

# **KAITAIA INTERMEDIATE**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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Ministry Number: 1025

# KAITAIA INTERMEDIATE

Financial Statements - For the year ended 31 December 2017

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# Kaitaia Intermediate

## 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.

Kevin Gerald Matthews  
Full Name of Board Chairperson

[Signature]  
Signature of Board Chairperson

31/05/18  
Date:

John Maynard Rutherford  
Full Name of Principal

[Signature]  
Signature of Principal

31/05/18  
Date:

Kaitaia Intermediate

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	2,370,643	2,003,237	2,117,498
Locally Raised Funds	3	98,989	39,249	112,332
Interest Earned		12,454	9,000	11,762
Gain on Sale of Property, Plant and Equipment		-	-	2,138
		<u>2,482,086</u>	<u>2,051,486</u>	<u>2,243,730</u>
<b>Expenses</b>				
Locally Raised Funds	3	70,173	11,700	56,508
Learning Resources	4	1,514,563	1,358,385	1,375,717
Administration	5	129,926	143,694	129,939
Finance Costs		1,442	932	1,406
Property	6	682,563	556,517	553,420
Depreciation	7	69,938	51,407	62,867
Loss on Disposal of Property, Plant and Equipment		6,324	-	-
Loss on Uncollectable Accounts Receivable		45	-	-
Transport		-	2,880	2,880
		<u>2,474,974</u>	<u>2,125,515</u>	<u>2,182,737</u>
<b>Net Surplus / (Deficit)</b>		<b>7,112</b>	<b>(74,029)</b>	<b>60,993</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>7,112</b></u>	<u><b>(74,029)</b></u>	<u><b>60,993</b></u>

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

Kaitaia Intermediate

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

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	<u>578,453</u>	<u>578,453</u>	<u>498,392</u>
Total comprehensive revenue and expense for the year	7,112	(74,029)	60,993
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	16,229
Assistive Technology	-	-	2,839
<b>Equity at 31 December</b>	<u>585,565</u>	<u>504,424</u>	<u>578,453</u>
Retained Earnings	585,565	504,424	578,453
<b>Equity at 31 December</b>	<u>585,565</u>	<u>504,424</u>	<u>578,453</u>

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

**Kaitaia Intermediate**  
**Statement of Financial Position**  
As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	336,186	180,489	189,775
Accounts Receivable	9	92,245	103,210	74,631
GST Receivable		-	14,568	8,095
Prepayments		9,843	5,395	7,371
Inventories	10	1,626	-	2,196
Investments	11	292,082	220,061	180,041
		<u>731,982</u>	<u>523,723</u>	<u>462,109</u>
<b>Current Liabilities</b>				
GST Payable		22,619	-	-
Accounts Payable	13	105,830	133,107	109,200
Provision for Cyclical Maintenance	14	27,589	3,500	14,000
Finance Lease Liability - Current Portion	15	6,416	2,967	6,229
Funds held in Trust		-	-	-
Funds held for Capital Works Projects	16	180,700	-	15,149
Funds held on behalf of R T M Cluster	17	28,966	16,660	24,109
		<u>372,120</u>	<u>156,234</u>	<u>168,687</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>359,862</b>	<b>367,489</b>	<b>293,422</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	287,699	272,012	317,214
		<u>287,699</u>	<u>272,012</u>	<u>317,214</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	45,900	119,251	13,613
Finance Lease Liability	15	16,096	15,826	18,570
		<u>61,996</u>	<u>135,077</u>	<u>32,183</u>
<b>Net Assets</b>		<u><u>585,565</u></u>	<u><u>504,424</u></u>	<u><u>578,453</u></u>
<b>Equity</b>		<u><u>585,565</u></u>	<u><u>504,424</u></u>	<u><u>578,453</u></u>

