

BROADLANDS SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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BROADLANDS SCHOOL

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FOR THE YEAR ENDED 31 DECEMBER 2017

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BROADLANDS 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 control designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

In the opinion of the Board and management, 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.

Ross James Shaw

Full name of Board Chairperson

GRAHAM C. TAYLOR

Full name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

6/6/18

Date

30.5.18

Date

BROADLANDS SCHOOL

STATEMENT OF COMPREHENSIVE REVENUE & EXPENSE

FOR THE YEAR ENDED 31 DECEMBER, 2017

	Notes	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Income				
Government Grants	2	934,673	871,118	871,273
Locally Raised Funds	3	72,250	34,350	71,392
Other Income		1,495	-	-
Interest Earned		4,448	3,500	4,027
		<u>1,012,866</u>	<u>908,968</u>	<u>946,692</u>
Expenditure				
Locally Raised Funds	3	45,918	5,500	37,965
Learning Resources	4	697,676	647,522	646,496
Administration	5	64,647	55,072	58,041
Property	6	169,164	146,000	148,233
Finance Costs	7	685	-	472
Depreciation	8	46,722	40,674	49,251
Loss on Disposal of Assets		67	-	783
		<u>1,024,879</u>	<u>894,768</u>	<u>941,241</u>
Net Surplus/(Deficit)		<u>(12,013)</u>	<u>14,200</u>	<u>5,451</u>
Other Comprehensive Revenue & Expenses		<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Revenue & Expenses for the Year		<u><u>(12,013)</u></u>	<u><u>14,200</u></u>	<u><u>5,451</u></u>

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit report



BROADLANDS SCHOOL

STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
Equity at start of the year	433,064	433,064	427,612
Total Comprehensive Revenue & Expense for the Year	(12,013)	14,200	5,451
Furniture & Equipment Grant	2,102	-	-
Total Recognised Income and Expenses	<u>(9,911)</u>	<u>14,200</u>	<u>5,451</u>
Equity at end of year	<u><u>423,153</u></u>	<u><u>447,264</u></u>	<u><u>433,064</u></u>
Retained Earnings	423,153	447,264	433,064
Reserves	-	-	-
Equity at end of year	<u><u>423,153</u></u>	<u><u>447,264</u></u>	<u><u>433,064</u></u>

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report



BROADLANDS SCHOOL

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Equity		423,153	447,264	433,064
TOTAL EQUITY		423,153	447,264	433,064
Represented by				
CURRENT ASSETS				
Cash and Cash Equivalents	9	40,855	41,925	41,727
Investments	10	129,395	166,848	126,174
Accounts Receivable	11	32,269	31,787	31,787
Prepayments		5,210	3,973	3,973
GST Holding Account		6,671	1,498	1,498
Total Current Assets		214,400	246,031	205,159
CURRENT LIABILITIES				
Cash and Cash Equivalents	9	18,619	-	-
Accounts Payable	12	47,810	58,812	58,812
Finance Leases	13	3,981	2,191	2,191
Provision for Cyclical Maintenance	14	1,000	857	857
Total Current Liabilities		71,410	61,860	61,860
WORKING CAPITAL SURPLUS		142,990	184,171	143,299
NON-CURRENT ASSETS				
Property, Plant & Equipment	15	285,011	265,683	293,355
Total Non-Current Assets		285,011	265,683	293,355
NON-CURRENT LIABILITIES				
Finance Leases	13	3,915	2,590	3,590
Provision for Cyclical Maintenance	14	933	-	-
Total Non-Current Liabilities		4,848	2,590	3,590
Net Assets		423,153	447,264	433,064

This Statement is to be read in conjunction with the attached Accounting Policies, Notes to the Financial Statements and the Audit Report



BROADLANDS SCHOOL

Cash Flow Statement **For the year ended 31 December 2017**

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		231,404	192,119	205,665
Other Income		1,495	-	-
Locally Raised Funds		72,645	34,350	70,351
Goods and Services Tax (net)		(4,663)	-	(546)
Payments to Employees		(133,343)	(86,547)	(76,441)
Payments to Suppliers		(154,760)	(88,547)	(139,798)
Interest Received		4,178	3,500	4,499
Interest Paid		(361)	-	(472)
Net cash from / (to) the Operating Activities		16,595	54,875	63,258
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(32,981)	(13,002)	(16,494)
Proceeds from Sale of Investments		-	-	-
Purchase of Investments		(3,222)	(40,675)	(3,798)
Net cash from / (to) the Investing Activities		(36,203)	(53,677)	(20,292)
Cash flows from Financing Activities				
Finance Lease payments		(1,986)	(1,000)	(1,335)
Furniture & Equipment Grant		2,102	-	-
Net cash from Financing Activities		116	(1,000)	(1,335)
Net increase/(decrease) in cash and cash equivalents		(19,492)	198	41,631
Cash and cash equivalents at the beginning of the year	9	41,727	41,727	96
Cash and cash equivalents at the end of the year	9	22,235	41,925	41,727

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



BROADLANDS SCHOOL

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

1. Statement of Significant Accounting Policies

a) Reporting Entity

Broadlands 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 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 the 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 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.

