

TE AROHA PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:

1999

Principal:

Kevin Johnson

School Address:

Jubilee Avenue, Te Aroha

School Postal Address:

Jubilee Avenue, Te Aroha 3520

School Phone:

071 884 8803

School Email:

admin@tearohaprimary.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Darren Diprose	Chair Person	Re-Elected June 2019	Accountant	May-22
Glen McLoughlin	Deputy Chairperson & Policies	Re-Elected June 2019	Supervisor	May-22
Fiona Ryan	Treasurer	Re-Elected June 2019	Lawyer	May-22
Kevin Johnson	Principal		Principal	
Megan Paul	Staff Rep	Re-Elected June 2019	Teacher	May-22
Dave Johnston	Parent Rep	Elected June 2019	Electrician	May-22
Amy Pestai	Whanau Health & Safety Rep	Elected June 2019	Business Owner	May-22
Holly Brillenden	Deputy Principal		Deputy Principal	
Diane Hazellon	Secretary			

Accountant / Service Provider:

Diprose Miller Limited

TE AROHA PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2019

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Te Aroha Primary School

Statement of Responsibility

For the year ended 31 December 2019

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 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Darren Diprose

Signature of Board Chairperson

Date:

11 / 8 / 2020

Kevin Johnson

Signature of Principal

Date:

11-08-2020

Te Aroha Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	1,613,181	354,942	1,509,663
Locally Raised Funds	3	87,620	67,350	89,894
Interest income		2,970	3,000	2,887
International Students	4	1,322	8,000	15,797
		<u>1,705,094</u>	<u>463,292</u>	<u>1,598,441</u>
Expenses				
Locally Raised Funds	3	57,006	33,850	46,328
International Students	4	400	-	6,178
Learning Resources	5	1,101,013	199,767	1,022,011
Administration	6	75,899	78,232	69,875
Finance		1,285	-	809
Property	7	430,070	111,242	412,074
Depreciation	8	38,226	37,500	43,835
Loss on Disposal of Property, Plant and Equipment		7	-	984
		<u>1,704,716</u>	<u>458,581</u>	<u>1,602,090</u>
Net Surplus / (Deficit) for the year		378	4,711	(3,648)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>378</u>	<u>4,711</u>	<u>(3,648)</u>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



Te Aroha Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		370,353	370,353	370,555
Total comprehensive revenue and expense for the year		378	4,711	(3,048)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		7,504	7,500	3,448
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	22	378,235	382,564	370,353
Retained Earnings		378,235	382,564	370,353
Reserves		-	-	-
Equity at 31 December		378,235	382,564	370,353

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



Te Aroha Primary School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	144,004	134,864	130,843
Accounts Receivable	10	70,629	70,200	72,331
GST Receivable		4,753	5,000	-
Prepayments		11,546	10,000	9,629
Inventories	11	4,870	4,000	4,700
Investments	12	97,382	95,000	94,572
Funds held for Capital Works Projects	17	1,080		13,040
		<u>334,264</u>	<u>319,064</u>	<u>325,116</u>
Current Liabilities				
GST Payable		-	-	20,029
Accounts Payable	14	105,897	102,500	106,349
Provision for Cyclical Maintenance	15	36,000	36,000	-
Finance Lease Liability - Current Portion	16	1,868	2,000	2,030
		<u>143,763</u>	<u>140,500</u>	<u>128,409</u>
Working Capital Surplus/(Deficit)		<u>190,501</u>	<u>178,564</u>	<u>196,707</u>
Non-current Assets				
Property, Plant and Equipment	13	<u>242,341</u>	<u>256,500</u>	<u>252,609</u>
		242,341	256,500	252,609
Non-current Liabilities				
Provision for Cyclical Maintenance	15	53,215	50,000	75,705
Finance Lease Liability	16	1,393	2,500	3,258
		<u>54,608</u>	<u>52,500</u>	<u>78,963</u>
Net Assets		<u>378,235</u>	<u>382,564</u>	<u>370,353</u>
Equity	22	<u>378,235</u>	<u>382,564</u>	<u>370,353</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes which form part of these financial statements.



To Aroha Primary School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		428,673	425,806	407,329
Locally Raised Funds		87,620	67,350	69,845
International Students		1,322	0,000	15,797
Goods and Services Tax (net)		(24,783)	(25,000)	1,806
Payments to Employees		(248,900)	(208,451)	(267,951)
Payments to Suppliers		(217,977)	(187,830)	(183,762)
Cyclical Maintenance Payments in the year		-	(5,786)	13,509
Interest Paid		(1,295)	-	(809)
Interest Received		2,972	3,000	2,968
Net cash from Operating Activities		27,633	77,079	59,033
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		894	-	4,187
Purchase of PPE (and Intangibles)		(28,987)	(43,000)	(26,536)
Purchase of Investments		(2,810)	(5,000)	(2,833)
Net cash from Investing Activities		(31,083)	(48,000)	(25,182)
Cash flows from Financing Activities				
Furniture and Equipment Grant		7,504	7,500	3,446
Finance Lease Payments		(2,854)	5,500	(6,218)
Funds Administered on Behalf of Third Parties		-	-	(8,273)
Funds Held for Capital Works Projects		11,960	-	-
Net cash from Financing Activities		16,610	13,000	(11,045)
Net increase/(decrease) in cash and cash equivalents		13,159	42,079	22,806
Cash and cash equivalents at the beginning of the year	9	130,844	97,785	108,037
Cash and cash equivalents at the end of the year	9	144,003	139,864	130,843

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 which form part of these financial statements..



