

WAITAKERE COLLEGE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	42 Rathgar Road, Henderson, Auckland
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Ministry Number:	44

WAITAKERE COLLEGE

Financial Statements - For the year ended 31 December 2017

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Waitakere College

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:

Waitakere College

Members of the Board of Trustees

Name	Position	How position on Board gained	Occupation	Term Expires
Elle-Lee Amai	Parent Rep	Co-opted	Warehouse	Apr-19
Eric Bechet	Chairperson	Elected	Software QA Manager	Apr-19
Jane Coup	Staff Rep	Elected	Teacher	Apr-19
Mikhaela Cruz	Student Rep	Elected	Student	Dec-18
Cindy Delaney	Parent Rep	Elected	Parent	Apr-19
Sandra Hickey	Parent Rep	Elected	Home Executive	Apr-19
Silvia Safia-Meaola	Parent Rep	Elected	Caregiver	Apr-19
Mark Shanahan	Principal	Appointed	School Principal	Current
Joan Thomas	Parent Rep	Elected	Financial Educ. Co-ordinator	Apr-19
Harvey White	Staff Rep	Elected	Teacher	Dec-17

Waitakere College

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	14,505,030	12,891,189	14,081,034
Locally Raised Funds	3	1,172,884	1,087,984	1,042,618
Interest Earned		79,611	70,000	66,566
International Students	4	164,326	131,349	165,813
		<hr/>	<hr/>	<hr/>
		15,921,851	14,180,522	15,356,031
Expenses				
Locally Raised Funds	3	494,726	428,095	473,836
International Students	4	121,881	128,700	148,243
Learning Resources	5	10,308,432	10,048,208	10,298,910
Administration	6	735,863	902,603	732,839
Finance		21,670	7,000	28,091
Property	7	3,577,796	2,700,810	3,109,423
Depreciation	8	371,001	224,999	571,034
Loss on Disposal of Property, Plant and Equipment		4,809	-	12,799
		<hr/>	<hr/>	<hr/>
		15,636,178	14,440,415	15,375,175
Net Surplus / (Deficit) for the year		285,673	(259,893)	(19,144)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		285,673	(259,893)	(19,144)

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

Waitakere College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	<u>2,950,540</u>	<u>2,950,537</u>	<u>2,887,515</u>
Total comprehensive revenue and expense for the year	285,673	(259,893)	(19,144)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	47,250	-	82,169
Equity at 31 December	<u>3,283,460</u>	<u>2,690,644</u>	<u>2,950,540</u>
Retained Earnings	3,283,460	2,690,644	2,950,540
Reserves	-	-	-
Equity at 31 December	<u>3,283,460</u>	<u>2,690,644</u>	<u>2,950,540</u>

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

Waitakere College

Statement of Financial Position

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	943,055	1,775,030	1,884,144
Accounts Receivable	10	618,433	781,909	781,909
GST Receivable		1,849	-	-
Prepayments		5,679	21,768	21,768
Inventories	11	43,393	48,361	48,361
Investments	12	2,100,000	1,000,000	1,000,000
		<u>3,712,409</u>	<u>3,627,068</u>	<u>3,736,182</u>
Current Liabilities				
GST Payable		-	15,356	15,356
Accounts Payable	14	805,562	1,141,692	1,141,690
Revenue Received in Advance	15	326,040	241,076	241,076
Provision for Cyclical Maintenance	16	28,730	28,493	28,493
Painting Contract Liability - Current Portion	17	71,820	98,249	98,249
Finance Lease Liability - Current Portion	18	196,644	132,890	132,890
Funds held in Trust	19	83,229	61,159	61,159
Funds held for Capital Works Projects	20	312,329	431,549	431,549
		<u>1,824,354</u>	<u>2,150,464</u>	<u>2,150,462</u>
Working Capital Surplus/(Deficit)		1,888,055	1,476,604	1,585,720
Non-current Assets				
Property, Plant and Equipment	13	2,022,338	1,601,059	1,751,839
		<u>2,022,338</u>	<u>1,601,059</u>	<u>1,751,839</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	394,689	302,455	302,455
Painting Contract Liability	17	-	45,244	45,244
Finance Lease Liability	18	232,244	39,320	39,320
		<u>626,933</u>	<u>387,019</u>	<u>387,019</u>
Net Assets		<u>3,283,460</u>	<u>2,690,644</u>	<u>2,950,540</u>
Equity		<u>3,283,460</u>	<u>2,690,644</u>	<u>2,950,540</u>

