

PARKLAND SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	41 Parkland Crescent Palmerston North
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Parkland School

Financial Statements - For the year ended 31 December 2017

Table of Contents

Page	Analysis of Variance including Kiwi Sport Report
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6	Statement of Accounting Policies
11	Notes to the Financial Statements
20	Members of The Board of Trustees
	Independent Auditor's Report

Parkland 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.

Jocelyn Broderick

Full Name of Board Chairperson

Signature of Board Chairperson

Date:

Peter Barnett

Full Name of Principal

Signature of Principal

Date:

Parkland School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Revenue				
Government Grants	2	2,320,620	2,237,164	2,238,694
Locally Raised Funds	3	131,302	103,080	82,230
Interest Earned		11,670	19,000	13,173
		<hr/>	<hr/>	<hr/>
		2,463,592	2,359,244	2,334,097
Expenses				
Locally Raised Funds	3	11,310	-	7,485
Learning Resources	4	1,600,869	1,578,042	1,527,844
Administration	5	116,462	127,713	119,938
Finance		474	-	150
Property	6	513,507	563,140	539,108
Depreciation	7	49,126	50,000	43,868
Loss on Disposal of Property, Plant and Equipment		2,095	-	3,391
		<hr/>	<hr/>	<hr/>
		2,293,843	2,318,895	2,241,784
Net Surplus / (Deficit) for the year		169,749	40,349	92,313
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		169,749	40,349	92,313

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

Parkland School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	<u>684,251</u>	<u>684,251</u>	<u>586,210</u>
Total Comprehensive Revenue and Expense for the Year	169,749	40,349	92,313
Capital Contributions from the Ministry of Education			
Contribution - Furniture & Equipment	10,400	-	5,728
Equity at 31 December	<u>864,400</u>	<u>724,600</u>	<u>684,251</u>
Retained Earnings	864,400	724,600	684,251
Reserves	-	-	-
Equity at 31 December	<u>864,400</u>	<u>724,600</u>	<u>684,251</u>

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

Parkland School

Statement of Financial Position

As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	458,481	315,507	307,158
Accounts Receivable	9	141,904	146,477	146,477
GST Receivable		3,792	7,768	7,768
Prepayments		2,731	2,393	2,393
Inventories	10	1,874	1,717	1,717
Investments	11	294,999	285,636	285,636
		<u>903,781</u>	<u>759,498</u>	<u>751,149</u>
Current Liabilities				
Accounts Payable	13	137,971	103,267	103,267
Revenue Received in Advance	14	10,524	11,237	11,237
Provision for Cyclical Maintenance	15	31,500	50,326	90,326
Finance Lease Liability - Current Portion	16	3,006	2,068	2,068
Funds Held for Capital Works Projects	17	27,938	(4,214)	(4,214)
		<u>210,939</u>	<u>162,684</u>	<u>202,684</u>
Working Capital Surplus/(Deficit)		692,842	596,814	548,465
Non-current Assets				
Property, Plant and Equipment	12	226,546	207,459	205,459
		<u>226,546</u>	<u>207,459</u>	<u>205,459</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	52,700	76,860	66,860
Finance Lease Liability	16	2,288	2,813	2,813
		<u>54,988</u>	<u>79,673</u>	<u>69,673</u>
Net Assets		<u>864,400</u>	<u>724,600</u>	<u>684,251</u>
Equity		<u>864,400</u>	<u>724,600</u>	<u>684,251</u>

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

Parkland School
Statement of Cash Flows
For the year ended 31 December 2017

	2017	2017	2016
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash flows from Operating Activities			
Government Grants	525,588	432,693	501,129
Locally Raised Funds	132,678	103,080	82,095
Goods and Services Tax (net)	3,976	-	596
Payments to Employees	(184,823)	(173,844)	(188,798)
Payments to Suppliers	(258,849)	(280,580)	(268,927)
Cyclical Maintenance Payments in the year	(39,574)	(40,000)	-
Interest Paid	(474)	-	(150)
Interest Received	11,508	19,000	13,200
Net cash from / (to) the Operating Activities	190,030	60,349	139,145
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)	(69,950)	(52,000)	(63,155)
Purchase of Investments	(9,363)	-	(9,630)
Net cash from / (to) the Investing Activities	(79,313)	(52,000)	(72,785)
Cash flows from Financing Activities			
Furniture and Equipment Grant	10,400	-	5,728
Finance Lease Payments	(1,946)	-	(311)
Funds Administered on Behalf of Third Parties	-	-	9,860
Funds Held for Capital Works Projects	32,152	-	-
Net Cash from Financing Activities	40,606	-	15,277
Net Increase/(Decrease) in Cash and Cash Equivalents	151,323	8,349	81,637
Cash and Cash Equivalents at the beginning of the year	8 307,158	307,158	225,521
Cash and Cash Equivalents at the end of the year	8 458,481	315,507	307,158

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.

