

Everglade School

Financial Statements for the year ended 31 December 2017

School Address:	64 Everglade Drive, Manukau
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Everglade School

Financial Statements

For the year ended 31 December 2017

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Everglade 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

Signature of Board Chairperson

Date:

JOHN PAUL ROBINSON
Full Name of Principal


Signature of Principal

28.05.2018
Date:

Everglade School**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	3,645,430	2,965,471	3,528,013
Local Raised Funds	3	304,239	171,600	175,312
Interest Earned		9,852	14,000	15,574
		<hr/>	<hr/>	<hr/>
		3,959,521	3,151,071	3,718,899
Expenses				
Local Raised Funds	3	96,190	91,900	79,295
Learning Resources	4	2,168,931	1,980,200	2,272,042
Administration	5	174,193	179,300	175,289
Finance Costs		680	-	31
Property	6	1,203,979	754,808	981,163
Depreciation	7	125,125	121,500	115,923
Loss on Disposal of Property, Plant and Equipment		732	-	3,181
		<hr/>	<hr/>	<hr/>
		3,769,830	3,127,708	3,626,924
Net Surplus		189,691	23,363	91,975
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/>	<hr/>	<hr/>
		189,691	23,363	91,975

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

Everglade 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	1,357,313	1,357,313	1,265,338
Total comprehensive revenue and expense for the year	189,691	23,363	91,975
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	5,884	-	-
Equity at 31 December	1,552,888	1,380,676	1,357,313
 Retained Earnings	 1,552,888	 1,380,676	 1,357,313
Equity at 31 December	1,552,888	1,380,676	1,357,313

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

Everglade 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	378,223	587,578	492,867
Accounts Receivable	9	152,905	91,000	153,306
GST Receivable		15,681	30,000	33,447
Prepayments		32,104	15,000	19,386
Inventories	10	25,167	24,000	26,479
		<u>604,080</u>	<u>747,578</u>	<u>725,485</u>
Current Liabilities				
Accounts Payable	12	140,668	126,500	144,209
Provision for Cyclical Maintenance	13	-	30,848	7,893
Painting Contract Liability - Current Portion	14	17,292	17,100	17,010
Finance Lease Liability - Current Portion	15	5,006	500	454
Funds Held for Capital Works Projects	16	-	-	4,816
		<u>162,966</u>	<u>174,948</u>	<u>174,382</u>
Working Capital Surplus/(Deficit)		441,114	572,630	551,103
Non-current Assets				
Property, Plant and Equipment	11	1,310,887	969,120	963,828
Capital Works in Progress		-	-	11,292
		<u>1,310,887</u>	<u>969,120</u>	<u>975,120</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	171,765	140,474	136,324
Painting Contract Liability	14	19,427	19,600	31,694
Finance Lease Liability	15	7,921	1,000	892
		<u>199,113</u>	<u>161,074</u>	<u>168,910</u>
Net Assets		<u><u>1,552,888</u></u>	<u><u>1,380,676</u></u>	<u><u>1,357,313</u></u>
Equity		<u><u>1,552,888</u></u>	<u><u>1,380,676</u></u>	<u><u>1,357,313</u></u>

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

Everglade School

Statement of Cash Flows

For the year ended 31 December 2017

		2017	2017 Budget	2016
	Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		746,654	703,471	728,170
Locally Raised Funds		304,239	171,600	175,064
Goods and Services Tax (net)		17,766	(15,000)	(51,868)
Payments to Employees		(283,269)	(339,600)	(370,015)
Payments to Suppliers		(451,664)	(359,783)	(479,444)
Interest Paid		(680)	-	-
Interest Received		9,951	14,000	16,562
Net cash from / (to) the Operating Activities		342,997	174,688	18,469
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(446,627)	(3,246)	(126,223)
Net cash from / (to) the Investing Activities		(446,627)	(3,246)	(126,223)
Cash flows from Financing Activities				
Furniture and Equipment Grant		5,884	-	-
Finance Lease Payments		(97)	1,500	-
Painting contract payments		(11,985)	(23,284)	(17,010)
Funds Held for Capital Works Projects		(4,816)	-	(219,995)
Net cash from / (to) Financing Activities		(11,014)	(21,784)	(237,005)
Net increase/(decrease) in cash and cash equivalents		(114,644)	149,658	(344,759)
Cash and cash equivalents at the beginning of the year	8	492,867	437,920	837,626
Cash and cash equivalents at the end of the year	8	378,223	587,578	492,867

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.

Everglade School

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of Accounting Policies

Reporting Entity

Everglade 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 11.

Everglade 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 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.

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.

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.

Everglade 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:

Buildings - School	40 years
Furniture and equipment	5-15 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	3 years
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.

Everglade 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.

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.