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

Waitakere College

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	4,205,825	4,506,640	4,253,199
Locally Raised Funds	1,276,223	1,087,984	1,067,143
International Students	218,648	131,349	133,721
Goods and Services Tax (net)	(17,205)	15,356	79,532
Payments to Employees	(735,341)	(913,948)	(867,274)
Payments to Suppliers	(4,241,328)	(4,039,535)	(3,657,783)
Cyclical Maintenance Payments in the year	(45,245)	(51,071)	-
Interest Paid	(21,670)	(7,000)	(28,091)
Interest Received	63,113	70,000	62,177
Net cash from / (to) the Operating Activities	703,022	799,775	1,042,624
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	191	(20,241)	-
Purchase of PPE (and Intangibles)	(143,474)	(116,109)	(150,729)
Purchase of Investments	(1,100,000)	(1,000,000)	(1,000,000)
Net cash from / (to) the Investing Activities	(1,243,283)	(1,136,350)	(1,150,729)
Cash flows from Financing Activities			
Furniture and Equipment Grant	47,250	-	82,170
Finance Lease Payments	(279,257)	(89,707)	(245,668)
Painting contract payments	(71,673)	(67,104)	(105,450)
Funds Administered on Behalf of Third Parties	22,070	(14,060)	437,344
Funds Held for Capital Works Projects	(119,220)	419,633	-
Net cash from Financing Activities	(400,830)	248,762	168,396
Net increase/(decrease) in cash and cash equivalents	(941,089)	(87,813)	60,291
Cash and cash equivalents at the beginning of the year	9 1,884,144	1,862,843	1,823,853
Cash and cash equivalents at the end of the year	9 943,055	1,775,030	1,884,144

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.

Waitakere College

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

a) Reporting Entity

Waitakere College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

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 18.

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	40 years
Furniture and equipment	10 years
Information and communication technology	4 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3-5 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 international students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) 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).

s) 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.

t) 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.

u) Budget Figures

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

v) Services received in-kind

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

2. Government Grants

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	2,934,677	2,974,530	2,893,924
Teachers' salaries grants	7,472,910	6,641,823	7,443,749
Use of Land and Buildings grants	2,826,295	2,002,619	2,384,086
Resource teachers learning and behaviour grants	520,834	502,841	496,572
Other MoE Grants	409,364	368,701	419,588
Other government grants	340,950	400,675	443,115
	<u>14,505,030</u>	<u>12,891,189</u>	<u>14,081,034</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	221,333	116,435	113,559
Fundraising	163,609	416,803	178,032
Trading	197,868	195,350	192,348
Activities	205,160	186,100	202,398
Curriculum Recoveries	384,914	173,296	356,281
	<u>1,172,884</u>	<u>1,087,984</u>	<u>1,042,618</u>
Expenses			
Activities	352,719	288,095	326,015
Trading	142,007	140,000	147,821
	<u>494,726</u>	<u>428,095</u>	<u>473,836</u>
<i>Surplus for the year Locally raised funds</i>	<u>678,158</u>	<u>659,889</u>	<u>568,782</u>

