

Whitikahu School

Annual Report

for the year ended 31 December 2019

School Directory:

Ministry Number: 2090
Principal: Brent Harper
School Address: 763 Whitikahu Road, Hamilton
School Postal Address: R D 2, Taupiri 3792
School Phone: 07 824 4859
School Email: office@whitikahu.school.nz

Members of the Board of Trustees:

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Nathan Kurth	Parent Rep Chairperson	Elected	Engineer	June 2022
Brent Harper	Principal	ex Officio	Principal	
Marcus Fulton	Parent Rep	Elected	Dairy Farmer	June 2022
Dave Best	Parent Rep	Elected	Self Employed	June 2022
Rikka Anderson	Parent Rep	Elected	Business Manager	June 2022
Jenna Harper	Parent Rep	Elected	Estimator	June 2022
Sandra Barlow	Staff Rep	Elected	Teacher	June 2022
Patricia Wilson	Principal	Resigned		April 2019
Kevin Barnett	Parent Rep	Term expired		June 2019
Quentin Bracegirdle	Parent Rep	Term expired		June 2019

Accountant / Service Provider: Russell Wilkinson

Whitikahu School

Annual Report

for the year ended 31 December 2019

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Whitkahu 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.

Nathan Kurth

Full Name of Board Chairperson

Brent Harper

Full Name of Principal

N. Kurth

Signature of Board Chairperson

B. Harper

Signature of Principal

29/5/20

Date

29/5/2020

Date

Whitikahu 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	707,057	682,222	690,453
Locally raised funds	3	36,019	46,350	54,543
Interest income		2,608	2,000	2,387
		<u>745,684</u>	<u>730,572</u>	<u>747,383</u>
Expenses				
Locally raised funds	3	11,366	13,500	17,559
Learning resources	4	454,994	450,100	454,445
Administration	5	66,438	58,350	54,965
Finance		505	480	630
Property	6	204,315	202,524	209,184
Depreciation	7	27,489	35,000	32,781
Loss on disposal of property, plant and equipment		-	-	146
		<u>765,107</u>	<u>759,954</u>	<u>769,710</u>
Net Surplus / (Deficit) for the year		<u>(19,423)</u>	<u>(29,382)</u>	<u>(22,327)</u>
Other comprehensive revenue and expenses		-	-	-
Total comprehensive revenue and expense for the year		<u><u>(19,423)</u></u>	<u><u>(29,382)</u></u>	<u><u>(22,327)</u></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.



Whitikahu School

Statement of Changes in Net Assets / Equity

for the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	<u>276,305</u>	<u>276,305</u>	<u>298,632</u>
Total comprehensive revenue and expense for the year	(19,423)	(29,382)	(22,327)
Capital contributions from the Ministry of Education: Contribution - furniture and equipment grant	-	-	-
Equity at 31 December	<u><u>256,882</u></u>	<u><u>246,923</u></u>	<u><u>276,305</u></u>
Retained Earnings	256,882	246,923	276,305
Reserves	-	-	-
Equity at 31 December	<u><u>256,882</u></u>	<u><u>246,923</u></u>	<u><u>276,305</u></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.



Whitikahu School

Statement of Financial Position

as at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and cash equivalents	8	66,496	21,307	36,580
Accounts receivable	9	40,968	30,756	30,756
GST receivable		7,543	4,017	4,017
Prepayments		2,420	2,157	2,157
Inventories	10	562	647	647
Investments	11	-	50,000	50,000
Funds owing for capital works projects	17	11,756	-	-
		<u>129,745</u>	<u>108,884</u>	<u>124,157</u>
Current Liabilities				
Accounts payable	13	57,357	41,922	41,922
Revenue received in advance	14	1,098	-	1,174
Provision for cyclical maintenance	15	18,034	-	17,846
Finance lease liability - current portion	16	2,387	1,984	3,645
		<u>78,876</u>	<u>43,906</u>	<u>64,587</u>
Working Capital Surplus		50,869	64,978	59,570
Non Current Assets				
Property, plant and equipment	12	237,155	214,578	243,328
Non Current Liabilities				
Provision for cyclical maintenance	15	30,300	32,474	24,450
Finance lease liability	16	842	159	2,143
		<u>31,142</u>	<u>32,633</u>	<u>26,593</u>
Net Assets		<u>256,882</u>	<u>246,923</u>	<u>276,305</u>
Equity		<u>256,882</u>	<u>246,923</u>	<u>276,305</u>