Te Aroha Primary School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Te Aroha Primary 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 2019 to 31 December 2019 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".

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 36.

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 13.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

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.

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.

For Non-integrated schools only:

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.



Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

Inventories are consumable items held for sale and comprise of stationery and 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. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Prior Year Policy

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.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

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 to Crown Owned Assets	20-40 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	5 years
Library resources	12.5% Diminishing value

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.



m) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

p) 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.



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	376,759	368,462	360,383
Teachers' Salaries Grants	896,862	7,000	800,069
Use of Land and Buildings Grants	284,401	-	288,956
Other MoE Grants	45,160	9,480	60,255
	<u>1,613,181</u>	<u>384,942</u>	<u>1,509,663</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	11,761	8,200	9,957
Activities	17,186	11,780	14,731
Trading	11,594	8,500	11,108
Fundraising	34,505	25,500	22,194
Other Revenue	12,574	13,370	12,004
	<u>87,620</u>	<u>67,350</u>	<u>69,994</u>
Expenses			
Activities	32,989	20,750	22,476
Trading	13,426	8,500	12,608
Fundraising (Costs of Raising Funds)	10,581	4,600	11,242
	<u>57,006</u>	<u>33,850</u>	<u>46,326</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>30,615</u>	<u>33,500</u>	<u>23,668</u>



4. International Student Revenue and Expenses

International Student Roll

Revenue

International Student Fees

Expenses

Other Expenses

Surplus/ (Deficit) for the year International Students'

2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
0	0	0
2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
1,322	8,000	15,797
400	-	6,176
400	-	6,176
922	8,000	9,621

5. Learning Resources

Curricular

Extra-Curricular Activities

Library Resources

Employee Benefits - Salaries

Staff Development

2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
35,584	45,450	26,372
238	800	341
526	1,500	843
1,034,517	118,367	960,069
30,148	33,640	25,386
1,101,013	199,757	1,022,011

6. Administration

Audit Fee

Board of Trustees Expenses

Communication

Consumables

Operating Lease

Other

Employee Benefits - Salaries

Insurance

Service Providers, Contractors and Consultancy

2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
3,873	4,300	3,901
4,781	3,450	2,930
2,151	4,150	2,993
5,414	6,168	3,705
427	1,800	108
109	-	69
51,813	43,542	44,280
3,110	5,322	4,751
4,020	7,500	7,128
75,699	76,232	89,875



7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	6,147	3,800	5,152
Cyclical Maintenance Provision	13,510	14,800	13,510
Grounds	3,715	3,100	5,713
Heat, Light and Water	18,979	17,000	18,174
Rates	4,817	6,700	5,174
Repairs and Maintenance	28,395	8,300	17,189
Use of Land and Buildings	294,401	-	288,956
Security	3,723	1,500	2,279
Employee Benefits - Salaries	60,383	58,042	55,946
	<u>430,070</u>	<u>111,242</u>	<u>412,074</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

8. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	17,310	17,000	18,057
Furniture and Equipment	9,336	12,000	13,765
Information and Communication Technology	9,571	6,000	8,104
Leased Assets	2,293	2,000	3,155
Library Resources	716	500	754
	<u>39,226</u>	<u>37,500</u>	<u>43,834</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	100	-	100
Bank Current Account	25,093	24,864	43,205
Bank Call Account	118,810	110,000	87,539
Cash and cash equivalents for Cash Flow Statement	<u>144,003</u>	<u>134,864</u>	<u>130,844</u>

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



10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables from the Ministry of Education	9,222	10,000	15,977
Interest Receivable	231	200	232
Banking Staffing Underuse	-	-	-
Teacher Salaries Grant Receivable	61,176	60,000	58,122
	<u>70,829</u>	<u>70,200</u>	<u>72,331</u>
Receivables from Exchange Transactions	231	200	232
Receivables from Non-Exchange Transactions	70,398	70,000	72,099
	<u>70,629</u>	<u>70,200</u>	<u>72,331</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,977	2,000	4,700
School Uniforms	2,893	2,000	-
	<u>4,870</u>	<u>4,000</u>	<u>4,700</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	97,382	95,000	94,572
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>97,382</u>	<u>95,000</u>	<u>94,572</u>