4. International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	12	10	13
	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue			
International student fees	164,326	131,349	165,813
Expenses			
Advertising	3,512	3,500	5,106
Commissions	8,735	8,000	10,795
Recruitment	8,387	13,000	-
International student levy	5,290	3,130	5,180
Employee Benefit - Salaries	85,500	90,000	95,911
Other Expenses	10,457	11,070	31,251
	<u>121,881</u>	<u>128,700</u>	<u>148,243</u>
<i>Surplus for the year International Students'</i>	<u>42,445</u>	<u>2,649</u>	<u>17,570</u>

5. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	2,463,952	2,739,252	2,440,691
Information and communication technology	125,109	123,670	112,002
Library resources	8,353	10,000	10,112
Employee benefits - salaries	7,575,943	7,104,958	7,670,828
Staff development	135,075	70,328	65,277
	<u>10,308,432</u>	<u>10,048,208</u>	<u>10,298,910</u>

6. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	9,126	9,000	9,126
Board of Trustees Fees	5,031	6,000	5,984
Board of Trustees Expenses	10,836	5,700	12,612
Communication	44,101	63,300	101,162
Consumables	(18,930)	29,000	26,417
Operating Lease	78,023	255,084	678
Other	119,118	112,070	115,192
Employee Benefits - Salaries	448,611	382,439	422,023
Insurance	14,773	15,550	15,185
Service Providers, Contractors and Consultancy	25,174	24,460	24,460
	<u>735,863</u>	<u>902,603</u>	<u>732,839</u>

7. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	261,179	260,750	265,694
Cyclical Maintenance Expense	137,716	129,591	116,866
Grounds	54,639	56,050	68,880
Rates	70,398	25,300	50,539
Repairs and Maintenance	98,566	101,500	116,708
Use of Land and Buildings	2,826,295	2,002,619	2,384,086
Security	25,584	25,000	22,321
Employee Benefits - Salaries	103,419	100,000	84,329
	<u>3,577,796</u>	<u>2,700,810</u>	<u>3,109,423</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)	\$
Building Improvements	23,557	14,651	23,209
Furniture and Equipment	94,706	58,966	114,763
Information and Communication Technology	49,564	31,288	68,636
Motor Vehicles	32,064	20,241	41,197
Leased Assets	161,538	99,853	314,156
Library Resources	9,572	-	9,073
	<u>371,001</u>	<u>224,999</u>	<u>571,034</u>

9. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	-	150	150
Bank Current Account	142,812	38,879	397,993
Bank Call Account	400,243	936,001	686,001
Short-term Bank Deposits	400,000	800,000	800,000
Cash equivalents and bank overdraft for Cash Flow Statement	<u>943,055</u>	<u>1,775,030</u>	<u>1,884,144</u>

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

Of the \$943,055 Cash and Cash Equivalents, \$314,175 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.

10. Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	91,290	163,987	163,987
Interest Receivable	24,708	8,210	8,210
Teacher Salaries Grant Receivable	502,436	609,712	609,712
	<u>618,433</u>	<u>781,909</u>	<u>781,909</u>
Receivables from Exchange Transactions	115,997	172,197	172,197
Receivables from Non-Exchange Transactions	502,436	609,712	609,712
	<u>618,433</u>	<u>781,909</u>	<u>781,909</u>

11. Inventories

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Stationery	16,664	18,084	18,084
School Uniforms	26,729	30,277	30,277
	<u>43,393</u>	<u>48,361</u>	<u>48,361</u>

12. Investments

The School's investment activities are classified as follows:

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	2,100,000	1,000,000	1,000,000
Non-current Asset			
Long-term Bank Deposits	-	-	-