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



Whitikahu 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		161,095	143,263	152,685
Locally raised funds		37,143	45,176	53,875
Goods and Services Tax (net)		(3,526)	-	(777)
Payments to employees		(80,737)	(74,000)	(74,655)
Payments to suppliers		(100,911)	(105,450)	(116,738)
Cyclical maintenance payments in the year		-	(17,846)	-
Interest paid		(505)	(346)	(630)
Interest received		2,988	2,000	2,892
Net cash from operating activities		<u>15,547</u>	<u>(7,203)</u>	<u>16,652</u>
Cash flows from Investing Activities				
Proceeds from sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(20,143)	(6,250)	(17,767)
Purchase of investments		-	-	-
Proceeds from sale of investments		50,000	-	-
Net cash from investing activities		<u>29,857</u>	<u>(6,250)</u>	<u>(17,767)</u>
Cash flows from Financing Activities				
Furniture and equipment grant		-	-	-
Finance lease payments		(3,732)	(1,820)	(4,404)
Funds held for capital works projects		(11,756)	-	(2,658)
Net cash from financing activities		<u>(15,488)</u>	<u>(1,820)</u>	<u>(7,062)</u>
Net increase/(decrease) in cash and cash equivalents		<u>29,916</u>	<u>(15,273)</u>	<u>(8,177)</u>
Cash and cash equivalents at the beginning of the year	8	36,580	36,580	44,757
Cash and cash equivalents at the end of the year	8	<u>66,496</u>	<u>21,307</u>	<u>36,580</u>

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 Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of these financial statements.



Whitikahu School

Notes to the Financial Statements

for the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting entity

Whitikahu School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 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 26.

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 lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of 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.

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 grant monies received at the end of each reporting period and whether any require a provision to carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government grants

The School receives funding from the Ministry of Education. The following are the main types of funding that the school receives:

Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

Teachers salaries grants are recorded as revenue when the School has the rights to the funding in the salary period they relate to. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using land and buildings which are owned by the Crown.

Other Grants

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



Donations, Gifts and Bequests

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

Interest revenue

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

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 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 the 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 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 amount 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

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 \$200 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 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	40 years
Furniture and equipment	10 years
Information and communication technology	3 years
Sports equipment	6 - 7 years
Other equipment	10 years
Leased assets held under a finance lease	3 - 5 years
Library resources	12.5% diminishing value



l) Intangible Assets

Software costs

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

Computer software with individual values under \$200 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 estimated 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.

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 and annual leave earned but not yet taken at balance date.



p) Revenue Received in Advance

Revenue received in advance relates to fees received by the School 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.

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 10-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, finance lease liability and funds held on behalf of the Ministry of Education. 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 Statement 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.



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
2. Government grants			
Operational grants	138,521	141,163	143,981
Teachers' salaries grants	392,591	387,000	387,285
Use of land and buildings grants	151,121	150,000	148,765
Other MOE grants	21,817	4,059	9,496
Resource teacher learning and behaviour grant	3,007	-	926
	<u>707,057</u>	<u>682,222</u>	<u>690,453</u>

3. Locally raised funds

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

Revenue

Donations	5,222	8,000	18,344
Fundraising	5,327	6,000	4,014
Other revenue	4,298	7,000	7,988
Activities	9,732	13,850	12,757
School house rent	11,440	11,500	11,440
	<u>36,019</u>	<u>46,350</u>	<u>54,543</u>

Expenses

Activities	9,549	9,500	12,688
Fundraising (costs of raising funds)	1,817	4,000	4,871
	<u>11,366</u>	<u>13,500</u>	<u>17,559</u>

Surplus / (deficit) for the year locally raised funds

	<u>24,653</u>	<u>32,850</u>	<u>36,984</u>
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4. Learning resources

Curricular	21,688	19,600	21,628
Library resources	-	500	-
Employee benefits - salaries	431,604	426,000	429,027
Staff development	1,702	4,000	3,790
	<u>454,994</u>	<u>450,100</u>	<u>454,445</u>

5. Administration

Audit fees	3,800	3,800	3,500
Board of Trustees fees	4,525	5,000	5,075
Board of Trustees expenses	5,379	850	332
Communication	959	1,000	876
Consumables	4,502	6,000	3,939
Operating lease	43	-	31
Other	7,994	4,800	6,589
Employee benefits - salaries	27,333	28,000	25,334
Insurance	1,623	1,500	927
Service providers, contractors, consultancy	4,400	4,400	4,300
Bus run	5,880	3,000	4,062
	<u>66,438</u>	<u>58,350</u>	<u>54,965</u>