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

**Kaitaia Intermediate**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		649,440	563,677	592,347
Locally Raised Funds		98,225	36,999	113,862
Goods and Services Tax (net)		30,714	-	6,473
Payments to Employees		(327,727)	(311,440)	(305,069)
Payments to Suppliers		(306,508)	(167,987)	(284,066)
Cyclical Maintenance Payments in the year		(28,043)	-	-
Interest Paid		(1,442)	(932)	(1,406)
Interest Received		12,838	9,000	11,845
<b>Net cash from / (to) the Operating Activities</b>		<b>127,497</b>	<b>129,317</b>	<b>133,986</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	3,180
Purchase of PPE (and Intangibles)		(43,540)	(14,500)	(33,117)
Purchase of Investments		(105,270)	-	(40,020)
<b>Net cash from / (to) the Investing Activities</b>		<b>(148,810)</b>	<b>(14,500)</b>	<b>(69,957)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	16,229
Owners Contributions		-	-	2,839
Finance Lease Payments		(4,893)	(4,080)	(3,686)
Funds Administered on Behalf of Third Parties		5,066	-	7,458
Funds Held for Capital Works Projects		167,551	-	15,106
<b>Net cash from Financing Activities</b>		<b>167,724</b>	<b>(4,080)</b>	<b>37,946</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>146,411</b>	<b>110,737</b>	<b>101,975</b>
Cash and cash equivalents at the beginning of the year	8	189,775	69,752	87,800
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>336,186</b>	<b>180,489</b>	<b>189,775</b>

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.

## Kaitaia Intermediate

### Notes to the Financial Statements

## 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### a) Reporting Entity

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

#### b) Basis of Preparation

##### *Reporting Period*

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

##### *Basis of Preparation*

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

##### *Financial Reporting Standards Applied*

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

##### *PBE Accounting Standards Reduced Disclosure Regime*

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

##### *Measurement Base*

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

##### *Presentation Currency*

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

##### *Specific Accounting Policies*

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

##### *Critical Accounting Estimates And Assumptions*

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

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



#### *Useful lives of property, plant and equipment*

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

#### ***Critical Judgements in applying accounting policies***

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

#### *Classification of leases*

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

#### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **c) Revenue Recognition**

#### ***Government Grants***

The school receives funding from the Ministry of Education. The following are the main types of funding that the School receives;

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

#### ***Other Grants***

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

#### ***Donations, Gifts and Bequests***

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

#### ***Interest Revenue***

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

### **d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

#### **e) Operating Lease Payments**

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

#### **f) Finance Lease Payments**

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

#### **g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

#### **h) Accounts Receivable**

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

#### **i) Inventories**

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

#### **j) Investments**

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

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

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

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

#### **k) Property, Plant and Equipment**

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

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 \$800 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

#### **Leased Assets**

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

#### **Depreciation**

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

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	4-18 years
Information and Communication	4 years
Leased Assets	3-7 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

#### **l) Intangible Assets**

##### *Software costs*

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

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

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

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

#### **m) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

##### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

#### **n) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

#### **o) Employee Entitlements**

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

##### *Long-term employee entitlements*

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

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

#### **p) Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

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

#### **q) Funds Held in Trust**

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

#### **r) Shared Funds**

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

#### **s) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

#### **t) Financial Assets and Liabilities**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**u) Borrowings**

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

**v) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

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

## 2. Government Grants

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	614,846	557,677	555,687
Teachers' salaries grants	1,250,506	1,095,495	1,112,686
Use of Land and Buildings grants	444,639	344,065	406,878
Other MoE Grants	52,052	6,000	34,207
Other government grants	8,600	-	8,040
	<u>2,370,643</u>	<u>2,003,237</u>	<u>2,117,498</u>

## 3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	16,337	17,000	28,894
Fundraising	-	-	878
Other revenue	21,760	17,000	19,700
Trading	2,882	3,500	2,629
Activities	58,010	1,749	60,231
	<u>98,989</u>	<u>39,249</u>	<u>112,332</u>
<b>Expenses</b>			
Activities	51,678	-	45,769
Trading	6,969	3,500	1,331
Other Locally Raised Funds Expenditure	11,526	8,200	9,408
	<u>70,173</u>	<u>11,700</u>	<u>56,508</u>
<i>Surplus for the year Locally raised funds</i>	<u>28,816</u>	<u>27,549</u>	<u>55,824</u>

## 4. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	58,214	63,070	59,606
Extra-curricular activities	-	2,250	-
Library resources	1,273	1,430	2,076
Employee benefits - salaries	1,423,112	1,249,435	1,279,893
Staff development	13,820	17,500	9,632
It	16,905	22,000	16,838
Minor Purchases <\$800	1,239	2,700	7,672
	<u>1,514,563</u>	<u>1,358,385</u>	<u>1,375,717</u>

## 5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,205	4,205	4,155
Board of Trustees Fees	4,290	5,600	4,390
Board of Trustees Expenses	4,202	4,700	6,030
Communication	4,651	6,850	6,096
Consumables	3,933	5,560	3,733
Operating Lease	5,831	5,229	5,812
Other	13,990	17,250	13,252
Employee Benefits - Salaries	75,177	79,000	73,126
Insurance	4,287	5,500	3,985
Service Providers, Contractors and Consultancy	9,360	9,800	9,360
	<u>129,926</u>	<u>143,694</u>	<u>129,939</u>

