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# INVERCARGILL MIDDLE SCHOOL



## FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2017**

School Address:	31 Jed Street, Invercargill
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Ministry Number:	3966

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# INVERCARGILL MIDDLE SCHOOL

Financial Statements - For the year ended 31 December 2017

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# **Invercargill Middle 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

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Board Chairperson

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

Invercargill Middle School

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

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	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Revenue</b>				
Government Grants	2	1,510,161	1,439,058	1,468,465
Locally Raised Funds	3	41,223	59,604	31,009
Interest Earned		2,709	1,750	2,792
Gain on Sale of Property, Plant and Equipment		308	-	-
		<u>1,554,401</u>	<u>1,500,412</u>	<u>1,502,266</u>
<b>Expenses</b>				
Locally Raised Funds	3	8,824	7,900	10,705
Learning Resources	4	1,083,078	1,119,000	1,033,619
Administration	5	94,343	104,350	85,028
Finance Costs		1,248	-	-
Property	6	367,891	234,364	351,598
Depreciation	7	16,023	25,000	13,893
Loss on Disposal of Property, Plant and Equipment		-	-	1,717
		<u>1,571,407</u>	<u>1,490,614</u>	<u>1,496,560</u>
<b>Net (Deficit) / Surplus</b>		(17,006)	9,798	5,706
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(17,006)</u>	<u>9,798</u>	<u>5,706</u>

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

## Invercargill Middle School

# Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
<b>Balance at 1 January</b>	<u>228,929</u>	<u>228,929</u>	<u>218,327</u>
Total comprehensive revenue and expense for the year	(17,006)	9,798	5,706
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	4,895
Contribution - SNUP	-	-	-
<b>Equity at 31 December</b>	<u>211,923</u>	<u>238,727</u>	<u>228,929</u>
Retained Earnings	211,923	238,727	228,929
<b>Equity at 31 December</b>	<u>211,923</u>	<u>238,727</u>	<u>228,929</u>

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

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**Invercargill Middle School**  
**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	8	100,593	138,701	103,902
Accounts Receivable	9	56,714	56,697	56,697
GST Receivable		9,886	8,366	8,366
Prepayments		2,643	4,693	4,693
Investments	10	-	50,000	50,000
		<u>169,836</u>	<u>258,457</u>	<u>223,658</u>
<b>Current Liabilities</b>				
Accounts Payable	12	67,163	68,230	68,230
Revenue Received in Advance	13	441	-	-
Provision for Cyclical Maintenance	14	31,885	-	-
Finance Lease Liability - Current Portion		5,199	-	-
Funds Held on Behalf of RTLit Cluster	16	31,487	27,704	27,704
		<u>136,175</u>	<u>95,934</u>	<u>95,934</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>33,661</b>	<b>162,523</b>	<b>127,724</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	197,004	109,453	134,453
		<u>197,004</u>	<u>109,453</u>	<u>134,453</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	9,400	33,249	33,249
Finance Lease Liability		9,342	-	-
		<u>18,742</u>	<u>33,249</u>	<u>33,249</u>
<b>Net Assets</b>		<u><u>211,923</u></u>	<u><u>238,727</u></u>	<u><u>228,929</u></u>
<b>Equity</b>		<u><u>211,923</u></u>	<u><u>238,727</u></u>	<u><u>228,929</u></u>

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

**Invercargill Middle School**  
**Statement of Cash Flows**  
For the year ended 31 December 2017

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		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		359,861	338,662	343,209
Locally Raised Funds		42,464	58,872	33,264
Goods and Services Tax (net)		(1,520)	(2,638)	(2,638)
Payments to Employees		(167,983)	(168,101)	(155,131)
Payments to Suppliers		(219,980)	(130,356)	(204,772)
Cyclical Maintenance Payments in the Year		(8,036)	(8,000)	-
Interest Received		3,075	1,384	2,427
<b>Net cash from / (to) the Operating Activities</b>		<b>7,881</b>	<b>89,823</b>	<b>16,359</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		308	-	-
Purchase of PPE (and Intangibles)		(60,034)	(8,010)	(10,419)
Purchase of Investments		50,000	(50,000)	(50,000)
Proceeds from Sale of Investments		-	-	-
<b>Net cash from / (to) the Investing Activities</b>		<b>(9,726)</b>	<b>(58,010)</b>	<b>(60,419)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	4,895
Finance Lease Payments		(5,247)	-	-
Funds Administered on Behalf of Third Parties		3,783	2,986	2,986
<b>Net cash from Financing Activities</b>		<b>(1,464)</b>	<b>2,986</b>	<b>7,881</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,309)</b>	<b>34,799</b>	<b>(36,179)</b>
Cash and cash equivalents at the beginning of the year	8	103,902	103,902	140,082
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>100,593</b>	<b>138,701</b>	<b>103,902</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.