BROADLANDS SCHOOL

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

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 15.

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 13.

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 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 but are paid directly to teachers by the Ministry of Education (the Ministry).

Use of land and building 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 unfilled 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 income in the period it is earned.



BROADLANDS SCHOOL

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry 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. They 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, for example stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. The 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.

The School has met the requirements under section 28 of schedule 6 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.

BROADLANDS SCHOOL

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

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 \$250 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:

Buildings & Improvements	40 years
Classroom Furniture	5-15 years
Information and communication technology	4-15 years
Office Furniture & Equipment	5 years
Textbooks	3 years
Other Equipment	5-10 years
Leased Assets held under a Finance Lease	4 years
Library Books	12.5% Diminishing value

1) Impairment of property, plant and equipment

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 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.



BROADLANDS SCHOOL

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

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 grants received where there are unfulfilled obligations for the School to provide services in the future. When those services are fulfilled the funds will be recorded as revenue.

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 (10YP).

q) Financial Assets and Liabilities

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

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



BROADLANDS SCHOOL

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

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 of Trustees 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 Expenses.



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
NOTE 2 Government Grants			
Income			
Operational Grants	189,560	191,119	191,728
Teachers Salaries Grants	590,638	570,000	555,807
Use of Land & Buildings Grant	109,678	109,000	108,037
Other MOE Grants	7,270	-	3,157
Other Grants	37,527	1,000	12,545
	<u>934,673</u>	<u>871,119</u>	<u>871,274</u>

NOTE 3 Locally Raised Funds

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

Revenue			
Donations	26,837	21,000	27,736
Fundraising	50	-	1,351
Activities	13,772	450	12,502
Trading	13,593	2,500	13,363
Other Revenue	17,999	10,400	16,440
	<u>72,250</u>	<u>34,350</u>	<u>71,392</u>
Expenditure			
Fundraising Costs	3,975	1,000	308
Activities	21,617	4,500	18,775
Trading	11,806	-	10,370
Other Locally Raised Funds Expenditure	8,520	-	8,512
	<u>45,918</u>	<u>5,500</u>	<u>37,965</u>
	<u>26,332</u>	<u>28,850</u>	<u>33,427</u>

NOTE 4 Learning Resources

Curricular	18,701	14,775	18,424
Extra-Curricular Activities	4,596	3,200	3,431
Employee Benefits - Salaries	661,365	623,047	612,449
Staff Development	13,015	6,500	12,192
Total Comprehensive Income	<u>697,676</u>	<u>647,522</u>	<u>646,496</u>



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
NOTE 5 Administration			
Audit Fees	4,102	4,102	4,041
Board of Trustee Fees	3,495	3,640	1,365
Board of Trustees Expenses	597	300	585
Communication	2,581	2,000	2,044
Consumables	9,795	7,300	9,194
Operating Leases	569	500	1,092
Other	6,356	4,500	3,993
Employee Benefits - Salaries	27,948	22,700	27,204
Insurance	4,203	5,030	3,524
Service Providers, Contractors & Consultancy	5,000	5,000	5,000
	<u>64,647</u>	<u>55,072</u>	<u>58,041</u>

NOTE 6 Property

Caretaking & Cleaning Consumables	3,287	1,400	1,484
Cyclical Maintenance Provision	1,076	1,500	(837)
Grounds	16,323	8,800	9,160
Heat, Light & Water	8,957	9,000	8,596
Rates	1,256	900	1,191
Repairs & Maintenance	9,103	4,400	7,804
Use of Land & Buildings	109,678	109,000	108,037
Employee Benefits - Salaries	19,485	11,000	12,798
	<u>169,164</u>	<u>146,000</u>	<u>148,233</u>

The use of land & 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.

