

## Finlayson Park School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

### *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.

### Revenue Received in Advance

Revenue received in advance relates to fees received from Trillian Trust refund where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to this revenue received in advance, should the School be unable to provide the services to which they relate.

### Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

### Financial Assets and Liabilities

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable 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.

### Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### Budget Figures

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

### Services received in-kind

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

Finlayson Park School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

17 Funds Held for Capital Works Projects

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

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Toilet Block	<i>In progress</i>	(132,110)	-	128,657	-	(260,767)
Roofing	<i>In progress</i>	-	9,818	8,018	-	1,800
Switchboard Upgrade	<i>In progress</i>	-	-	142,984	-	(142,984)
Class/ICT Refurbishing	<i>In progress</i>	-	-	27,803	-	(27,803)
Totals		<u>(132,110)</u>	<u>9,818</u>	<u>307,462</u>	<u>-</u>	<u>(429,754)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

1,800

(431,554)

(429,754)

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Boiler Upgrade	<i>Completed</i>	-	71,989	94,721	22,732	-
Power Upgrade	<i>Completed</i>	-	74,250	104,303	30,053	-
Toilet Block	<i>in progress</i>	-	238,500	370,610	-	(132,110)
Totals		<u>-</u>	<u>384,739</u>	<u>569,634</u>	<u>52,785</u>	<u>(132,110)</u>

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 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.

## Finlayson Park School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

### 21 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018

(Contingent liabilities and assets as at 31 December 2017: nil)

#### Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

### 22 Commitments

#### (a) Capital Commitments

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

(Capital commitments as at 31 December 2017 nil)

#### (b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts

(a) operating leases for photocopier (Comcolor 7150 unit);

	2018 Actual \$	2017 Actual \$
No later than One Year		9,297
		<u>9,297</u>

### 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.

### 24 Financial Instruments

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Loans and Receivables			
Cash and Cash Equivalents	711,286	290,451	254,631
Receivables	354,672	366,700	364,746
Investments Term Deposits	555,714	1,026,000	1,024,558
Total Loans and Receivables	<u>1,621,672</u>	<u>1,683,151</u>	<u>1,643,935</u>
Financial liabilities measured at amortised cost			
Payables	459,447	455,600	449,001
Finance Leases	31,163	400	893
Total Financial Liabilities Measured at Amortised Cost	<u>490,610</u>	<u>456,000</u>	<u>449,894</u>

### 25 Events After Balance Date

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

### 26 Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.