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

1. Statement of Accounting Policies

a) Reporting Entity

Parkland 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.

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 are disclosed in note 12.

Parkland School

Notes to the Financial Statements

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 16.

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 the 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 on 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.

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

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

k) Property, Plant and Equipment

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

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$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.

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.

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

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:

Furniture and Equipment	3-10 years
Other Equipment	5-20 years
Information and Communication Technology	3-5 years
Building Improvements - Crown	50 years
Library Resources	12.5% Diminishing value
Leased Assets held under a Finance Lease	3-5 years

l) 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.

m) 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.

n) 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.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from students and the PTA 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.

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

p) 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).

q) 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.

r) 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.

s) Budget Figures

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

t) 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.

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

2. Government Grants

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	449,628	425,693	442,988
Teachers' Salaries Grants	1,376,531	1,376,531	1,309,442
Use of Land and Buildings Grants	427,940	427,940	400,494
Other MOE Grants	66,521	7,000	85,770
	<u>2,320,620</u>	<u>2,237,164</u>	<u>2,238,694</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	11,928	20,000	8,040
Fundraising	52,898	32,000	19,995
Trading	5,314	5,200	5,822
Activities	61,162	45,880	48,373
	<u>131,302</u>	<u>103,080</u>	<u>82,230</u>
Expenses			
Trading	7,420	-	7,485
Fundraising (costs of raising funds)	3,890	-	-
	<u>11,310</u>	<u>-</u>	<u>7,485</u>
	<u>119,992</u>	<u>103,080</u>	<u>74,745</u>

Surplus for the year Locally raised funds

Income from Fundraising includes the following donations:

\$4,000 from Pub Charity

\$2,500 from the Mainland Foundation

4. Learning Resources

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	30,269	56,613	33,026
Equipment Repairs	6,532	9,500	7,942
Information and Communication Technology	6,176	3,963	22,103
Extra-Curricular Activities	67,792	12,300	32,949
Library Resources	2,576	3,500	1,634
Employee Benefits - Salaries	1,477,797	1,470,166	1,416,550
Staff Development	9,727	22,000	13,640
	<u>1,600,869</u>	<u>1,578,042</u>	<u>1,527,844</u>

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Audit Fee	4,168	4,500	4,528
Board of Trustees Fees	3,570	5,200	4,129
Board of Trustees Expenses	3,154	3,150	4,515
Communication	3,476	4,300	4,319
Consumables	11,990	18,400	10,186
Operating Lease	605	604	8,521
Other	8,493	18,350	8,238
Employee Benefits - Salaries	71,347	64,709	66,038
Insurance	4,259	3,000	4,064
Service Providers, Contractors and Consultancy	5,400	5,500	5,400
	<u>116,462</u>	<u>127,713</u>	<u>119,938</u>

6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Caretaking and Cleaning Consumables	8,479	11,500	11,220
Consultancy and Contract Services	28,600	35,000	34,050
Cyclical Maintenance Expense	(33,412)	10,000	23,078
Grounds	15,477	17,100	12,690
Heat, Light and Water	22,042	23,800	18,842
Rates	2,549	2,200	2,671
Repairs and Maintenance	25,308	16,500	18,020
Use of Land and Buildings	427,940	427,940	400,494
Security	1,289	3,600	3,012
Employee Benefits - Salaries	15,235	15,500	15,031
	<u>513,507</u>	<u>563,140</u>	<u>539,108</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) \$	\$
Furniture and Equipment	4,764	5,500	5,266
Other Equipment	13,524	13,500	11,633
Information and Communication Technology	20,621	22,000	18,653
Buildings Improvements - Crown	3,308	3,000	3,108
Library Resources	4,786	5,000	4,401
Leased Assets	2,123	1,000	807
	<u>49,126</u>	<u>50,000</u>	<u>43,868</u>

