

Kaitaia Primary School

Financial Statements for the year ended 31 December 2017

School Address:	5 Church Road, Kaitaia
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Kaitaia Primary School

Financial Statements

For the year ended 31 December 2017

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Kaitaia Primary 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.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

Kaitaia Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	3,066,065	2,917,713	2,992,569
Locally Raised Funds	3	179,679	65,100	146,316
Interest Earned		9,664	10,000	9,974
Gain on Sale of Property, Plant and Equipment		11,176	-	-
		<hr/>	<hr/>	<hr/>
		3,266,584	2,992,813	3,148,859
Expenses				
Locally Raised Funds	3	88,004	30,500	79,243
Learning Resources	4	2,233,909	2,121,513	2,148,325
Administration	5	160,124	177,750	188,017
Finance Costs		2,960	-	2,269
Property	6	639,070	589,250	705,501
Depreciation	7	77,359	71,000	68,696
Loss on Disposal of Property, Plant and Equipment		3,644	-	1,600
		<hr/>	<hr/>	<hr/>
		3,205,070	2,990,013	3,193,651
Net Surplus				
		61,514	2,800	(44,792)
Other Comprehensive Revenue and Expenses		-	-	-
		<hr/>	<hr/>	<hr/>
Total Comprehensive Revenue and Expense for the Year		61,514	2,800	(44,792)

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

Kaitaia Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Balance at 1 January	906,743	906,743	946,784
Total comprehensive revenue and expense for the year	61,514	2,800	(44,792)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	14,559	-	4,751
Equity at 31 December	982,816	909,543	906,743
Retained Earnings	982,816	909,543	906,743
Equity at 31 December	982,816	909,543	906,743

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

Kaitaia Primary 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	246,649	22,614	204,942
Accounts Receivable	9	120,111	82,100	83,457
GST Receivable		-	700	635
Prepayments		2,558	1,200	1,161
Inventories	10	3,253	2,450	2,425
Investments	11	250,000	150,000	150,000
		<u>622,571</u>	<u>259,064</u>	<u>442,620</u>
Current Liabilities				
GST Payable		17,043	-	-
Accounts Payable	13	186,500	141,250	150,466
Revenue Received in Advance	14	2,512	-	1,212
Provision for Cyclical Maintenance	15	26,205	42,900	125,467
Painting Contract Liability - Current Portion	16	23,781	-	839
Finance Lease Liability - Current Portion	17	21,263	12,700	11,331
Funds Held for Capital Works Projects	18	172,588	-	48,376
		<u>449,892</u>	<u>196,850</u>	<u>337,691</u>
Working Capital Surplus/(Deficit)		172,679	62,214	104,929
Non-current Assets				
Property, Plant and Equipment	12	935,089	874,429	874,429
		<u>935,089</u>	<u>874,429</u>	<u>874,429</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	43,414	20,300	53,127
Painting Contract Liability	16	65,662	-	-
Finance Lease Liability	17	15,876	6,800	19,488
		<u>124,952</u>	<u>27,100</u>	<u>72,615</u>
Net Assets		<u>982,816</u>	<u>909,543</u>	<u>906,743</u>
Equity		<u>982,816</u>	<u>909,543</u>	<u>906,743</u>