13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	185,563	13,502	-	-	(17,310)	181,755
Furniture and Equipment	36,935	5,678	-	-	(9,336)	33,176
Information and Communication	20,023	9,424	-	-	(9,571)	19,876
Leased Assets	5,048	-	-	-	(2,293)	2,753
Library Resources	5,043	463	(7)	-	(716)	4,783
Balance at 31 December 2019	252,609	28,967	(7)	-	(39,226)	242,343

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is **\$2,753 (2018: \$5,046)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	444,972	(263,217)	181,755
Furniture and Equipment	324,083	(290,908)	33,175
Information and Communication	148,098	(128,223)	19,876
Leased Assets	9,464	(6,711)	2,753
Library Resources	33,293	(28,510)	4,783
Balance at 31 December 2019	959,911	(717,570)	242,341

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	198,211	5,409	-	-	(18,057)	185,563
Furniture and Equipment	40,020	10,679	-	-	(13,785)	36,934
Information and Communication	-	-	-	-	(8,104)	20,023
Technology	21,126	7,001	-	-	-	-
Leased Assets	4,688	4,203	(700)	-	(3,155)	5,046
Library Resources	6,822	-	(1,026)	-	(754)	5,043
Balance at 31 December 2018	270,877	27,292	(1,725)	-	(43,834)	252,609

The following note can be used for each class of asset that are held under a finance lease:

The net carrying value of equipment held under a finance lease is **\$5,046 (2017: \$4,697)**

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	431,470	(245,907)	185,563
Furniture and Equipment	318,505	(281,571)	36,934
Information and Communication Technology	138,875	(118,852)	20,023
Leased Assets	12,193	(7,147)	5,046
Library Resources	32,875	(27,832)	5,043
Balance at 31 December 2018	933,718	(681,109)	252,609



14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	11,570	12,000	17,821
Accruals	5,585	5,500	5,561
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	81,176	60,000	59,089
Employee Entitlements - Leave Accrual	27,896	25,000	23,777
	<u>106,027</u>	<u>102,500</u>	<u>106,349</u>
Payables for Exchange Transactions	106,027	102,500	106,349
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>106,027</u>	<u>102,500</u>	<u>106,349</u>

The carrying value of payables approximates their fair value.

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	75,705	75,705	62,188
Increase/ (decrease) to the Provision During the Year	13,510	14,800	13,509
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>89,215</u>	<u>90,505</u>	<u>75,705</u>
Cyclical Maintenance - Current	36,000	38,000	-
Cyclical Maintenance - Term	53,215	50,000	75,705
	<u>89,215</u>	<u>88,000</u>	<u>75,705</u>

16. Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	2,289	-	3,789
Later than One Year and no Later than Five Years	1,649	-	4,335
	<u>3,938</u>	<u>-</u>	<u>8,124</u>



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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
5 year Property Plan Preparation	<i>completed</i>	(580)	-	-	580	-
Library Upgrade	<i>completed</i>	(10,629)	-	-	10,629	-
10 year Property Plan Preparation	<i>completed</i>	(1,830)	4,950	2,500	620	-
Heat Pumps	<i>in progress</i>	-	-	1,080	-	(1,080)
Totals		(13,040)	4,950	3,580	11,829	(1,080)

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

(1,080)

1,080

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
5 year Property Plan Preparation	<i>in progress</i>	-	-	580	-	(580)
Library Upgrade	<i>in progress</i>	(4,767)	96,084	101,843	-	(10,629)
10 yr Property Plan Preparation	<i>in progress</i>	-	-	1,830	-	(1,830)
Totals		(4,767)	96,084	104,356	-	(13,040)

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.



19. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	880	-
Full-time equivalent members	0.29	0.29
<i>Leadership Team</i>		
Remuneration	222,405	211,158
Full-time equivalent members	2	2
Total key management personnel remuneration	223,285	211,158
Total full-time equivalent personnel	2.29	2.29

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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130-140	120-130
Benefits and Other Emoluments	0-3	0-3
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
0	0.00	0.00
	0.00	0.00

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



20. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: 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. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into contract agreements for capital works as follows:

(Capital commitments at 31 December 2018: \$NIL)

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:

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	144,003	134,864	130,844
Receivables	70,629	70,200	72,331
Investments - Term Deposits	97,382	95,000	94,572
Total Financial assets measured at amortised cost	312,014	300,064	297,747

Financial liabilities measured at amortised cost

Payables	108,027	102,500	106,349
Finance Leases	3,259	4,500	5,287
Total Financial Liabilities Measured at Amortised Cost	109,286	107,000	111,636



24. Events After Balance Date

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

25. Comparatives

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

26. Breach of Law - Failure to meet Statutory Reporting Deadline

Section 87A (1) and Section 87C1 of the Education Act 1989 was unable to be met due to the school being closed and in lockdown as a result of the COVID-19 Pandemic.

27. Subsequent Events Disclosure

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