# Invercargill Middle School

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## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2017

#### 1.1. Reporting Entity

Invercargill Middle 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.

#### 1.2. 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.



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### **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.

### **1.3. 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.

### **1.4. 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.

### **1.5. 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.

### **1.6. 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.

### **1.7. 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.

### **1.8. 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.

### **1.9. Investments**

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

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

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

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

### **1.10. 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.

**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	5-50 years
Furniture and equipment	2-15 years
Information and communication technology	3-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

**1.11. 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.

**1.12. 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.

**1.13. Employment 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

**1.14. Shared Funds**

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

**1.15. 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).

**1.16. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

**1.17. 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.

**1.18. Budget Figures**

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

**1.19. Services received in-kind**

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

**2. Government Grants**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	294,893	288,744	287,557
Teachers' salaries grants	886,997	954,000	856,958
Use of Land and Buildings grants	263,303	145,314	268,298
Other MoE Grants	64,968	51,000	55,652
	<u>1,510,161</u>	<u>1,439,058</u>	<u>1,468,465</u>

**3. Locally Raised Funds**

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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	3,649	6,000	-
Fundraising	21,228	27,704	10,063
Other revenue	4,639	16,500	2,150
Trading	-	-	6,597
Activities	11,707	9,400	12,199
	<u>41,223</u>	<u>59,604</u>	<u>31,009</u>
<b>Expenses</b>			
Activities	7,493	5,900	8,570
Fundraising (costs of raising funds)	1,244	2,000	2,135
Other Locally Raised Funds Expenditure	87	-	-
	<u>8,824</u>	<u>7,900</u>	<u>10,705</u>
<i>Surplus for the year Locally raised funds</i>	<u>32,399</u>	<u>51,704</u>	<u>20,304</u>

**4. Learning Resources**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	44,809	23,000	41,914
Equipment repairs	1,925	5,000	5,169
Information and communication technology	-	-	8,173
Library resources	995	1,000	840
Employee benefits - salaries	1,011,150	1,075,000	962,885
Staff development	24,199	15,000	14,638
	<u>1,083,078</u>	<u>1,119,000</u>	<u>1,033,619</u>

**5. Administration**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	2,536	2,500	2,499
Board of Trustees Fees	3,982	5,000	4,365
Board of Trustees Expenses	5,803	4,200	4,259
Communication	4,363	3,500	3,329
Consumables	3,816	4,900	5,086
Operating Lease	31,428	39,900	27,533
Other	6,390	8,500	2,826
Employee Benefits - Salaries	30,008	28,650	29,564
Insurance	1,385	3,000	1,457
Service Providers, Contractors and Consultancy	4,632	4,200	4,110
	<u>94,343</u>	<u>104,350</u>	<u>85,028</u>

**6. Property**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Consultancy and Contract Services	25,512	24,000	22,766
Cyclical Maintenance Provision	8,036	8,000	6,018
Grounds	3,500	3,750	2,990
Heat, Light and Water	16,985	14,300	14,521
Rates	2,555	2,500	2,403
Repairs and Maintenance	30,559	20,000	17,300
Use of Land and Buildings	263,303	145,314	268,298
Security	2,137	1,500	2,195
Employee Benefits - Salaries	15,304	15,000	15,107
	<u>367,891</u>	<u>234,364</u>	<u>351,598</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)	\$
Building Improvements	2,931	5,000	2,928
Furniture and Equipment	7,970	15,000	9,504
Leased Assets	3,653	-	-
Library Resources	1,469	5,000	1,461
	<u>16,023</u>	<u>25,000</u>	<u>13,893</u>

**8. Cash and Cash Equivalents**

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	70	-	70
Bank Current Account	98,601	138,701	71,942
Bank Call Account	1,922	-	31,890
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>100,593</u>	<u>138,701</u>	<u>103,902</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	-	800	800
Interest Receivable	-	366	366
Teacher Salaries Grant Receivable	56,714	55,531	55,531
	<u>56,714</u>	<u>56,697</u>	<u>56,697</u>
Receivables from Exchange Transactions	-	1,166	1,166
Receivables from Non-Exchange Transactions	56,714	55,531	55,531
	<u>56,714</u>	<u>56,697</u>	<u>56,697</u>

**10. Investments**

The School's investment activities are classified as follows:

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Current Asset			
Short-term Bank Deposits	-	50,000	50,000