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

8. Cash and Cash Equivalents

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	152,265	69,571	61,222
Bank Call Account	306,216	245,936	245,936
Cash equivalents and bank overdraft for Cash Flow Statement	<u>458,481</u>	<u>315,507</u>	<u>307,158</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 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	4,474	6,563	6,563
Receivables from the Ministry of Education	49,138	58,577	58,577
Interest Receivable	2,822	2,660	2,660
Teacher Salaries Grant Receivable	85,470	78,677	78,677
	<u>141,904</u>	<u>146,477</u>	<u>146,477</u>
Receivables from Exchange Transactions	7,296	9,223	9,223
Receivables from Non-Exchange Transactions	134,608	137,254	137,254
	<u>141,904</u>	<u>146,477</u>	<u>146,477</u>

10. Inventories

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Stationery	1,874	1,717	1,717
	<u>1,874</u>	<u>1,717</u>	<u>1,717</u>

11. Investments

The School's investment activities are classified as follows:

	2017	2017 Budget	2016
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	294,999	285,636	285,636
Non-current Asset			
Long-term Bank Deposits	-	-	-

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

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Furniture and Equipment	21,086	22,032	(581)	-	(4,764)	37,773
Other Equipment	31,415	16,843	-	-	(13,524)	34,733
Information and Communication Technology	49,538	22,096	-	-	(20,621)	51,012
Buildings Improvements - Crown	68,225	-	-	-	(3,308)	64,917
Leased Assets	4,385	2,359	-	-	(2,123)	4,621
Library Resources	30,810	8,979	(1,513)	-	(4,786)	33,490
Balance at 31 December 2017	205,459	72,309	(2,094)	-	(49,126)	226,546

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Furniture and Equipment	276,267	(238,494)	37,773
Other Equipment	276,073	(241,340)	34,733
Information and Communication Technology	174,531	(123,519)	51,012
Buildings Improvements - Crown	165,379	(100,462)	64,917
Leased Assets	7,551	(2,930)	4,621
Library Resources	69,568	(36,078)	33,490
Balance at 31 December 2017	969,369	(742,823)	226,546

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2016	\$	\$	\$	\$	\$	\$
Furniture and Equipment	25,513	840	(1)	-	(5,266)	21,086
Other Equipment	30,110	12,938	-	-	(11,633)	31,415
Information and Communication Technology	46,105	25,392	(3,306)	-	(18,653)	49,538
Buildings Improvements - Crown	50,590	20,743	-	-	(3,108)	68,225
Leased Assets	-	5,192	-	-	(807)	4,385
Library Resources	28,113	7,182	(84)	-	(4,401)	30,810
Balance at 31 December 2016	180,431	72,287	(3,391)	-	(43,868)	205,459

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2016	\$	\$	\$
Furniture and Equipment	268,317	(247,231)	21,086
Other Equipment	282,823	(251,408)	31,415
Information and Communication Technology	152,435	(102,897)	49,538
Buildings Improvements - Crown	165,379	(97,154)	68,225
Leased Assets	5,192	(807)	4,385
Library Resources	63,718	(32,908)	30,810
Balance at 31 December 2016	937,864	(732,405)	205,459

Parkland School
Notes to the Financial Statements

For the year ended 31 December 2017

13. Accounts Payable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Operating Creditors	41,572	16,747	16,747
Accruals	4,168	4,107	4,107
Employee Entitlements - Salaries	85,470	78,677	78,677
Employee Entitlements - Leave Accrual	6,761	3,736	3,736
	<u>137,971</u>	<u>103,267</u>	<u>103,267</u>
Payables for Exchange Transactions	137,971	103,267	103,267
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>137,971</u>	<u>103,267</u>	<u>103,267</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Other	10,524	11,237	11,237
	<u>10,524</u>	<u>11,237</u>	<u>11,237</u>