## 6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	8,840	9,000	11,610
Cyclical Maintenance Expense	45,876	25,052	(51,088)
Grounds	7,896	8,720	11,100
Heat, Light and Water	57,618	51,500	56,692
Rates	4,897	5,000	4,375
Repairs and Maintenance	26,148	28,200	23,272
Use of Land and Buildings	444,639	344,065	406,878
Security	10,056	6,480	6,880
Employee Benefits - Salaries	76,593	78,500	81,501
Consultancy And Contract Services	-	-	2,200
	<u>682,563</u>	<u>556,517</u>	<u>553,420</u>

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

## 7. Depreciation

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	2,538	2,075	2,538
Building Improvements	2,607	2,132	2,607
Furniture and Equipment	32,778	25,319	30,964
Information and Communication Technology	22,103	14,854	18,165
Leased Assets	6,152	3,908	4,779
Library Resources	3,760	3,119	3,814
	<u>69,938</u>	<u>51,407</u>	<u>62,867</u>

## 8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Main Account	265,310	180,489	39,206
ASB 53 Account	1,665	-	1,663
ASB 04 Account	69,211	-	46,732
Short-term Bank Deposits	-	-	102,174
Cash equivalents and bank overdraft for Cash Flow Statement	<u>336,186</u>	<u>180,489</u>	<u>189,775</u>

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

Of the \$336,186 Cash and Cash Equivalents, \$180,700 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	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	5,263	2,125	2,262
Receivables from the Ministry of Education	5,401	-	-
Interest Receivable	702	1,169	1,086
Teacher Salaries Grant Receivable	80,879	99,916	71,283
	<u>92,245</u>	<u>103,210</u>	<u>74,631</u>
Receivables from Exchange Transactions	8,100	3,294	3,348
Receivables from Non-Exchange Transactions	84,145	99,916	71,283
	<u>92,245</u>	<u>103,210</u>	<u>74,631</u>

## 10. Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	1,626	-	2,196
	<u>1,626</u>	<u>-</u>	<u>2,196</u>

## 11. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	292,082	220,061	180,041



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Land	15,840	-	-	-	-	15,840
Buildings	70,689	-	-	-	(2,538)	68,151
Building Improvements	32,097	-	-	-	(2,607)	29,490
Furniture and Equipment	118,430	23,568	(3,372)	-	(32,778)	105,848
Information and Communication Tech	41,813	17,446	(2,952)	-	(22,103)	34,204
Leased Assets	23,755	3,043	-	-	(6,152)	20,646
Library Resources	14,590	2,690	-	-	(3,760)	13,520
<b>Balance at 31 December 2017</b>	<b>317,214</b>	<b>46,747</b>	<b>(6,324)</b>	<b>-</b>	<b>(69,938)</b>	<b>287,699</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Land	15,840	-	15,840
Buildings	100,799	(32,648)	68,151
Building Improvements	65,795	(36,305)	29,490
Furniture and Equipment	482,067	(376,219)	105,848
Information and Communication	191,543	(157,339)	34,204
Leased Assets	33,104	(12,458)	20,646
Library Resources	108,745	(95,225)	13,520
<b>Balance at 31 December 2017</b>	<b>997,893</b>	<b>(710,194)</b>	<b>287,699</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Land	15,840	-	-	-	-	15,840
Buildings	73,227	-	-	-	(2,538)	70,689
Building Improvements	34,704	-	-	-	(2,607)	32,097
Furniture and Equipment	138,470	10,924	-	-	(30,964)	118,430
Information and Communication Technology	39,132	20,846	-	-	(18,165)	41,813
Leased Assets	22,529	6,005	-	-	(4,779)	23,755
Library Resources	12,067	6,337	-	-	(3,814)	14,590
<b>Balance at 31 December 2016</b>	<b>335,969</b>	<b>44,112</b>	<b>-</b>	<b>-</b>	<b>(62,867)</b>	<b>317,214</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Land	15,840	-	15,840
Buildings	100,799	(30,110)	70,689
Building Improvements	65,795	(33,698)	32,097
Furniture and Equipment	474,189	(355,759)	118,430
Information and Communication	174,096	(132,283)	41,813
Leased Assets	30,061	(6,306)	23,755
Library Resources	106,055	(91,465)	14,590
<b>Balance at 31 December 2016</b>	<b>966,835</b>	<b>(649,621)</b>	<b>317,214</b>