NOTE 7 Finance Costs

Interest Paid	685	-	472
	<u>685</u>	<u>-</u>	<u>472</u>

NOTE 8 Depreciation

Buildings & Improvements	6,175	9,050	6,090
Classroom Furniture	7,506	8,147	9,082
Info-Tech Assets	19,157	6,996	18,205
Office Furniture & Equipment	1,385	1,535	2,637
Other Equipment	9,589	13,043	11,243
Library Resources	1,377	1,903	1,455
Leased Assets	1,533	-	539
	<u>46,722</u>	<u>40,674</u>	<u>49,251</u>

BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
NOTE 9 Cash and Cash Equivalents			
ASB Education Admin Account	(18,619)	41,575	1,252
ASB Business Saver	341	350	341
Short Term Deposits with a maturity of three months or less	40,513	-	40,134
Net Cash & Cash equivalents for Cashflow Statement	<u>22,235</u>	<u>41,925</u>	<u>41,727</u>

NOTE 10 Investments

The School's investment activities are classified as follows:

Long-term bank deposits with maturities greater than 3 months and no greater than 1 year

129,395	166,848	126,173
<u>129,395</u>	<u>166,848</u>	<u>126,173</u>

NOTE 11 Accounts Receivable

Interest Receivable	586	316	316
Teachers Salaries Grant Receivable	28,542	30,353	30,353
Sundry Debtors	664	1,118	1,118
Staff Banking Underuse	2,476	-	-
	<u>32,269</u>	<u>31,787</u>	<u>31,787</u>

Receivables from Exchange Transactions	1,251	1,434	1,434
Receivables from Non-Exchange Transactions	31,018	30,353	30,353
	<u>32,269</u>	<u>31,787</u>	<u>31,787</u>

NOTE 12 Accounts Payable

Operating Creditors	11,628	8,112	8,112
Employee Benefits - Salaries	36,182	30,353	30,353
Staff Banking Overuse	-	20,347	20,347
	<u>47,810</u>	<u>58,812</u>	<u>58,812</u>

Payables from Exchange Transactions	47,810	58,812	58,812
Payables from Non-Exchange Transactions	-	-	-
	<u>47,810</u>	<u>58,812</u>	<u>58,812</u>

The carrying value of payables approximates their value.



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$

NOTE 13 Finance Lease Liability

The school has entered into a lease agreement for a photocopier and laptops for teachers. Minimum lease payments payable:

Not later than one year	3,981	2,191	2,191
Later than 1 year but not more than 5 years	3,915	2,590	3,590
	7,896	4,781	5,781

NOTE 14 Cyclical Maintenance Provision

Provision at Start of Year	857	857	10,982
Increase in Provision during the Year	1,076	-	857
Use of Provision during the year	-	-	(10,982)
Provision at the end of the Year	1,933	857	857
Current Liability	1,000	857	857
Non Current Liability	933	-	-
	1,933	857	857



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

NOTE 15 Property, Plant & Equipment

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
	31 Dec 2017		
Buildings & Improvements	259,505	104,153	155,352
Classroom Furniture	127,520	100,483	27,037
Info-Tech Assets	157,958	137,721	20,237
Office Furniture & Fittings	33,937	33,937	-
Other Equipment	220,607	155,621	64,986
Leased Assets	13,678	5,917	7,761
Library Resources	46,081	36,443	9,638
	<u>859,286</u>	<u>574,275</u>	<u>285,011</u>

	Op/Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
	31 Dec 2017				
Buildings	157,713	3,814	-	(6,175)	155,352
Classroom Furniture	32,401	2,142	-	(7,506)	27,037
Info-Tech Assets	27,713	11,681	-	(19,157)	20,237
Office Furniture & Fittings	202	-	-	(202)	-
Other Equipment	59,451	15,124	-	(9,589)	64,986
Leased Assets	5,688	4,789	-	(2,716)	7,761
Library Books	10,187	895	(67)	(1,377)	9,638
	<u>293,355</u>	<u>38,445</u>	<u>(67)</u>	<u>(46,722)</u>	<u>285,011</u>

The Net carrying value of Equipment held under a finance lease is \$7,761.

As At 31 December 2017 the school has \$Nil of work in progress that has been included in Land & Buildings.



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
	31 Dec 2016		
Buildings & Improvements	255,691	97,978	157,713
Classroom Furniture	125,378	92,977	32,401
Info-Tech Assets	146,277	118,564	27,713
Office Furniture & Fittings	33,937	33,735	202
Other Equipment	208,698	149,247	59,451
Leased Assets	8,889	3,200	5,688
Library Resources	45,485	35,298	10,187
	<u>824,355</u>	<u>531,000</u>	<u>293,355</u>

	Op/Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
	31 Dec 2016				
Buildings	161,569	2,234	-	(6,090)	157,713
Classroom Furniture	39,955	1,528	-	(9,082)	32,401
Info-Tech Assets	40,399	5,518	-	(18,205)	27,713
Office Furniture & Fittings	1,656	-	-	(1,454)	202
Other Equipment	53,480	17,214	-	(11,243)	59,451
Leased Assets	4,434	2,976	-	(1,722)	5,688
Library Books	11,929	496	(783)	(1,455)	10,187
	<u>313,421</u>	<u>29,966</u>	<u>(783)</u>	<u>(49,251)</u>	<u>293,355</u>

The net carrying value of equipment held under a finance lease is \$5,688.