**11. Property, Plant and Equipment**

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2017</b>						
Building Improvements	85,280	-	-	-	(2,931)	82,349
Furniture and Equipment	38,943	58,932	(428)	-	(7,970)	89,477
Leased Assets	-	18,540	-	-	(3,653)	14,887
Library Resources	10,230	1,532	(2)	-	(1,469)	10,291
<b>Balance at 31 December 2017</b>	<u>134,453</u>	<u>79,004</u>	<u>(430)</u>	<u>-</u>	<u>(16,023)</u>	<u>197,004</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2017</b>			
Building Improvements	211,930	(129,581)	82,349
Furniture and Equipment	200,523	(111,046)	89,477
Leased Assets	18,540	(3,653)	14,887
Library Resources	35,825	(25,534)	10,291
<b>Balance at 31 December 2017</b>	<u>466,818</u>	<u>(269,814)</u>	<u>197,004</u>

The net carrying value of equipment held under a finance lease is \$14,887 (2016: \$nil)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2016</b>						
Building Improvements	88,208	-	-	-	(2,928)	85,280
Furniture and Equipment	40,420	9,582	(1,555)	-	(9,504)	38,943
Library Resources	11,016	837	(162)	-	(1,461)	10,230
<b>Balance at 31 December 2016</b>	<u>139,644</u>	<u>10,419</u>	<u>(1,717)</u>	<u>-</u>	<u>(13,893)</u>	<u>134,453</u>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2016</b>			
Building Improvements	211,932	(126,652)	85,280
Furniture and Equipment	187,990	(149,047)	38,943
Library Resources	34,300	(24,070)	10,230
<b>Balance at 31 December 2016</b>	<u>434,221</u>	<u>(299,768)</u>	<u>134,453</u>



**12. Accounts Payable**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Operating creditors	4,358	8,132	8,132
Accruals	2,916	2,874	2,874
Banking staffing overuse	4,892	-	-
Employee Entitlements - salaries	54,997	55,531	55,531
Employee Entitlements - leave accrual	-	1,693	1,693
	<u>67,163</u>	<u>68,230</u>	<u>68,230</u>
Payables for Exchange Transactions	<u>67,163</u>	<u>68,230</u>	<u>68,230</u>
	<u>67,163</u>	<u>68,230</u>	<u>68,230</u>

The carrying value of payables approximates their fair value.

**13. Revenue Received in Advance**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Other	441	-	-
	<u>441</u>	<u>-</u>	<u>-</u>

**14. Provision for Cyclical Maintenance**

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Provision at the Start of the Year	33,249	33,249	27,231
Increase to the Provision During the Year	8,036	-	6,018
Provision at the End of the Year	<u>41,285</u>	<u>33,249</u>	<u>33,249</u>
Cyclical Maintenance - Current	31,885	-	-
Cyclical Maintenance - Term	9,400	33,249	33,249
	<u>41,285</u>	<u>33,249</u>	<u>33,249</u>



**15. 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	6,800	-	-
Later than One Year and no Later than Five Years	10,343	-	-
Later than Five Years	-	-	-
	17,143	-	-

**16. Funds Held on Behalf of RTLit Cluster**

Invercargill Middle School is the lead school and holds funds on behalf of the RTLit cluster, a group of schools funded by the Ministry of Education to provide specialised literacy assistance.

	2017 Actual \$	2017 Budget \$	2016 Actual \$
Funds Held at Beginning of the Year	27,704	27,704	24,718
Funds Received from MoE	14,816	-	14,815
Funds Spent on Behalf of the Cluster	(11,033)	-	(11,829)
Funds Held at Year End	31,487	27,704	27,704

**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.

**18. Remuneration**

*Key management personnel compensation*

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	3,982	4,365
Full-time equivalent members	0.01	0.16
<i>Leadership Team</i>		
Remuneration	262,846	233,769
Full-time equivalent members	2.00	2.00
<b>Total key management personnel remuneration</b>	<b>266,828</b>	<b>238,134</b>
<b>Total full-time equivalent personnel</b>	<b>2.01</b>	<b>2.16</b>

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
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	140 - 150	120 -130
Benefits and Other Emoluments	4 - 5	3 - 4
Termination Benefits	0 - 0	0 - 0

*Other Employees*

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

	2017	2016
Remuneration \$000	FTE Number	FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

**19. 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	-	-

**20. Contingencies**

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

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## 21. Commitments

### (a) Capital Commitments

As at 31 December 2017 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2016: nil)

### (b) Operating Commitments

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

(a) operating lease of a photocopier;

	2017 Actual \$	2016 Actual \$
No later than One Year	13,187	7,805
Later than One Year and No Later than Five Years	5,247	10,773
Later than Five Years	-	-
	18,434	18,578

## 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:

### Loans and Receivables

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Cash and Cash Equivalents	100,593	138,701	103,902
Receivables	56,714	56,697	56,697
Investments - Term Deposits	-	50,000	50,000
Total Loans and Receivables	157,307	245,398	210,599

### Financial liabilities measured at amortised cost

Payables	67,163	68,230	68,230
Finance Leases	14,541	-	-
Total Financial Liabilities Measured at Amortised Cost	81,704	68,230	68,230

## 24. Events After Balance Date

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