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	764,509	27,839	-	-	(23,557)	768,791
Furniture and Equipment	679,545	75,288	-	-	(94,706)	660,127
Information and Communication Technology	78,838	22,285	-	-	(49,564)	51,559
Motor Vehicles	69,649	-	-	-	(32,064)	37,585
Leased Assets	95,787	499,739	-	3,287	(161,538)	437,275
Library Resources	63,511	17,871	(4,809)	-	(9,572)	67,001
Balance at 31 December 2017	<u>1,751,839</u>	<u>643,022</u>	<u>(4,809)</u>	<u>3,287</u>	<u>(371,001)</u>	<u>2,022,338</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	956,194	(187,403)	768,791
Furniture and Equipment	1,407,313	(747,186)	660,127
Information and Communication Technology	576,792	(525,233)	51,559
Motor Vehicles	224,009	(186,424)	37,585
Leased Assets	766,719	(329,444)	437,275
Library Resources	143,622	(76,621)	67,001
Balance at 31 December 2017	<u>4,074,649</u>	<u>(2,052,311)</u>	<u>2,022,338</u>

2016	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Building Improvements	513,678	274,039	-	-	(23,209)	764,509
Furniture and Equipment	746,144	59,664	(11,500)	-	(114,763)	679,545
Information and Communication Technology	121,231	26,243	-	-	(68,636)	78,838
Motor Vehicles	64,826	46,019	-	-	(41,197)	69,649
Leased Assets	74,568	335,375	-	-	(314,156)	95,787
Library Resources	51,797	22,086	(1,299)	-	(9,073)	63,511
Balance at 31 December 2016	1,572,244	763,426	(12,799)	-	(571,034)	1,751,839

2016	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Building Improvements	928,355	(163,846)	764,509
Furniture and Equipment	1,332,025	(652,480)	679,545
Information and Communication Technology	554,507	(475,669)	78,838
Motor Vehicles	224,009	(154,360)	69,649
Leased Assets	789,298	(693,511)	95,787
Library Resources	136,053	(72,542)	63,511
Balance at 31 December 2016	3,964,247	(2,212,408)	1,751,839

14. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	247,394	448,525	448,523
Accruals	6,042	6,084	6,084
Banking staffing overuse	20,396	-	-
Employee Entitlements - salaries	502,436	635,564	635,564
Employee Entitlements - leave accrual	29,294	51,519	51,519
	805,562	1,141,692	1,141,690
Payables for Exchange Transactions	805,562	1,141,692	1,141,690
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	805,562	1,141,692	1,141,690

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	117,061	62,739	62,739
Other	208,979	178,337	178,337
	<u>326,040</u>	<u>241,076</u>	<u>241,076</u>

16. Provision for Cyclical Maintenance			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	330,948	330,948	252,428
Increase to the Provision During the Year	137,716	129,591	116,866
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	(45,245)	(129,591)	(38,346)
Provision at the End of the Year	<u>423,419</u>	<u>330,948</u>	<u>330,948</u>
Cyclical Maintenance - Current	28,730	28,493	28,493
Cyclical Maintenance - Term	394,689	302,455	302,455
	<u>423,419</u>	<u>330,948</u>	<u>330,948</u>

17. Painting Contract Liability			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	71,820	98,249	98,249
Non Current Liability	-	45,244	45,244
	<u>71,820</u>	<u>143,493</u>	<u>143,493</u>

In 2014 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering an five year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of \$98,249. 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.

18. Finance Lease Liability			
	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	196,644	132,890	132,890
Later than One Year and no Later than Five Years	232,244	39,320	39,320
Later than Five Years	-	-	-
	<u>428,888</u>	<u>172,210</u>	<u>172,210</u>

19. Funds held in Trust

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	83,229	61,159	61,159
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>83,229</u>	<u>61,159</u>	<u>61,159</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

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
		\$	\$	\$		\$
Block B Re-Roofing	<i>in progress</i>	190,064	904	190,968	-	-
CCTV	<i>in progress</i>	8,344	2,500	10,844	-	-
Gym Re-Roofing	<i>in progress</i>	170,132	-	156,829	13,303	-
Phone System	<i>in progress</i>	12,501	1,501	14,002	-	-
T8 Engineering Window	<i>in progress</i>	50,508	53,037	103,545	-	-
Block B Reroof, Toilets & Kitchen	<i>in progress</i>	-	24,000	3,125	-	20,875
Block C Drainage	<i>in progress</i>	-	54,000	26,720	-	27,280
Block A Reroofing	<i>in progress</i>	-	272,000	5,980	-	266,020
Special Needs Modification	<i>in progress</i>	-	-	1,846	-	(1,846)
Totals		<u>431,549</u>	<u>407,942</u>	<u>513,859</u>	<u>13,303</u>	<u>312,329</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	314,175
Funds Due from the Ministry of Education	1,846
	<u>312,329</u>