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
6. Property			
Caretaking and cleaning consumables	3,912	2,500	4,319
Consultancy and contract services	16,070	16,000	16,000
Cyclical maintenance provision	6,038	8,024	6,285
Grounds	3,823	4,000	7,897
Heat, light, and water	10,273	9,000	9,571
Repairs and maintenance	4,274	5,400	8,412
Use of land and buildings	151,121	150,000	148,765
Security	734	600	420
Employee benefits - salaries	8,070	7,000	7,515
	<u>204,315</u>	<u>202,524</u>	<u>209,184</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.

7. Depreciation of Property, Plant and Equipment

Building improvements - Crown	6,860	7,000	6,860
Furniture & equipment	9,908	10,000	9,892
Information and communication technology	3,116	8,000	7,714
Leased assets	3,682	5,000	4,381
Library resources	384	1,000	395
Other fixed assets	3,539	4,000	3,539
	<u>27,489</u>	<u>35,000</u>	<u>32,781</u>

8. Cash and Cash Equivalents

ASB Current account	15,982	1,853	1,853
ASB Business Saver accounts	50,514	19,454	34,727
Cash and cash equivalents for Statement of Cash Flows	<u>66,496</u>	<u>21,307</u>	<u>36,580</u>

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

9. Accounts Receivable

Receivables	1,165	2,365	2,365
Interest receivable	-	380	380
Banking staffing underuse	9,542	-	-
Teacher salaries grant receivable	30,261	28,011	28,011
	<u>40,968</u>	<u>30,756</u>	<u>30,756</u>
Receivables from exchange transactions	1,165	2,745	2,745
Receivables from non-exchange transactions	30,261	28,011	28,011
	<u>31,426</u>	<u>30,756</u>	<u>30,756</u>

10. Inventories

Stationery	<u>562</u>	<u>647</u>	<u>647</u>
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11. Investments

The School's investment activities are classified as follows:

Current Asset:

Short term bank deposits	-	50,000	50,000
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12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building improvements	174,496	-	-	-	(6,860)	167,636
Furniture & equipment	49,990	18,598	-	-	(9,908)	58,680
Information & communication	3,816	1,235	-	-	(3,116)	1,935
Leased assets	5,776	1,173	-	-	(3,682)	3,267
Library resources	2,761	310	-	-	(384)	2,687
Playgrounds	6,489	-	-	-	(3,539)	2,950
Balance at 31 December 2019	243,328	21,316	-	-	(27,489)	237,155

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019			
Building improvements	274,408	106,772	167,636
Furniture & equipment	188,204	129,524	58,680
Information & communication	59,189	57,254	1,935
Leased assets	15,943	12,676	3,267
Library resources	27,521	24,834	2,687
Playgrounds	47,253	44,303	2,950
Balance at 31 December 2019	612,518	375,363	237,155

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building improvements	181,356	-	-	-	(6,860)	174,496
Furniture & equipment	44,914	15,549	(581)	-	(9,892)	49,990
Information & communication	8,965	2,565	-	-	(7,714)	3,816
Leased assets	8,853	1,304	-	-	(4,381)	5,776
Library resources	3,068	88	-	-	(395)	2,761
Playgrounds	10,028	-	-	-	(3,539)	6,489
Balance at 31 December 2018	257,184	19,506	(581)	-	(32,781)	243,328

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018			
Building improvements	274,408	99,912	174,496
Furniture & equipment	170,315	120,325	49,990
Information & communication	57,954	54,138	3,816
Leased assets	14,770	8,994	5,776
Library resources	27,211	24,450	2,761
Playgrounds	47,253	40,764	6,489
Balance at 31 December 2018	591,911	348,583	243,328



	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
13. Accounts Payable			
Operating creditors	24,165	11,951	11,951
Employee entitlements - salaries	30,565	28,297	28,297
Employee entitlements - leave accrual	2,627	1,674	1,674
	<u>57,357</u>	<u>41,922</u>	<u>41,922</u>
Payables for exchange transactions	57,357	41,922	41,922
Payables for non-exchange transactions - taxes payable (PAYE and rates)	-	-	-
Payables for non-exchange transactions - other	-	-	-
	<u>57,357</u>	<u>41,922</u>	<u>41,922</u>

The carrying value of payables approximates their fair value

14. Revenue Received in Advance

Student fees	<u>1,098</u>	-	<u>1,174</u>
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15. Provision for Cyclical Maintenance

