

# **KATIKATI COLLEGE**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address:	Beach Road, Katikati
School Postal Address:	33 Beach Road, Katikati 3129
School Phone:	07 549 0434
School Email:	<a href="mailto:principal@katikaticollege.school.nz">principal@katikaticollege.school.nz</a>
Ministry Number:	117

# KATIKATI COLLEGE

Financial Statements - For the year ended 31 December 2017

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# Katikati 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.

Peter John McCormick  
Board Chairperson




Signature of Board Chairperson

11/5/18

Date:

Carolyn Maree Pentecost  
Principal



Signature of Principal

11.5.2018

Date:

**Katikati College**

**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	7,886,329	7,783,995	7,627,647
Locally Raised Funds	3	888,176	523,511	613,496
Interest Earned		16,720	10,000	8,052
International Students	4	500,227	484,000	569,313
Other Revenue		-	-	-
		<u>9,291,453</u>	<u>8,801,506</u>	<u>8,818,507</u>
<b>Expenses</b>				
Locally Raised Funds	3	400,196	394,835	352,266
International Students	4	440,457	377,672	431,652
Learning Resources	5	5,397,032	5,302,468	5,322,200
Administration	6	521,778	513,586	456,099
Property	7	1,900,673	1,628,769	1,608,017
Depreciation	8	152,348	160,000	168,893
Loss on Disposal of Property, Plant and Equipment		1,852	-	-
Transport		411,427	420,000	410,573
		<u>9,225,762</u>	<u>8,797,330</u>	<u>8,749,699</u>
<b>Net Surplus / (Deficit)</b>		65,691	4,176	68,808
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>65,691</u></u>	<u><u>4,176</u></u>	<u><u>68,808</u></u>

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



**Katikati College**  
**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>	1,464,899	1,464,899	1,396,091
Total comprehensive revenue and expense for the year	65,691	4,176	68,808
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	-
<b>Equity at 31 December</b>	1,530,590	1,469,075	1,464,899
Retained Earnings	1,530,590	1,469,075	1,464,899
Reserves	-	-	-
<b>Equity at 31 December</b>	1,530,590	1,469,075	1,464,899

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



**Katikati College**  
**Statement of Financial Position**  
As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	372,752	468,119	463,903
Accounts Receivable	10	312,296	328,772	328,772
GST Receivable		32,656	41,635	41,635
Katikati Transport Group	20	215,262	263,086	263,086
Inventories	11	4,555	3,015	3,015
Investments	9	558,220	300,000	300,000
		<u>1,495,741</u>	<u>1,404,627</u>	<u>1,400,410</u>
<b>Current Liabilities</b>				
Accounts Payable	13	424,583	472,199	472,199
Revenue Received in Advance	14	260,054	158,000	158,000
Provision for Cyclical Maintenance	15	25,000	25,280	25,280
Painting Contract Liability - Current Portion	16	38,871	38,871	38,871
Finance Lease Liability - Current Portion	17	10,797	4,383	4,383
Funds held in Trust	18	211,004	114,683	114,643
Funds held for Capital Works Projects	19	74,766	193,981	193,981
Funds held on behalf of the Katikati Transport Group	20	265,397	331,837	331,837
		<u>1,310,473</u>	<u>1,339,234</u>	<u>1,339,194</u>
<b>Working Capital Surplus/(Deficit)</b>		185,268	65,392	61,216
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	1,529,398	1,528,645	1,528,645
		<u>1,529,398</u>	<u>1,528,645</u>	<u>1,528,645</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	173,707	79,159	79,159
Painting Contract Liability	16	-	38,872	38,872
Finance Lease Liability	17	10,369	6,931	6,931
		<u>184,076</u>	<u>124,963</u>	<u>124,962</u>
<b>Net Assets</b>		<u>1,530,590</u>	<u>1,469,075</u>	<u>1,464,899</u>
<b>Equity</b>		<u>1,530,590</u>	<u>1,469,075</u>	<u>1,464,899</u>