15. Provision for Cyclical Maintenance

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Provision at the Start of the Year	157,186	157,186	134,108
Increase to the Provision During the Year	-	10,000	23,078
Adjustment to the Provision	(33,412)	-	-
Use of the Provision During the Year	(39,574)	(40,000)	-
Provision at the End of the Year	<u>84,200</u>	<u>127,186</u>	<u>157,186</u>
Cyclical Maintenance - Current	31,500	50,326	90,326
Cyclical Maintenance - Term	52,700	76,860	66,860
	<u>84,200</u>	<u>127,186</u>	<u>157,186</u>

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

16. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	3,006	2,068	2,068
Later than One Year and no Later than Five Years	2,811	2,813	3,472
	5,817	4,881	5,540

17. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education to the following capital works projects:

	2017	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block 7 & 8 Remodel	<i>in progress</i>	(4,214)	-	9,500	-	(13,714)
Security Alarm	<i>in progress</i>	-	21,865	27,709	-	(5,844)
Fire Alarm	<i>in progress</i>	-	65,583	18,087	-	47,496
Totals		(4,214)	87,448	55,296	-	27,938

Represented by:

Funds Held on Behalf of the Ministry of Education	47,496
Funds Due from the Ministry of Education	19,558
	67,054

	2016	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block 4 Room 9 & 10 Remodel	<i>complete</i>	(14,074)	14,260	186	-	-
Block 7 & 8 Remodel	<i>in progress</i>	-	-	4,214	-	(4,214)
Totals		(14,074)	14,260	4,400	-	(4,214)

18. 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 conditions 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.

Parkland School

Notes to the Financial Statements

For the year ended 31 December 2017

19. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal and Deputy Principals.

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,570	4,129
Full-time equivalent members	0.04	0.05
<i>Leadership Team</i>		
Remuneration	331,190	289,191
Full-time equivalent members	3	3
Total key management personnel remuneration	334,760	293,320
Total full-time equivalent personnel	3.04	3.05

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	130 - 140
Benefits and Other Emoluments	0 - 0	0 - 0
Termination Benefits	0 - 0	0 - 0

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
110 - 120	-	-
100 - 110	-	-
	0.00	0.00

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

20. 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	\$0	\$0
Number of People	0	0

Parkland School
Notes to the Financial Statements
For the year ended 31 December 2017

21. Contingencies

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

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

22. Commitments

(a) Capital Commitments

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

(a) \$68,746 contract to have a New Fire Alarm installed as agent for the Ministry of Education. This project is fully funded by the Ministry and \$61,871 has been received of which \$32,138 has been spent on the project to date, therefore the Board has a commitment for \$36,608.

(b) \$24,294 contract to have the Security Alarm upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry and \$21,865 has been received of which \$27,709 has been spent on the project to date, therefore the Board has a commitment for \$nil.

(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 leases for Computer Equipment;

	2017	2016
	Actual	Actual
	\$	\$
No later than One Year	10,913	14,519
Later than One Year and No Later than Five Years	23,751	34,665
	<u>34,664</u>	<u>49,184</u>
(b) Exterior Painting	-	36,898
(c) Photocopier service charged for \$10,556 pa until 14/12/20		

23. 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.

Parkland School
Notes to the Financial Statements

For the year ended 31 December 2017

24. Financial Instruments

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

Loans and receivables

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash and Cash Equivalents	458,481	315,507	307,158
Receivables	141,904	146,477	146,477
Investments - Term Deposits	294,999	285,636	285,636
Total Loans and Receivables	<u>895,384</u>	<u>747,620</u>	<u>739,271</u>

Financial liabilities measured at amortised cost

Payables	137,971	103,267	103,267
Finance Leases	5,294	4,881	4,881
Total Financial Liabilities Measured at Amortised Cost	<u>143,265</u>	<u>108,148</u>	<u>108,148</u>

25. Events After Balance Date

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

Parkland School
Members of the Board of Trustees
For the year ended 31 December 2017

<u>Name</u>	<u>Position</u>	<u>How Appointed</u>	<u>Term Expire/Expires</u>
Jocelyn Broderick	Chairperson	Elected	May 2019
Peter Barnett	Principal	Appointed	N/A
Alastair Hall	Parent Rep	Elected	May 2019
Kelly Franklin-Browne	Parent Rep	Elected	May 2019
Heidi Burden	Parent Rep	Elected	May 2019
Richard Lloyd	Parent Rep	Elected	May 2019
Melissa Young	Staff Rep	Elected	May 2019