

Mokoia Intermediate School

Board of Trustees



**2019 Annual Report
and
Financial Statements**

School Number: 1832

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MOKOIA INTERMEDIATE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1832

Principal: Rawiri Wihapi

School Address: 29 Brent Road Owhata ROTORUA 3010

School Postal Address: P O Box 7025 Te Ngae ROTORUA 3042

School Phone: 07 345 9071

School Email: office@mokoia.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Bruce Davidson	Chair Person	Elected	Self employed	May-22
Rawiri Wihapi	Principal	ex Officio		
Nick Davies	Parent Rep	Elected	Manager	May-22
Aaron Randell	Parent Rep	Elected	CEO	May-22
Chad Hoggard	Parent Rep	Elected	Manager	May-22
Tania Gillions	Parent Rep	Elected	Nurse Aid	May-22
Ralph Mosen	Parent Rep	Co-opted	Director	May-22
Glen Law	Staff Rep	Elected	Teacher	May-22
Julie Wenham	Chairperson	Elected	Manager	May-19
Aubrey Rikihana	Parent Rep	Elected	Supervisor	May-19
Brent Crowe	Parent Rep	Elected	Police Inspector	May-19
Donna Turvey	Parent Rep	Elected	Self employed	May-19
Daryl Christie	Parent Rep	Elected	Manager	May-19

Accountant / Service Provider:
Janet Du Fall

MOKOIA INTERMEDIATE SCHOOL

Annual Report - For the year ended 31 December 2019

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Mokoia Intermediate 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.

Bruce Davidson
Full Name of Board Chairperson


Signature of Board Chairperson

25.5.2020
Date:

Rawiri Wihapi
Full Name of Principal


Signature of Principal

25.5.2020
Date:

Mokoia Intermediate School**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	2,981,097	2,811,309	2,840,428
Locally Raised Funds	3	195,662	121,048	219,224
Interest income		3,570	2,000	1,871
International Students	4	2,783	-	21,790
		<u>3,183,112</u>	<u>2,934,357</u>	<u>3,083,314</u>
Expenses				
Locally Raised Funds	3	95,180	58,710	104,176
International Students	4	489	-	3,393
Learning Resources	5	1,872,638	1,758,127	1,720,200
Administration	6	148,623	154,071	153,921
Finance		2,097	3,461	5,715
Property	7	862,500	905,265	825,265
Depreciation	8	87,329	87,150	87,037
Loss on Disposal of Property, Plant and Equipment		2,138	-	9,770
Amortisation of Intangible Assets	13	1,670	850	842
		<u>3,072,662</u>	<u>2,967,634</u>	<u>2,910,319</u>
Net Surplus / (Deficit) for the year		110,450	(33,277)	172,995
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>110,450</u>	<u>(33,277)</u>	<u>172,995</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.

Mokoia Intermediate 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		<u>448,986</u>	<u>482,265</u>	<u>256,110</u>
Total comprehensive revenue and expense for the year		110,450	(33,277)	172,995
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	19,881
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9				
Equity at 31 December	25	<u>559,436</u>	<u>448,988</u>	<u>448,986</u>
Retained Earnings		559,436	448,988	448,986
Reserves		-	-	-
Equity at 31 December		<u>559,436</u>	<u>448,988</u>	<u>448,986</u>

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.

Mokoia Intermediate 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	271,228	334,096	329,139
Accounts Receivable	10	125,425	115,051	113,491
GST Receivable		12,703	13,416	13,416
Funds held for Capital Works Projects	19	9,165	-	-
Prepayments		9,854	7,806	7,806
Investments	11	200,000	-	-
		<u>628,375</u>	<u>470,369</u>	<u>463,851</u>
Current Liabilities				
Accounts Payable	14	161,618	161,618	140,829
Funds held for Capital Works Projects	19	-	-	17,696
Revenue Received in Advance	15	3,690	3,911	3,910
Provision for Cyclical Maintenance	16	107,100	-	-
Finance Lease Liability - Current Portion	17	25,306	37,693	35,031
Funds held in Trust	18	13,337	-	-
		<u>311,051</u>	<u>203,221</u>	<u>197,466</u>
Working Capital Surplus/(Deficit)		317,324	267,147	266,385
Non-current Assets				
Property, Plant and Equipment	12	260,946	306,613	306,613
Intangible Assets	13	5,840	7,510	7,510
		<u>266,786</u>	<u>314,123</u>	<u>314,123</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	7,500	101,700	101,700
Finance Lease Liability	17	17,174	30,582	29,822
		<u>24,674</u>	<u>132,282</u>	<u>131,522</u>
Net Assets		<u><u>559,436</u></u>	<u><u>448,988</u></u>	<u><u>448,986</u></u>
Equity	25	<u><u>559,436</u></u>	<u><u>448,988</u></u>	<u><u>448,986</u></u>