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





**Katikati College**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

	Note	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		2,216,445	2,255,426	2,226,492
Locally Raised Funds		889,148	477,300	567,285
International Students		602,321	452,184	537,537
Goods and Services Tax (net)		8,979	(3,959)	(3,959)
Payments to Employees		(1,247,309)	(1,154,571)	(1,218,680)
Payments to Suppliers		(2,045,929)	(2,071,579)	(1,996,791)
Interest Received		16,720	10,000	8,052
<b>Net cash from / (to) the Operating Activities</b>		<b>440,375</b>	<b>(35,199)</b>	<b>119,935</b>
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(136,539)	(70,045)	(70,044)
<b>Net cash from / (to) the Investing Activities</b>		<b>(136,539)</b>	<b>(70,045)</b>	<b>(70,044)</b>
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(8,561)	(2,393)	(2,393)
Painting contract payments		(38,872)	(20,214)	(45,475)
Funds Administered on Behalf of Third Parties		(89,333)	307,094	178,254
<b>Net cash from Financing Activities</b>		<b>(136,766)</b>	<b>284,487</b>	<b>130,386</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>167,070</b>	<b>179,244</b>	<b>180,276</b>
Cash and cash equivalents at the beginning of the year	9	763,903	584,659	583,627
<b>Cash and cash equivalents at the end of the year</b>	<b>9</b>	<b>930,973</b>	<b>763,903</b>	<b>763,903</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 omitted.



# Katikati College

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### a) Reporting Entity

Katikati 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 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 17.

##### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward 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 canteen items. 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 are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

#### **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 – Crown	40 years
Furniture and equipment	3-10 years
Information and communication technology	2-4 years
Textbooks	2-4 years
Library resources	5 years or 12.5% Diminishing value

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

##### *Software costs*

Computer software acquired by the School is 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.

#### **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. 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 participating schools within a cluster of schools. 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.

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.

**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 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operational grants	1,675,180	1,716,041	1,634,482
Teachers' salaries grants	4,368,264	4,400,000	4,272,585
Use of Land and Buildings grants	1,301,620	1,128,569	1,128,569
Other MoE Grants	177,661	119,385	169,573
Transport grants	363,603	420,000	422,437
	<u>7,886,329</u>	<u>7,783,995</u>	<u>7,627,647</u>

## 3. Locally Raised Funds

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
Donations	46,815	28,000	36,543
Fundraising	73,922	10,400	27,155
Other revenue	297,778	62,836	132,709
Trading	129,851	125,420	111,916
Activities	339,810	296,855	305,174
	<u>888,176</u>	<u>523,511</u>	<u>613,496</u>
<b>Expenses</b>			
Activities	274,567	281,280	233,611
Trading	119,823	113,555	110,781
Fundraising (costs of raising funds)	5,806	-	7,873
	<u>400,196</u>	<u>394,835</u>	<u>352,265</u>
<i>Surplus for the year Locally raised funds</i>	<u>487,980</u>	<u>128,676</u>	<u>261,231</u>

## 4. International Student Revenue and Expenses

	2017 Actual Number	2017 Budget (Unaudited) Number	2016 Actual Number
International Student Roll	19	19	19
	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>			
International student fees	500,227	484,000	569,313
<b>Expenses</b>			
Advertising	57,667	33,000	19,559
Commissions	16,624	23,000	24,665
Recruitment			
International student levy	3,950	-	-
Employee Benefit - Salaries	96,612	87,672	93,991
Other Expenses	265,604	234,000	293,437
	<u>440,457</u>	<u>377,672</u>	<u>431,652</u>
<i>Surplus for the year International Students'</i>	<u>59,770</u>	<u>106,328</u>	<u>137,661</u>





**5. Learning Resources**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	273,272	311,889	342,013
Library resources	5,424	5,550	5,301
Employee benefits - salaries	5,090,741	4,923,029	4,911,923
Staff development	27,594	62,000	62,962
	<u>5,397,032</u>	<u>5,302,468</u>	<u>5,322,200</u>

**6. Administration**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,395	5,000	6,930
Board of Trustees Fees	3,173	5,000	3,701
Board of Trustees Expenses	15,846	15,000	9,826
Communication	31,029	32,257	31,009
Consumables	9,630	10,600	10,348
Operating Lease	43,564	53,729	13,549
Legal Fees	-	3,000	-
Other	96,080	99,800	105,196
Employee Benefits - Salaries	287,365	256,200	246,140
Insurance	15,451	17,000	13,740
Service Providers, Contractors and Consultancy	13,245	16,000	15,660
	<u>521,778</u>	<u>513,586</u>	<u>456,099</u>

**7. Property**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	23,046	21,000	22,807
Cyclical Maintenance Provision	102,690	-	29,620
Grounds	18,567	15,400	17,730
Heat, Light and Water	75,263	79,000	72,077
Rates	29,278	27,000	25,912
Repairs and Maintenance	107,641	110,500	62,835
Use of Land and Buildings	1,301,620	1,128,569	1,128,569
Security	9,889	13,000	11,733
Employee Benefits - Salaries	232,678	234,300	236,734
	<u>1,900,673</u>	<u>1,628,769</u>	<u>1,608,017</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 of Property, Plant and Equipment**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings - School	2,634		2,634
Building Improvements - Crown	31,271		31,271
Furniture and Equipment	58,428		56,409
Information and Communication Technology	50,046		50,852
Textbooks	4,737		20,482
Library Resources	5,233		7,245
	<u>152,348</u>	<u>160,000</u>	<u>168,893</u>