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

Kaitaia Primary School

Statement of Cash Flows

For the year ended 31 December 2017

	2017	2017	2016
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	976,727	905,713	979,381
Locally Raised Funds	180,218	65,100	146,689
Goods and Services Tax (net)	17,678	9,100	9,126
Payments to Employees	(636,574)	(571,650)	(636,679)
Payments to Suppliers	(511,849)	(298,974)	(431,564)
Interest Paid	(2,960)	-	(2,269)
Interest Received	10,436	8,900	8,879
Net cash from / (to) the Operating Activities	33,676	118,189	73,563
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	7,532	-	-
Purchase of PPE (and Intangibles)	(133,455)	(22,272)	(28,873)
Purchase of Investments	(100,000)	(150,000)	(150,000)
Net cash from / (to) the Investing Activities	(225,923)	(172,272)	(178,873)
Cash flows from Financing Activities			
Furniture and Equipment Grant	14,559	-	4,751
Finance Lease Payments	6,579	4,500	(5,709)
Painting contract payments	88,604	(1,230)	(832)
Funds Administered on Behalf of Third Parties	-	-	48,376
Funds Held for Capital Works Projects	124,212	-	-
Net cash from / (to) Financing Activities	233,954	3,270	46,586
Net increase/(decrease) in cash and cash equivalents	41,707	(50,813)	(58,724)
Cash and cash equivalents at the beginning of the year	8 204,942	73,427	263,666
Cash and cash equivalents at the end of the year	8 246,649	22,614	204,942

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been omitted.

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

Kaitaia Primary School

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of Accounting Policies

Reporting Entity

Kaitaia Primary 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.

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.

Kaitaia Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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 17.

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.

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.

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.

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.

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.

Kaitaia Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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.

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.

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.

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 schedule 6 section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Kaitaia Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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 – Crown	10-40 years
Furniture and equipment	3-20 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	Over the term of the lease
Library resources	12.5% Diminishing value

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.

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.

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.

Kaitaia Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

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.

Revenue Received in Advance

Revenue received in advance relates to fees received from fundraising 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 the fundraising, should the School be unable to provide the services to which they relate.

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).

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, 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.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Kaitaia Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

2 Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	791,174	785,713	788,165
Teachers' salaries grants	1,654,334	1,610,000	1,609,180
Use of Land and Buildings grants	418,152	402,000	401,148
Resource teachers learning and behaviour grants	12,360	-	16,630
Other MoE Grants	163,111	120,000	153,990
Other government grants	26,934	-	23,456
	<u>3,066,065</u>	<u>2,917,713</u>	<u>2,992,569</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	57,797	20,000	24,361
Fundraising	53,812	16,000	53,472
Other revenue	33,803	29,100	37,188
Trading	2,105	-	2,330
Activities	27,642	-	26,033
Curriculum Recoveries	4,520	-	2,932
	<u>179,679</u>	<u>65,100</u>	<u>146,316</u>
Expenses			
Activities	66,212	11,500	54,229
Trading	5,076	3,000	5,127
Fundraising (costs of raising funds)	16,716	16,000	19,887
	<u>88,004</u>	<u>30,500</u>	<u>79,243</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>91,675</u>	<u>34,600</u>	<u>67,073</u>

4 Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	86,533	82,550	60,052
Equipment repairs	7,843	15,500	9,036
Information and communication technology	27,216	26,000	25,978
Library resources	999	1,500	943
Employee benefits - salaries	2,082,415	1,971,000	2,030,889
Resource/attached teacher costs	14,750	14,963	14,963
Staff development	14,153	10,000	6,464
	<u>2,233,909</u>	<u>2,121,513</u>	<u>2,148,325</u>

Kaitaia Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

5 Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	4,865	5,250	4,920
Board of Trustees Fees	2,715	3,500	3,500
Board of Trustees Expenses	3,018	2,500	2,082
Communication	2,404	3,000	3,503
Consumables	9,413	9,500	9,613
Postage	239	300	856
Other	14,060	11,500	12,893
Employee Benefits - Salaries	112,841	131,750	140,001
Insurance	4,413	4,450	4,385
Service Providers, Contractors and Consultancy	6,156	6,000	6,264
	<u>160,124</u>	<u>177,750</u>	<u>188,017</u>

6 Property

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Caretaking and Cleaning Consumables	9,553	9,500	11,117
Consultancy and Contract Services	11,315	-	-
Cyclical Maintenance Provision	23,807	37,500	39,115
Grounds	2,711	3,900	3,557
Heat, Light and Water	34,793	31,000	31,574
Rates	8,771	8,500	7,526
Repairs and Maintenance	29,939	14,350	122,806
Use of Land and Buildings	418,152	402,000	401,148
Security	2,586	2,500	3,127
Employee Benefits - Salaries	97,443	80,000	85,531
	<u>639,070</u>	<u>589,250</u>	<u>705,501</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7 Depreciation of Property, Plant and Equipment