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

Mokoia Intermediate School

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		677,997	660,205	642,028
Locally Raised Funds		195,662	118,599	237,472
International Students		2,783	-	7,329
Goods and Services Tax (net)		712	(13,416)	(3,467)
Payments to Employees		(296,724)	(308,044)	(278,361)
Payments to Suppliers		(360,227)	(291,904)	(356,422)
Cyclical Maintenance Payments in the year		(1,950)	21,700	(2,060)
Interest Paid		(2,097)	(3,461)	(5,715)
Interest Received		3,570	2,000	1,871
Net cash from Operating Activities		219,727	185,679	242,675
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		2,059	14,718	-
Purchase of PPE (and Intangibles)		(43,800)	(24,790)	(99,756)
Purchase of Investments		(200,000)	-	
Net cash from Investing Activities		(241,741)	(10,072)	(99,756)
Cash flows from Financing Activities				
Furniture and Equipment Grant			-	19,881
Finance Lease Payments		(22,373)	(43,806)	(12,904)
Funds Administered on Behalf of Third Parties		13,337	-	(10,810)
Funds Held for Capital Works Projects		(26,861)	-	(154)
Net cash from Financing Activities		(35,897)	(43,806)	(3,987)
Net increase/(decrease) in cash and cash equivalents		(57,911)	131,801	138,932
Cash and cash equivalents at the beginning of the year	9	329,139	202,295	190,207
Cash and cash equivalents at the end of the year	9	271,228	334,096	329,139

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.

Mokoia Intermediate School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Mokoia Intermediate 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 12.

Cyclical Maintenance Provision

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical Maintenance is discussed at note 16.

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.

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) 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.

f) 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.

g) 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.

h) 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.

i) 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.

j) 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	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

k) Intangible Assets

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. Its 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.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

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

n) Employee Entitlements

Short-term employee entitlements

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

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

o) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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 international students, should the School be unable to provide the services to which they relate.

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) 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).

r) 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.

s) 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.

t) Budget Figures

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

u) 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	622,287	608,489	582,663
Teachers' Salaries Grants	1,626,590	1,480,631	1,531,556
Use of Land and Buildings Grants	676,510	670,473	670,473
Resource Teachers Learning and Behaviour Grants	575	-	6,291
Other MoE Grants	38,306	17,643	30,601
Other Government Grants	16,829	34,073	18,844
	<u>2,981,097</u>	<u>2,811,309</u>	<u>2,840,428</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	16,518	6,380	20,026
Bequests & Grants	50,086	43,000	59,000
Activities	124,240	64,969	127,397
Trading	-	-	5,053
Fundraising	4,819	6,699	7,749
	<u>195,662</u>	<u>121,048</u>	<u>219,224</u>
Expenses			
Activities	95,180	58,710	91,488
Trading	-	-	12,689
	<u>95,180</u>	<u>58,710</u>	<u>104,176</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>100,483</u>	<u>62,338</u>	<u>115,048</u>

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	1	-	2
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	2,783	-	21,790
Expenses			
Commissions	417	-	2,852
International Student Levy	71	-	541
	<u>489</u>	<u>-</u>	<u>3,393</u>
<i>Surplus/ (Deficit) for the year International Students'</i>	<u>2,294</u>	<u>-</u>	<u>18,397</u>