Everglade 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	670,263	658,971	672,700
Teachers' salaries grants	1,905,323	1,700,000	2,000,749
Use of Land and Buildings grants	1,007,403	562,000	772,051
Resource teachers learning and behaviour grants	3,426	-	-
Other MoE Grants	59,015	44,500	82,513
	3,645,430	2,965,471	3,528,013

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	158,963	41,000	45,033
Fundraising	6,327	4,000	2,787
Trading	56,007	49,000	50,482
Activities	82,942	77,600	77,010
	304,239	171,600	175,312
Expenses			
Activities	37,430	44,900	32,947
Trading	58,760	47,000	46,348
	96,190	91,900	79,295
<i>Surplus for the year Locally Raised Funds</i>	208,049	79,700	96,017

4 Learning Resources

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Curricular	36,255	42,500	35,579
Equipment repairs	5,233	6,000	5,150
Information and communication technology	16,956	13,900	19,699
Library resources	1,882	2,200	2,111
Employee benefits - salaries	2,077,085	1,885,000	2,185,260
Staff development	31,520	30,600	24,243
	2,168,931	1,980,200	2,272,042

5 Administration

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Audit Fee	6,060	7,000	5,970
Board of Trustees Fees	4,604	6,000	4,590
Board of Trustees Expenses	1,874	2,950	5,244
Communication	2,994	4,300	3,010
Consumables	35,180	36,900	32,149
Postage	202	400	385
Other	10,297	11,300	11,220
Employee Benefits - Salaries	95,988	93,200	97,552
Insurance	10,250	10,500	9,075
Service Providers, Contractors and Consultancy	6,744	6,750	6,094
	174,193	179,300	175,289

Everglade School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

6 Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	19,962	25,100	24,228
Consultancy and Contract Services	35,646	36,000	32,395
Cyclical Maintenance Provision	32,856	25,908	46,798
Grounds	22,120	20,600	23,326
Heat, Light and Water	43,584	40,500	39,797
Repairs and Maintenance	420	2,300	3,683
Use of Land and Buildings	1,007,403	562,000	772,051
Security	7,430	6,000	3,928
Employee Benefits - Salaries	34,558	36,400	34,957
	<u>1,203,979</u>	<u>754,808</u>	<u>981,163</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	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	25,168	21,600	21,516
Furniture and Equipment	34,510	44,700	31,498
Information and Communication Technology	57,449	50,700	57,909
Leased Assets	2,972	200	120
Library Resources	5,026	4,300	4,880
	<u>125,125</u>	<u>121,500</u>	<u>115,923</u>

8 Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	200	200
Bank Current Account	58,888	87,378	80,020
Bank Call Account	319,135	500,000	412,647
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>378,223</u>	<u>587,578</u>	<u>492,867</u>

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

9 Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	-	-	19,544
Interest Receivable	12	1,000	111
Bank Staffing Underuse	36,801	-	-
Teacher Salaries Grant Receivable	116,092	90,000	133,651
	<u>152,905</u>	<u>91,000</u>	<u>153,306</u>
Receivables from Exchange Transactions	12	1,000	111
Receivables from Non-Exchange Transactions	152,893	90,000	153,195
	<u>152,905</u>	<u>91,000</u>	<u>153,306</u>

Everglade School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

10 Inventories

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Stationery	2,610	2,000	2,922
School Uniforms	22,557	22,000	23,557
	<u>25,167</u>	<u>24,000</u>	<u>26,479</u>

11 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	538,234	351,826	-	-	(25,168)	864,892
Furniture and equipment	229,914	64,864	-	-	(34,510)	260,268
Information and communication technology	160,186	35,291	-	-	(57,449)	138,028
Leased assets	1,334	14,153	-	-	(2,972)	12,515
Library resources	34,160	6,781	(731)	-	(5,026)	35,184
Balance at 31 December 2017	<u>963,828</u>	<u>472,915</u>	<u>(731)</u>	<u>-</u>	<u>(125,125)</u>	<u>1,310,887</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	1,247,032	(382,140)	864,892
Furniture and equipment	734,138	(473,870)	260,268
Information and communication technology	514,143	(376,115)	138,028
Leased assets	15,606	(3,091)	12,515
Library resources	103,265	(68,081)	35,184
Balance at 31 December 2017	<u>2,614,184</u>	<u>(1,303,297)</u>	<u>1,310,887</u>