**9. Cash, Cash Equivalent & Current Investments**

## 9 (a) Cash and Cash Equivalent

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	314	175	175
Bank Current Account	81,214	156,831	152,615
Bank Call Account	291,224	311,112	311,112
Total Cash & Cash Equivalent	<u>372,752</u>	<u>468,119</u>	<u>463,903</u>

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

## 9 (b) Investments

The school's investment activities are classified as follows:

Current asset: Short term bank deposits	<u>558,220</u>	<u>300,000</u>	<u>300,000</u>
Total Cash, Cash Equivalent & Current Investments	<u>930,972</u>	<u>768,119</u>	<u>763,903</u>

**10. Accounts Receivable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	69,588	70,559	70,559
Teacher Salaries Grant Receivable	242,708	258,212	258,212
	<u>312,296</u>	<u>328,772</u>	<u>328,772</u>
Receivables from Exchange Transactions	69,588	70,559	70,559
Receivables from Non-Exchange Transactions	242,709	258,212	258,212
	<u>312,296</u>	<u>328,772</u>	<u>328,772</u>

**11. Inventories**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	2,646	2,646	2,646
Canteen	1,909	368	368
	<u>4,555</u>	<u>3,015</u>	<u>3,015</u>



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	1,025,202				(33,905)	991,298
Furniture and Equipment	356,659	106,986	(1,852)		(58,428)	403,365
Information and Communication	86,096	18,703			(40,753)	64,046
Textbooks	13,136	4,482			(4,737)	12,882
Leased Assets	12,814	18,413			(9,293)	21,934
Library Resources	34,739	6,368			(5,233)	35,873
<b>Balance at 31 December 2017</b>	<b>1,528,645</b>	<b>154,952</b>	<b>(1,852)</b>	<b>-</b>	<b>(152,348)</b>	<b>1,529,398</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	1,418,183	(426,886)	991,298
Furniture and Equipment	1,736,681	(1,333,317)	403,365
Information and Communication	1,813,176	(1,749,130)	64,046
Textbooks	210,235	(197,353)	12,882
Leased Assets	32,120	(10,186)	21,934
Library Resources	105,514	(69,640)	35,873
<b>Balance at 31 December 2017</b>	<b>5,315,910</b>	<b>(3,786,513)</b>	<b>1,529,398</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Buildings	1,059,107	-			(33,905)	1,025,202
Furniture and Equipment	381,780	31,287			(56,409)	356,659
Information and Communication	111,647	24,408			(49,959)	86,096
Textbooks	25,767	7,853			(20,482)	13,136
Leased Assets	-	13,707			(893)	12,814
Library Resources	35,487	6,497			(7,245)	34,739
<b>Balance at 31 December 2016</b>	<b>1,613,786</b>	<b>83,752</b>	<b>-</b>	<b>-</b>	<b>(168,893)</b>	<b>1,528,645</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Land	-	-	-
Buildings	1,418,183	(392,981)	1,025,202
Furniture and Equipment	1,631,716	(1,275,057)	356,659
Information and Communication Technology	1,794,473	(1,708,378)	86,096
Textbooks	205,752	(192,616)	13,136
Leased Assets	13,707	(893)	12,814
Library Resources	99,146	(64,407)	34,739
<b>Balance at 31 December 2016</b>	<b>5,162,978</b>	<b>(3,634,333)</b>	<b>1,528,645</b>



**13. Accounts Payable**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	135,519	167,998	167,998
Accruals	4,895	-	6,395
Employee Entitlements - salaries	242,708	304,200	258,212
Employee Entitlements - leave accrual	41,461	-	39,593
	<u>424,583</u>	<u>472,199</u>	<u>472,199</u>

The carrying value of payables approximates their fair value.

**14. Revenue Received in Advance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	260,054	158,000	158,000
	<u>260,054</u>	<u>158,000</u>	<u>158,000</u>

**15. Provision for Cyclical Maintenance**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	104,439	\$	100,080
Increase to the Provision During the Year	113,728		26,599
Adjustment to the Provision	(19,460)		(22,240)
Provision at the End of the Year	<u>198,707</u>	<u>-</u>	<u>104,439</u>
Cyclical Maintenance - Current	25,000	25,280	25,280
Cyclical Maintenance - Term	173,707	79,159	79,159
	<u>198,707</u>	<u>104,439</u>	<u>104,439</u>

**16. Painting Contract Liability**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Liability	38,871	38,871	38,871
Non Current Liability	-	38,872	38,872
	<u>38,871</u>	<u>77,743</u>	<u>77,743</u>

In 2012 the Board signed an agreement with Higgins Coatings Pty Ltd (the contractor) for an agreed programme of work covering an seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2012, with regular maintenance in subsequent years. The agreement has an annual commitment of \$38,872 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.