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	35,098	45,900	33,950
Information and Communication Technology	22,073	25,000	22,037
Extra-Curricular Activities	11,593	3,000	-
Library Resources	3,495	4,000	2,408
Employee Benefits - Salaries	1,782,524	1,661,667	1,649,176
Staff Development	17,855	18,560	12,629
	<u>1,872,638</u>	<u>1,758,127</u>	<u>1,720,200</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,582	5,582	5,420
Board of Trustees Fees	3,980	3,500	2,290
Board of Trustees Expenses	11,553	11,350	7,184
Communication	5,314	5,000	5,058
Consumables	2,961	4,050	2,120
Operating Lease	-	-	4,724
Other	22,193	27,438	20,057
Employee Benefits - Salaries	89,476	90,451	99,538
Insurance	5,781	5,700	5,707
Service Providers, Contractors and Consultancy	1,783	1,000	1,823
	<u>148,623</u>	<u>154,071</u>	<u>153,921</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,614	3,500	2,936
Consultancy and Contract Services	33,611	31,919	31,796
Cyclical Maintenance Provision	14,850	80,000	1,166
Grounds	5,133	6,500	6,034
Heat, Light and Water	25,430	23,900	23,166
Rates	6,190	5,960	5,673
Repairs and Maintenance	40,332	31,000	30,572
Use of Land and Buildings	676,510	670,473	670,473
Security	5,516	5,800	5,569
Employee Benefits - Salaries	51,315	46,213	47,879
	<u>862,500</u>	<u>905,265</u>	<u>825,265</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	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings - School	2,880	2,900	2,880
Furniture and Equipment	33,524	39,600	39,523
Information and Communication Technology	4,538	8,400	8,376
Motor Vehicles	9,560	2,600	2,664
Textbooks	363	1,100	1,125
Leased Assets	35,992	32,000	31,932
Library Resources	472	550	537
	<u>87,329</u>	<u>87,150</u>	<u>87,037</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Bank Current Account	171,228	334,096	329,139
Short-term Bank Deposits	100,000	-	-
Cash and cash equivalents for Cash Flow Statement	<u>271,228</u>	<u>334,096</u>	<u>329,139</u>

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

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	6,360	6,360	4,323
Banking Staffing Underuse	10,374	-	17,917
Teacher Salaries Grant Receivable	108,691	108,691	91,251
	<u>125,425</u>	<u>115,051</u>	<u>113,491</u>
Receivables from Exchange Transactions	6,360	6,360	4,323
Receivables from Non-Exchange Transactions	119,065	108,691	109,168
	<u>125,425</u>	<u>115,051</u>	<u>113,491</u>

11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	200,000	-	-
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>200,000</u>	<u>-</u>	<u>-</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Buildings	44,970				(2,880)	42,090
Furniture and Equipment	137,980	24,781			(33,524)	129,237
Information and Communication	11,552	1,562			(4,538)	8,576
Motor Vehicles	45,138				(9,560)	35,578
Textbooks	1,301				(363)	938
Leased Assets	61,939	17,457	(2,138)		(35,992)	41,266
Library Resources	3,733				(472)	3,261
Balance at 31 December 2019	306,613	43,800	(2,138)	-	(87,329)	260,946

The net carrying value of equipment held under a finance lease is \$41,266 (2018: \$61,939)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Buildings	96,031	(53,941)	42,090
Furniture and Equipment	793,335	(664,098)	129,237
Information and Communication	161,234	(152,658)	8,576
Motor Vehicles	62,456	(26,878)	35,578
Textbooks	46,744	(45,806)	938
Leased Assets	125,341	(84,075)	41,266
Library Resources	81,035	(77,774)	3,261
Balance at 31 December 2019	1,366,176	(1,105,230)	260,946

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	47,850				(2,880)	44,970
Furniture and Equipment	152,517	24,986			(39,523)	137,980
Information and Communication					(8,376)	11,552
Technology	19,928					
Motor Vehicles		47,802			(2,664)	45,138
Textbooks	2,426				(1,125)	1,301
Leased Assets	90,121	13,520	(9,770)		(31,932)	61,939
Library Resources	4,270				(537)	3,733
Balance at 31 December 2018	317,112	86,308	(9,770)	-	(87,037)	306,613

The net carrying value of equipment held under a finance lease is \$61,939 (2017: \$90,121)

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	96,031	(51,061)	44,970
Furniture and Equipment	768,554	(630,574)	137,980
Information and Communication Technology	159,672	(148,120)	11,552
Motor Vehicles	62,456	(17,318)	45,138
Textbooks	46,744	(45,443)	1,301
Leased Assets	112,081	(50,142)	61,939
Library Resources	81,035	(77,302)	3,733
Balance at 31 December 2018	1,326,573	(1,019,960)	306,613