The net carrying value of equipment held under a finance lease is \$12,515 (2016: \$1,334).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Buildings	559,750	-	-	-	(21,516)	538,234
Furniture and equipment	198,405	63,007	-	-	(31,498)	229,914
Information and communication technology	174,840	45,437	(2,182)	-	(57,909)	160,186
Leased assets	-	1,454	-	-	(120)	1,334
Library resources	33,304	6,735	(999)	-	(4,880)	34,160
Balance at 31 December 2016	<u>966,299</u>	<u>116,633</u>	<u>(3,181)</u>	<u>-</u>	<u>(115,923)</u>	<u>963,828</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Buildings	895,207	(356,973)	538,234
Furniture and equipment	669,272	(439,358)	229,914
Information and communication technology	478,853	(318,667)	160,186
Leased assets	1,454	(120)	1,334
Library resources	98,594	(64,434)	34,160
Balance at 31 December 2016	<u>2,143,380</u>	<u>(1,179,552)</u>	<u>963,828</u>

Everglade School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

12 Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	10,337	30,000	53,094
Accruals	6,160	6,500	6,070
Capital accruals for PPE items	845	-	-
Employee Entitlements - salaries	117,192	90,000	85,045
Employee Entitlements - leave accrual	6,134	-	-
	<u>140,668</u>	<u>126,500</u>	<u>144,209</u>
Payables for Exchange Transactions	140,668	126,500	144,209
	<u>140,668</u>	<u>126,500</u>	<u>144,209</u>

The carrying value of payables approximates their fair value.

13 Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	144,217	144,217	125,010
Increase to the Provision During the Year	32,856	25,908	46,798
Use of the Provision During the Year	(5,308)	1,197	(27,591)
Provision at the End of the Year	<u>171,765</u>	<u>171,322</u>	<u>144,217</u>
Cyclical Maintenance - Current	-	30,848	7,893
Cyclical Maintenance - Term	171,765	140,474	136,324
	<u>171,765</u>	<u>171,322</u>	<u>144,217</u>

14 Painting Contract Liability

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Liability	17,292	17,100	17,010
Non Current Liability	19,427	19,600	31,694
	<u>36,719</u>	<u>36,700</u>	<u>48,704</u>

In 2009 the Board signed an agreement with Programmed Maintenance Services (NZ) Ltd (the contractor) for an agreed programme of work covering a 12 year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2009 and 2015, with regular maintenance in subsequent years. The agreement has an annual commitment of \$17,010. 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.

15 Finance Lease Liability

The school has entered into a number of finance lease agreements for TELA computers.

Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	5,949	500	554
Later than One Year and no Later than Five Years	8,507	1,000	970
	<u>14,456</u>	<u>1,500</u>	<u>1,524</u>

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

16 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:

				BOT Contribution/ (Write-off to R&M)	
	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Block 7	<i>Completed</i>	4,816	-	4,816	-
Totals		4,816	-	4,816	-

				BOT Contribution/ (Write-off to R&M)	
	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Block 7	<i>In progress</i>	-	112,408	107,592	4,816
Block 9 Heating	<i>completed</i>	(735)	1,000	370	-
Boiler	<i>completed</i>	27,298	13,649	40,956	-
Fire Alarm	<i>completed</i>	50,434	5,982	57,107	-
Roofing	<i>completed</i>	147,814	(3,341)	144,473	-
Block 4,5 and 8	<i>completed</i>	-	28,260	28,260	-
Totals		224,811	157,958	378,758	4,816

17 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

18 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	4,604	4,590
Full-time equivalent members	0.03	0.03
<i>Leadership Team</i>		
Remuneration	426,676	419,233
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	431,280	423,823
Total full-time equivalent personnel	4.03	4.03

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	0-10	-
Termination Benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2016: Nil).

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

19 Compensation and Other Benefits Upon Leaving

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

20 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

21 Commitments**(a) Capital Commitments**

The Board considers there to be no contractual commitments at the above date other than those disclosed in the preceding financial statements and detailed below.

(Capital commitments as at 31 December 2016: \$314,911 contract for a Shade Structure to be completed in 2017. Part of this is funded by \$100,000 donations from the SES (Supporters of Everglade School) and \$10,000 in community grant donations from Trillian Trust.)

(b) Operating Commitments

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

- operating lease for laptops
- operating lease for a photocopier

	2017 Actual \$	2016 Actual \$
No later than One Year	9,904	14,020
Later than One Year and No Later than Five Years	12,109	9,904
	<u>22,013</u>	<u>23,924</u>

22 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.

23 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	378,223	587,578	492,867
Receivables	152,905	91,000	153,306
Total Loans and Receivables	<u>531,128</u>	<u>678,578</u>	<u>646,173</u>
Financial liabilities measured at amortised cost			
Payables	140,668	126,500	144,209
Finance Leases	12,927	1,500	1,346
Painting Contract Liability	36,719	36,700	48,704
Total Financial Liabilities Measured at Amortised Cost	<u>190,314</u>	<u>164,700</u>	<u>194,259</u>

24 Events After Balance Date

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

25 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.