i>NZ Median for decile/type</i>
2010	1512467	69.6	66.4
2011	1488029	67.9	66.5
2012	1594427	66.1	65.6
2013	1605764	67.2	
2014	1709358	68.7	
2015	1696302	69.6	

<b>Expenditure on Administration</b>			
<i>Year</i>	<i>Expenditure</i>	<i>% Income spent on Administration</i>	<i>NZ Median for decile/type</i>
2010	110,190	5.1	6.2
2011	111569	5.1	5.9
2012	105307	4.4	6.2
2013	110866	4.6	
2014	109532	4.4	
2015	113516	4.6	

### 3. Overall picture:

- a. At December 31, 2015 we were in a good financial position. (Well placed to meet our current and non-current liabilities). 'Working capital' remains strong, as our paint job is down as a non-current liability. When this is removed it is similar to previous years.
- b. Moderate surplus (we budgeted for a slight surplus)
- c. Equity (what we are worth) has lifted in keeping with the surplus.
- d. Current Ratio (Current assets divided by current liabilities) has increased. Repaint figures (in non-current liabilities impacts on this)

<b>Working Capital and Operating Position</b>					
<i>Year</i>	<i>Working capital (\$)</i>	<i>Working capital</i>	<i>Operating surplus/deficit (\$)</i>	<i>Current ratio</i>	
2010	142602	6.6	-22576	1.98	
2011	168786	7.7	11551	2.43	
2012	221073	9.1	33431	2.87	
2013	176633	7.4	-11640	1.89	
2014	120823	4.7	77434	1.48	
2015	231965	9.3	45367	2.70	
<b>Predicted (July) Roll Compared to Actual Roll</b>					
	<i>Predicted</i>	<i>Actual</i>	<i>Difference</i>		
2010	300	274	-26		
2011	297	288	-9		
2012	308	295	-13		
2013	324	312	-12		
2014	350	346	-4		
2015	333	326	-7		

The Board of Trustees has managed to achieve goals while maintaining the overall equity as well as a reasonable level of working capital, both having gone up (in the case of the latter, primarily because of a change in accounting provision for the repaint of the school) This increase in 'working capital' is temporary and is the most remarkable or noticeable feature in our audited financial statements. Everything else is fairly consistent. There continues to be a heavy reliance on locally raised funds (trusts etc) to achieve our positive position.

Locally raised funds provide support we consider essential, including costs for camp. Our school continues to employ a much higher level of Teacher Aideing (relative to size and decile), funded from school donations, which is focused on learning support.

The school has benefited from sound financial management, enabling core costs including maintenance and upgrading of assets to continue to be pursued as planned. Supporting learners, especially priority groups; providing professional learning for staff; and ensuring learning spaces are conducive to learning have been strategic goals that have continued to be at the core of decision making.

This audit was an 'unqualified' report, containing no significant matters that the Board needs to consider. There are however recommendations to consider. We have begun this work.

An electronic copy of our annual reports has been uploaded to the Ministry of Education portal. These are disseminated to the local Ministry office, local MPS and the region's Maori MP.

**David Reardon**  
**PRINCIPAL**