13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

	Acquired software	Internally generated software	Total \$
Cost			
Balance at 1 January 2018	-	-	-
Additions	8,350	-	8,350
Disposals	-	-	-
Balance at 31 December 2018/1 January 2019	8,350	-	8,350
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2019	8,350	-	8,350
Accumulated Amortisation and impairment losses			
Balance at 1 January 2018	-	-	-
Amortisation expense	840	-	840
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2018/1 January 2019	840	-	840
Amortisation expense	1,670	-	1,670
Disposals	-	-	-
Impairment losses	-	-	-
Balance at 31 December 2019	2,510	-	2,510
Carrying amounts			
At 1 January 2018	-	-	-
At 31 December 2018/ 1 January 2019	7,510	-	7,510
At 31 December 2019	5,840	-	5,840

Restrictions

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for *Capital commitments*

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2018 \$nil)

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	33,606	33,606	29,104
Accruals	9,664	9,664	9,681
Employee Entitlements - Salaries	108,691	108,691	91,251
Employee Entitlements - Leave Accrual	9,656	9,656	10,793
	<u>161,618</u>	<u>161,618</u>	<u>140,829</u>
 Payables for Exchange Transactions	 161,618	 161,618	 140,829
	<u>161,618</u>	<u>161,618</u>	<u>140,829</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	3,690	3,911	3,910
	<u>3,690</u>	<u>3,911</u>	<u>3,910</u>

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	101,700	101,700	102,594
Increase/ (decrease) to the Provision During the Year	14,850		
Use of the Provision During the Year	(1,950)	-	(894)
Provision at the End of the Year	<u>114,600</u>	<u>101,700</u>	<u>101,700</u>
Cyclical Maintenance - Current	107,100	-	-
Cyclical Maintenance - Term	7,500	101,700	101,700
	<u>114,600</u>	<u>101,700</u>	<u>101,700</u>

17. 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	25,306	37,693	35,031
Later than One Year and no Later than Five Years	17,174	30,582	29,822
Later than Five Years			
	<u>42,480</u>	<u>68,275</u>	<u>64,853</u>

18. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	13,337	-	-
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>13,337</u>	<u>-</u>	<u>-</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

19. 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 \$
ILE Tech Block	<i>completed</i>	11		11	-	-
Hand dryer/soap upgrade	<i>completed</i>	(76)	76		-	-
Tree Felling/Heatpumps	<i>completed</i>	17,761	5,570	23,331	-	-
Cladding /Asbestos removal	<i>in progress</i>	-		9,165	-	(9,165)
Totals		<u>17,696</u>	<u>5,646</u>	<u>32,507</u>	<u>-</u>	<u>(9,165)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

9,165

(9,165)

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
ILE Tech Block	<i>completed</i>	(1,500)	63,481	61,970	-	11
Hand Dryer Soap Upgrade	<i>completed</i>	8,420	839	9,335	-	(76)
Tree felling/Heat pumps	<i>in progress</i>	-	31,410	13,649	-	17,761
Kaituna Toilet Upgrade	<i>completed</i>	10,930	3,304	14,234	-	-
Totals		<u>17,850</u>	<u>99,034</u>	<u>99,188</u>	<u>-</u>	<u>17,696</u>

20. 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.

21. 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	3,980	2,290
Full-time equivalent members	0.41	0.46
<i>Leadership Team</i>		
Remuneration	341,649	324,551
Full-time equivalent members	3	3
Total key management personnel remuneration	345,629	326,841
Total full-time equivalent personnel	3.41	3.46

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	140 - 150	130-140
Benefits and Other Emoluments	4-5	4-5
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
100 - 110	-	-
110-120	-	-
	0.00	0.00

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

22. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

23. Contingencies

There are no contingent liabilities (except as noted below) 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.

24. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) \$70,000 contract for cladding repair and asbestos removal to be completed in 2020, which will be fully funded by the Ministry of Education. No income been received yet and the school has been spent \$9,165 on the project to date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2018: \$34,900)

(b) Operating Commitments

As at 31 December 2019 the Board has no operating commitments.

25. 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.

26. 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	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash and Cash Equivalents	271,228	334,096	329,139
Receivables	125,425	115,051	113,491
Investments - Term Deposits	200,000	-	-
Total Financial assets measured at amortised cost	596,653	449,147	442,630

Financial liabilities measured at amortised cost

Payables	161,618	161,618	140,829
Finance Leases	42,480	68,275	64,853
Total Financial Liabilities Measured at Amortised Cost	204,098	229,893	205,682

27. Events After Balance Date

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. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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.

28. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.