Provision at the start of the year	42,296	42,296	36,011
Increase to the provision during the year	6,038	8,024	6,285
Use of the provision during the year	-	(17,846)	-
Provision at the end of the year	<u>48,334</u>	<u>32,474</u>	<u>42,296</u>
Cyclical maintenance - current	18,034	-	17,846
Cyclical maintenance - term	<u>30,300</u>	<u>32,474</u>	<u>24,450</u>
	<u>48,334</u>	<u>32,474</u>	<u>42,296</u>

16. Finance Lease Liability

The School has entered into finance lease agreements for teacher laptops and a photocopier. Minimum lease payments payable:

No later than one year	2,387	1,984	3,645
Later than one year and no later than five years	842	159	2,143
Later than five years	-	-	-
	<u>3,229</u>	<u>2,143</u>	<u>5,788</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 Contribution \$	Closing Balances \$
Extension / Upgrade / Roof (in progress)	-	203,583	215,339		(11,756)
	-	203,583	215,339	-	(11,756)

Represented by:

Funds held on behalf of the Ministry of Education

Funds due from the Ministry of Education

-

(11,756)

(11,756)

2018	Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contribution \$	Closing Balances \$
Various works and pool filter (completed)	2,658	1,537	-	4,195	-
Heat pumps (completed)	-	7,470	7,470	-	-
	2,658	9,007	7,470	4,195	-

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 conditions 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 includes all Trustees of the Board, Principal and Deputy Principal.

	2019 Actual \$	2018 Actual \$
Board Members		
Remuneration	4,525	5,075
Full time equivalent members	0.11	0.19
Leadership Team		
Remuneration	149,303	194,608
Full time equivalent members	1.50	2.00
Total key management personnel remuneration	153,828	199,683
Total full time equivalent personnel	1.61	2.19

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.



19. Remuneration (cont'd)

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	100 - 110	100 - 110
Benefits and other emoluments	0 - 10	0 - 10
Termination benefits	Nil	Nil

Other Employees

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

Remuneration \$000	2019 FTE	2018 FTE
100 - 110	Nil	Nil

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

20. 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 members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2019 Actual	2018 Actual
Total value	Nil	Nil
Number of people	Nil	Nil

21. Contingencies

There are no contingent liabilities (except as listed 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 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.



22. Commitments

(a) Capital Commitments

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

(a) \$226,204 contract for Extension / Upgrade / Roof to be completed in 2020, which will be fully funded by the Ministry of Education. \$203,583 has been received of which \$215,339 has been spent on the project to date.

(Capital commitments at 31 December 2018 - nil).

(b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating commitments.

Operating commitments at 31 December 2018 - nil).

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 revenue 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:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and cash equivalents	66,496	21,307	36,580
Receivables	40,968	30,756	30,756
Investments - term deposits	-	-	-
Total financial assets measured at amortised cost	<u>107,464</u>	<u>52,063</u>	<u>67,336</u>
Financial liabilities measured at amortised cost			
Payables	57,357	41,922	41,922
Finance leases	3,229	2,143	5,788
Total financial liabilities measured at amortised cost	<u>60,586</u>	<u>44,065</u>	<u>47,710</u>

25. 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. Subsequently all schools and kura reopened on 18 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.



26. 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 the opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 - Receivables: This policy has been updated to reflect that impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 - Investments : 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.

Upon transition to PBE IFRS 9 there were no material adjustments to the financial statements.



Whitikahu School

Kiwisport Note

for the year ended 31 December 2019

Kiwisport is a government funding initiative to support students' participation in organised sport. In 2019 the school received total Kiwisport funding of \$1,018 excluding GST (2018 - \$1,136). This funding was spent on swimming pool hire and tournament entries.