As At 31 December 2016 the school has \$Nil of work in progress that has been included in Land & Buildings.

NOTE 16 Funds Held for Capital Work Projects

During the year the school received and applied funding from the Ministry of Education for the following Capital Works Projects.

	Opening Balance \$	Funds Received \$	Money Spent \$	Balance Revenue \$	Closing Balance \$
2017					
No projects	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Represented by:					
Funds held on behalf of the M.O.E.					-
					<u>-</u>
2016					
Carpark Completed	-	75,938	74,585	1,353	-
Pool Pump Completed	-	2,645	2,606	39	-
Grounds Paving Completed	-	3,433	3,433	-	-
	<u>-</u>	<u>82,016</u>	<u>80,624</u>	<u>1,392</u>	<u>-</u>



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

NOTE 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 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.

No related party debts or transactions have been written off or forgiven during the year.



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

NOTE 18 Remuneration

Key management personnel compensation.

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

	2017 Actual	2016 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,495	1,365
Full-time equivalent members	0.12	0.12
 <i>Leadership Team</i>		
Remuneration	431,852	424,329
Full-time Equivalent Members	5.00	5.00
Total key management personnel remuneration	435,347	425,694
Total full time equivalent personnel	5.12	5.12

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 plus the estimated time for Board members to prepare for meetings.

Principal

The total value of remuneration paid or payable to the Principal is in the following bands:

	2017 Actual	2016 Actual
	\$000	\$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and other payments	110-120	110-120
Benefits and other emoluments	3 - 4	3 - 4
Termination benefits	-	-

Other Employees

Number of other employee who received remuneration of over \$100,000 was in the following bands:

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

The disclosure for "other employees" does not include remuneration of the Principal.

NOTE 19 Compensations and Other Benefits upon leaving Remuneration

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee members or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was as follows:

	2017	2016
Number of persons	-	-
Total Value	-	-

NOTE 20 Contingencies

There are no Contingent Liabilities and no Contingent Assets at balance date.

(Contingent Liabilities and Contingent Assets at 31 December 2016: Nil)



BROADLANDS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017 (continued)

NOTE 21 Commitments

(a) Capital Commitments

At balance date the Board had not entered into contract agreements for Capital Works: (2016 \$Nil)

(b) Operating Commitments

As at balance date, the Board had entered into the following contracts:

(1) Operating lease of teacher Laptops & IPod's.

	2017 Actual \$	2016 Actual \$
No later than one year	78	568
Later than one year and no later than 5years	-	78
Later than 5years	-	-
	78	646

Amounts owing on finance lease are disclosed as a liability in Note 13.

NOTE 22 Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, 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.

NOTE 23 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Loans & Receivables			
Cash and Cash Equivalents	22,235	41,925	41,727
Investments	129,395	166,848	126,173
Receivables	32,269	31,787	31,787
Total Loans & Receivables	183,899	240,560	199,687
Financial Liabilities Measured at Amortised Cost			
Payables	47,810	58,812	58,812
Finance Leases	7,896	4,781	5,781
Total Financial Liabilities Measured at Amortised Cost	55,706	63,593	64,593

NOTE 24 Events after Balance Date

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



BROADLANDS SCHOOL

MEMBERS OF THE BOARD OF TRUSTEES

Name		Position	How Position on Board Gained	Occupation	Term Expired/expires
Graeme	TAYLOR	Principal	Appointed 2006	Principal	
Sara	FIELD	Parent Representative	Appointed July 2016	Farmer	May 2019
Bridget	HAYES	Parent Representative	Appointed Sept 2016		May 2019
Elizabeth	MACASKILL	Staff Representative	Appointed June 2016	Teacher	May 2019
Bruce	PUTT	Parent Representative	Appointed June 2016		May 2019
Mere	RATU	Parent Representative	Appointed July 2016		May 2019
Ross	SHAW	Parent Representative	Appointed July 2016		May 2019

KIWISPORT REPORT

Kiwi Sport is a Government funded initiative to support students' participation in organised sport.

In 2017, the School received \$1,477.43 through Operations Grant. There was also a re-calculated roll adjustment of \$237.44 on 23/3/2017.

The funding was spent on the Sport BOP GO4it Programme. All students benefited from the programme.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BROADLANDS SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Auditor-General is the auditor of Broadlands School (the School). The Auditor-General has appointed me, Stephen Graham, using the staff and resources of BDO Rotorua Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2017, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2017; and
 - its financial performance and cash flows for the year then ended; and

comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 6 June 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material

errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 2 to 20, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.

A handwritten signature in blue ink, appearing to read 'Stephen Graham', with a long horizontal flourish extending to the right.

Stephen Graham
BDO Rotorua Limited
On behalf of the Auditor-General
Rotorua, New Zealand