	2016	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Block B Exterior Cladding	<i>completed</i>	(7,200)	8,000	800	-	-
T3 Conversion	<i>completed</i>	19,116	24,599	43,715	-	-
Wharenui	<i>completed</i>	(17,710)	17,710	-	-	-
Block B Re-Roofing	<i>in progress</i>	-	310,684	120,620	-	190,064
CCTV	<i>in progress</i>	-	22,500	14,156	-	8,344
Gym Re-Roofing	<i>in progress</i>	-	173,732	3,600	-	170,132
Phone System	<i>in progress</i>	-	13,501	1,000	-	12,501
T8 Automotive	<i>completed</i>	-	91,466	91,466	-	-
T8 Engineering Window	<i>in progress</i>	-	81,000	30,492	-	50,508
Drainage	<i>completed</i>	-	14,593	14,593	-	-
School House	<i>completed</i>	-	12,827	12,827	-	-
Totals		<u>(5,794)</u>	<u>770,612</u>	<u>333,269</u>	<u>-</u>	<u>431,549</u>

21. 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.

22. 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	5,031	5,984
Full-time equivalent members	0.41	0.83
<i>Leadership Team</i>		
Remuneration	939,012	817,674
Full-time equivalent members	8	8
Total key management personnel remuneration	944,043	823,658
Total full-time equivalent personnel	8.41	9.22

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	4 - 5	4 - 5
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	4.00	3.00
110 - 120	1.00	0.00
130 - 140	0.00	1.00
150 - 160	1.00	0.00
	6.00	4.00

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

23. 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	-	\$6,000
Number of People	-	1

24. Contingencies

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

25. Commitments

(a) Capital Commitments

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

(a) \$240,000 contract for Block F Reroof, Toilets & Kitchen as agent for the Ministry of Education. The project is fully funded by the Ministry and \$24,000 has been received to Date. \$3,125 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) \$60,000 contract for Block C Drainage as agent for the Ministry of Education. The project is fully funded by the Ministry and \$54,000 has been received to Date. \$26,720 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$340,000 contract for Block A Reroofing as agent for the Ministry of Education. The project is fully funded by the Ministry and \$272,000 has been received to Date. \$5,980 has been spent on the project to balance date. This project has been approved by the Ministry; and

(Capital commitments at 31 December 2016: Active Roofing \$273,371 & Education Building Solutions \$193,036)

(b) Operating Commitments

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

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

26. 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.

27. 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	943,055	1,775,030	1,884,144
Receivables	618,433	781,909	781,909
Investments - Term Deposits	2,100,000	1,000,000	1,000,000
Total Loans and Receivables	<u>3,661,488</u>	<u>3,556,939</u>	<u>3,666,053</u>

Financial liabilities measured at amortised cost

Payables	805,562	1,141,692	1,141,690
Finance Leases	428,888	172,210	172,210
Painting Contract Liability	71,820	143,493	143,493
Total Financial Liabilities Measured at Amortised Cost	<u>1,306,270</u>	<u>1,457,395</u>	<u>1,457,393</u>

28. Events After Balance Date

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

KiwiSport Note

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2017, the school received total Kiwisport funding of \$28,983 (excluding GST). The funding was spent on extra equipment such as table tennis tables, Hockey kits, Soccer goal kits, and coaching seminars. The number of students' participating in organised sport increased from 41% to 42% of the school roll, being 48% male students' and 37% of female students.