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Building Improvements - Crown	19,126	19,100	19,119
Furniture and Equipment	34,079	29,100	29,470
Information and Communication Technology	10,294	8,500	8,927
Leased Assets	10,535	11,200	7,630
Library Resources	3,325	3,100	3,550
	<u>77,359</u>	<u>71,000</u>	<u>68,696</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

8 Cash and Cash Equivalents

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Bank Current Account	246,649	22,614	204,942
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>246,649</u>	<u>22,614</u>	<u>204,942</u>

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

Of the \$246,649 Cash and Cash Equivalents, \$176,588 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.

9 Accounts Receivable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Receivables	2,195	-	1,434
Interest Receivable	323	1,100	1,095
Teacher Salaries Grant Receivable	117,593	81,000	80,928
	<u>120,111</u>	<u>82,100</u>	<u>83,457</u>
Receivables from Exchange Transactions	2,518	1,100	2,529
Receivables from Non-Exchange Transactions	117,593	81,000	80,928
	<u>120,111</u>	<u>82,100</u>	<u>83,457</u>

10 Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	1,699	800	776
School Uniforms	1,554	1,650	1,649
	<u>3,253</u>	<u>2,450</u>	<u>2,425</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	250,000	150,000	150,000
	<u>250,000</u>	<u>150,000</u>	<u>150,000</u>

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2017.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building improvements	531,978	-	-	-	(19,126)	512,852
Furniture and equipment	230,361	107,229	-	-	(34,079)	303,511
Information and communication technology	58,683	10,495	-	-	(10,294)	58,884
Leased assets	28,557	31,625	(13,079)	-	(10,535)	36,568
Library resources	24,850	3,490	(1,741)	-	(3,325)	23,274
Balance at 31 December 2017	874,429	152,839	(14,820)	-	(77,359)	935,089

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building improvements	790,654	(277,802)	512,852
Furniture and equipment	1,051,894	(748,383)	303,511
Information and communication technology	176,124	(117,240)	58,884
Leased assets	49,320	(12,752)	36,568
Library resources	65,984	(42,710)	23,274
Balance at 31 December 2017	2,133,976	(1,198,887)	935,089

The net carrying value of equipment held under a finance lease is \$31,179 (2016: \$28,557).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Building improvements	549,815	1,282	-	-	(19,119)	531,978
Furniture and equipment	246,006	13,825	-	-	(29,470)	230,361
Information and communication technology	62,414	5,196	-	-	(8,927)	58,683
Leased assets	18,492	17,695	-	-	(7,630)	28,557
Library resources	21,430	8,571	(1,601)	-	(3,550)	24,850
Balance at 31 December 2016	898,157	46,569	(1,601)	-	(68,696)	874,429

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Building improvements	790,654	(258,676)	531,978
Furniture and equipment	944,666	(714,305)	230,361
Information and communication technology	165,629	(106,946)	58,683
Leased assets	44,756	(16,199)	28,557
Library resources	67,201	(42,351)	24,850
Balance at 31 December 2016	2,012,906	(1,138,477)	874,429

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

13 Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	44,976	38,000	37,931
Accruals	4,865	4,950	4,920
Banking staffing overuse	-	-	9,412
Employee Entitlements - salaries	119,853	81,000	80,928
Employee Entitlements - leave accrual	16,806	17,300	17,275
	<u>186,500</u>	<u>141,250</u>	<u>150,466</u>
Payables for Exchange Transactions	186,500	141,250	150,466
	<u>186,500</u>	<u>141,250</u>	<u>150,466</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Other	2,512	-	1,212
	<u>2,512</u>	<u>-</u>	<u>1,212</u>