### 13. Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	15,534	27,202	10,670
Accruals	4,205	-	4,778
Capital accruals for PPE items	254	-	66
Banking staffing overuse	-	-	14,092
Employee Entitlements - salaries	80,879	99,916	71,283
Employee Entitlements - leave accrual	4,958	5,989	8,311
	<u>105,830</u>	<u>133,107</u>	<u>109,200</u>
Payables for Exchange Transactions	105,830	133,107	95,108
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	14,092
	<u>105,830</u>	<u>133,107</u>	<u>109,200</u>

The carrying value of payables approximates their fair value.

### 14. Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	27,613	97,699	95,971
Increase/(decrease) to the Provision During the Year	45,876	25,052	(68,358)
Provision at the End of the Year	<u>73,489</u>	<u>122,751</u>	<u>27,613</u>
Cyclical Maintenance - Current	27,589	3,500	14,000
Cyclical Maintenance - Term	45,900	119,251	13,613
	<u>73,489</u>	<u>122,751</u>	<u>27,613</u>

### 15. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	7,165	2,967	7,160
Later than One Year and no Later than Five Years	17,290	15,826	20,513
Future finance charges	(1,943)	-	(2,874)
	<u>22,512</u>	<u>18,793</u>	<u>24,799</u>

## 16. Funds Held (Owed) 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
		\$	\$	\$		\$
CCTV	<i>completed</i>	15,149	1,475	16,624	-	-
Electrical and Lighting	<i>completed</i>	-	18,492	18,492	-	-
Hall & Roofing Project	<i>in progress</i>	-	200,000	19,300	-	180,700
<b>Totals</b>		<b>15,149</b>	<b>219,967</b>	<b>54,416</b>	<b>-</b>	<b>180,700</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	180,700
Funds Due from the Ministry of Education	-
	<b>180,700</b>

	2016	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
CCTV	<i>in progress</i>	-	15,149	-	-	15,149
<b>Totals</b>		<b>-</b>	<b>15,149</b>	<b>-</b>	<b>-</b>	<b>15,149</b>

## 17. Funds held on behalf of R T M Cluster

Kaitia Intermediate School is the lead school and holds funds on behalf of the Resource Teacher Maori Cluster, a group of schools funded by the Ministry of Education to share Maori Resource Teachers.

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	24,109	16,660	15,086
Funds Received from Cluster Members	14,963	-	14,963
Funds Spent on Behalf of the Cluster	10,106	-	5,940
<b>Funds Held at Year End</b>	<b>28,966</b>	<b>16,660</b>	<b>24,109</b>

## 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.

## 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	4,290	4,390
Full-time equivalent members	0.11	0.10
<i>Leadership Team</i>		
Remuneration	563,101	575,105
Full-time equivalent members	6.00	7.00
Total key management personnel remuneration	567,391	579,495
Total full-time equivalent personnel	6.11	7.10

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	100 - 110	120 - 130
Benefits and Other Emoluments	2 - 3	3 - 4
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2017 FTE Number	2016 FTE Number
100 - 110	-	-
	0.00	0.00

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

## 21. 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	-	-

## 22. Contingencies

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

### 23. Commitments

#### (a) Capital Commitments

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

(a) \$297,955 contract with Pouwhenua Ltd for Hall and Roofing Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$19,300 has been spent to balance date.

(Capital commitments at 31 December 2016: nil)

#### (b) Operating Commitments

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

(a) operating lease of laptops;

	2017 Actual \$	2016 Actual \$
No later than One Year	5,250	5,881
Later than One Year and No Later than Five Years	11,760	17,010
Later than Five Years	-	-
	<u>17,010</u>	<u>22,891</u>

### 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:

#### Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	336,186	180,489	189,775
Receivables	92,245	103,210	74,631
Investments - Term Deposits	292,082	220,061	180,041
Total Loans and Receivables	<u>720,513</u>	<u>503,760</u>	<u>444,447</u>

#### Financial liabilities measured at amortised cost

Payables	105,830	133,107	109,200
Borrowings - Loans	-	-	-
Finance Leases	22,512	18,793	24,799
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>128,342</u>	<u>151,900</u>	<u>133,999</u>

## **26. Events After Balance Date**

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

## **26. Comparative Figures**

Some figures have been restated to ensure compliance with the Ministry of Education's Kiwi Park School model financial statements. This change does not materially alter the financial statements.