## 17. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	10,797	4,383	4,383
Later than One Year and no Later than Five Years	10,369	6,931	6,931
Later than Five Years	-		
	<u>21,166</u>	<u>11,314</u>	<u>11,314</u>

## 18. Funds held in Trust

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	211,004	114,683	114,643
	<u>211,004</u>	<u>114,683</u>	<u>114,643</u>

These funds are held in trust for international students' homestay families, sports teams and activity groups.

## 19. 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 \$
Technology Block	<i>in progress</i>	80,912	1,020,626	1,044,127		57,411
Toilet Block	<i>in progress</i>	113,069	-	95,714		17,355
						-
Totals		<u>193,981</u>	<u>1,020,626</u>	<u>1,139,841</u>	<u>-</u>	<u>74,766</u>

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Technology Block	<i>in progress</i>	-	226,080	145,168		80,912
Toilet Block	<i>in progress</i>	(7,656)	230,400	109,675		113,069
10YPP - Planning	<i>completed</i>	(2,406)			2,406	-
Totals		<u>(10,062)</u>	<u>456,480</u>	<u>254,843</u>	<u>2,406</u>	<u>193,981</u>





## 20. Funds Held on Behalf of the Katikati Transport Group

Katikati College is the lead school and holds funds on behalf of the Transport Group, a group of schools funded by the Ministry of Education to provide school transportation services.

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held at Beginning of the Year	331,837		323,345
Funds Received from MoE	505,145		586,882
Funds Spent on Behalf of the the Cluster	(571,585)		(570,399)
Paid out to Cluster Members	-		(7,991)
Funds Held at Year End	<u>265,397</u>	<u>331,837</u>	<u>331,837</u>
of which Katikati College portion shown as Receivable	<u>215,262</u>	<u>263,086</u>	<u>263,086</u>

## 21. Related Party Transactions

The School is a controlled entity of the Crown.

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	3,173	3,701
Full-time equivalent members	0.37	0.33
<i>Leadership Team</i>		
Remuneration	1,159,945	1,146,620
Full-time equivalent members	12.00	13.00
Total key management personnel remuneration	<u>1,163,118</u>	<u>1,150,321</u>
Total full-time equivalent personnel	<u>12.37</u>	<u>13.33</u>

The full time equivalent for Board

### 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	150 - 160	150 - 160
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	1.00	0.00
	<u>1.00</u>	<u>0.00</u>

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 Number of People	-	-

### 24. Contingencies

The board has a contingent liability for their share of capital improvements made to the Action Centre late 2015. The amount and the exact nature of the liability of this is unknown at balance date.

### 25. Commitments

#### (a) Capital Commitments

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

(a) \$1,400,000 contract for the Technology Block to be completed in 2018, which will be fully funded by the Ministry of Education. \$1,246,706 has been received of which \$1,189,295 has been spent on the project to date; and

(b) \$256,000 contract for the Toilet Block to be completed in 2018. This project is fully funded by the Ministry and \$230,400 has been received of which \$205,389 has been spent on the project to balance date.

(Capital commitments at 31 December 2016: \$ 1,656,000)

#### (b) Operating Commitments

As at 31 December 2017 the Board

(a) operating leases of laptops, photocopiers, WiFi equipment & vans;

	2017 Actual \$	2016 Actual \$
No later than One Year	60,460	86,072
Later than One Year and No Later than Five Years	28,661	81,985
Later than Five Years	-	-
	<u>89,121</u>	<u>168,057</u>



## 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 generate a small surplus from year to year.

## 27. Financial Instruments

The carrying amount of financial

### Loans and receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	930,973	768,119	763,903
Receivables	312,296	328,772	328,772
Total Cash and Receivables	<u>1,243,269</u>	<u>1,096,891</u>	<u>1,092,675</u>

### Financial liabilities measured at

Payables	424,583	472,199	472,199
Finance Leases	21,166	11,314	11,314
Painting Contract Liability	38,871	77,743	77,743
Total Financial Liabilities Measured at Amortised Cost	<u>484,621</u>	<u>561,256</u>	<u>561,256</u>

## 28. Events After Balance Date

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