15 Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	178,594	178,594	155,609
Increase to the Provision During the Year	23,807	37,500	39,115
Use of the Provision During the Year	(132,782)	(152,894)	(16,130)
Provision at the End of the Year	<u>69,619</u>	<u>63,200</u>	<u>178,594</u>
Cyclical Maintenance - Current	26,205	42,900	125,467
Cyclical Maintenance - Term	43,414	20,300	53,127
	<u>69,619</u>	<u>63,200</u>	<u>178,594</u>

16 Painting Contract Liability

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Liability	23,781	-	839
Non Current Liability	65,662	-	-
	<u>89,443</u>	<u>-</u>	<u>839</u>

In 2017 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for the painting and maintenance of the Ministry owned buildings in 2017, with regular maintenance in subsequent years. The agreement has an annual commitment of \$23,781. 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for a photocopier and TELA laptops.

Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	23,802	(12,700)	13,689
Later than One Year and no Later than Five Years	16,737	(6,800)	21,010
	<u>40,540</u>	<u>(19,500)</u>	<u>34,699</u>

18 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 \$
Pool Roof	<i>completed</i>	48,376	2,330	50,706	-	-
Electrical Project	<i>in progress</i>	-	6,082	1,000	-	5,082
Fire Alarm/Junior Refurbishment	<i>in progress</i>	-	200,000	32,494	-	167,506
Totals		<u>48,376</u>	<u>208,412</u>	<u>84,200</u>	<u>-</u>	<u>172,588</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

172,588

172,588

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Fencing Project	<i>completed</i>	-	96,310	96,310	-	-
Pool Roof	<i>in progress</i>	-	55,371	6,995	-	48,376
Totals		<u>-</u>	<u>151,681</u>	<u>103,305</u>	<u>-</u>	<u>48,376</u>

19 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

20 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	2,715	3,500
Full-time equivalent members	0.12	0.12
<i>Leadership Team</i>		
Remuneration	333,142	585,079
Full-time equivalent members	3.00	7.00
Total key management personnel remuneration	335,857	588,579
Total full-time equivalent personnel	3.12	7.12

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:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	1 - 10
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	1	-
	1	0

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

21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

22 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017.

(Contingent liabilities and assets as at 31 December 2016: nil)

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

23 Commitments

(a) Capital Commitments

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

(a) \$540,170 contract for a school wide fire alarm and junior school refurbishment project which will be partly funded by the Ministry of Education. \$200,000 has been received of which \$28,494 has been spent on the project to date. The board is committed to contribute \$32,150 towards the project.

(b) The school signed a Programmed Maintenance Services contract in 2016. The school has an annual commitment of \$23,781 for the next 6 years on this contract.

Capital commitments as at 31 December 2016:

(a) \$31,474 contract to paint the interior of school buildings. \$15,737 has been invoiced and the balance is due in January 2017.

(b) \$11,831 contract to upgrade the school server. This is due in January 2017, and

(c) \$61,523 contract to construct a swimming pool roof as agent for the Ministry of Education. The project is fully funded by the Ministry and \$55,371 has been received of which \$6,995 has been spent on the project to balance date.

(d) The school signed a new Programmed Maintenance Services contract in 2016. The total contract value is \$166,464 and runs for 7 years with an annual commitment of \$23,781.

(b) Operating Commitments

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

- operating lease for TELA laptops.

	2017 Actual \$	2016 Actual \$
No later than One Year	551	4,439
Later than One Year and No Later than Five Years	-	551
	551	4,990

24 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.

25 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Loans and Receivables			
Cash and Cash Equivalents	246,649	22,614	204,942
Receivables	120,111	82,100	83,457
Investments - Term Deposits	250,000	150,000	150,000
Total Loans and Receivables	616,760	254,714	438,399
Financial liabilities measured at amortised cost			
Payables	186,500	141,250	150,466
Finance Leases	37,139	19,500	30,819
Painting Contract Liability	89,443	-	839
Total Financial Liabilities Measured at Amortised Cost	313,082	160,750	182,124

26 Events After Balance Date

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