Analysis of Variance Reporting



School Name:	Whitikahu School	School Number:	2090
Strategic Aim:	To have as many as possible students achieving at or above the expected curriculum level appropriate to their age.		
Annual Aim:	To increase student levels of achievement in maths with a lens on number knowledge and applying this to a range of real life contexts.		
Target:	<ul style="list-style-type: none"> • To increase the levels of achievement in maths across the school so that 85% of all students are at or above the expected curriculum level appropriate for their age group. • To strengthen students' understanding of the language of maths <ul style="list-style-type: none"> *the terminology / vocabulary of Maths *the strategy hidden in the language of maths *number knowledge and number strategies <p>Priority / Focus Students MoE Priority students (Maori / Pacifica) Focus students: Students achieving below or well below their peers.</p> <p>Years 1-3: Working on strengthening and extending number knowledge through explicit teaching and working in <i>Spring into Maths</i> Programme using Teacher Aides to deliver it.</p> <p>Years 4-8: (This will depend on the identified needs of each student)</p> <ul style="list-style-type: none"> • Working on programmes as set by teacher to develop and refine maths skills in specific identified areas of maths. • We will use <i>Spring into Maths</i> to meet the needs of students who have difficulty with Number • Otago maths problem solving as an extension activity for students to work on real life problem solving 		

Baseline Data:

At the end of 2018 data collected showed that 85% of all students were achieving at or above the expected curriculum level in maths. Analysis of the data indicated that

- 75% of students in years 1-3 have achieved the expected curriculum level
- two distinct groups of students who were achieving below were identified in years 2, 3 & 5.
- Boys (87%) have achieved slightly higher than girls (82%) were achieving at similar levels
- 85% of Maori students were achieving at or above the national curriculum standard

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Data was collected on students in years 4-8 using:</p> <ul style="list-style-type: none"> Basic Facts at the beginning of the year, and again at the end of the term & year to determine progress Basic Facts Speed Test was administered each term to identify/track progress GLOSS test Maths PAT 	<p>By the end of the year we had 80% of years 2-8 are at or above the expected curriculum level in maths.</p> <ul style="list-style-type: none"> 5/10 Maori students were at or above in maths. 29/37 (78%) boys achieved at or above in maths. 25/31 (81%) girls achieved at or above in maths. <p>Focus students participated in our Spring into Maths programme. This can be a flexible 6-8-week programme, consisting of daily 30min lessons with a trained teacher aide.</p> <ul style="list-style-type: none"> Anecdotal evidence indicated that this programme had a positive impact on student achievement. 	<p>The target was aimed at 85% of students at or above in maths.</p> <p>Our end of the year results were 80%.</p> <p>The reasons for these results are:</p> <ul style="list-style-type: none"> Our focus on the explicit teaching of the subject specific vocabulary in maths. That is, the specific language unique to each maths strand. The ongoing effectiveness of our Spring into Maths programme. Part of the deficit between our target and the end of the year results can be attributed to the level of transience we have during the year. Our new enrolments often need extra time and support to reach our expected standard of achievement in maths. Continued sharing of effective teacher practice has been an effective strategy in improving student outcomes on maths. 	<p>We will continue to incorporate the explicit teaching of the language of maths.</p> <p>Also, to include the 'context' of maths being taught and modelled. To be more deliberate to explaining to our modelling groups that context/area of maths they are focusing on.</p> <p>Spring in to Maths will be utilized again next year.</p> <p>Our use of modelling books, will be explored and reviewed.</p> <p>We will be placing more emphasis on the explicit teaching and development of basic facts.</p> <p>2020 baseline will be collected at the beginning and end of the students' time in this programme, to indicate overall impact of our Spring into Maths programme.</p> <p>Ongoing monitoring of students by the teacher aide will be shared with and discussed by the classroom teacher.</p> <p>The work with our Ka Hui Ako will be used to support our Maori Students to succeed.</p>
<p>Data was collected on students in years 1-3 using:</p> <ul style="list-style-type: none"> JAM Teacher observations Basic facts <p>Teachers utilised baseline data to target individual students and track student progress to identify children who were in the overall target group and who at the beginning of the year were in their classroom.</p> <p>Teachers selected Focus Students</p>			

(those at risk of not achieving to our expected standard) to participate in the Spring into Maths Programme. This programme supports the development of number knowledge.

Regular reviews of the focus students were held, and the Spring into Maths groups were regularly updated.

Teachers monitoring each child within their class and working to provide learning opportunities to meet specific needs.

Teachers were able to report progress at staff meetings.

- Transient student progress will be monitored as a separate group, to ensure accelerated progress during their time at Whitikahu School.

Planning for next year.

In 2020 target students who are transient will be monitored as a separate group to ensure accelerated progress during their time here, there will be a focus on lifting Maori achievement and any other students are at risk of not achieving in our targeted area.

**TO THE READERS OF WHITIKAHU SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Whitikahu School (the School). The Auditor-General has appointed me, M K Castillo, using the staff and resources of Owen McLeod & Co, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 29 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 25 on page 18 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on page 20 the Kiwisport Statement and the Analysis of Variance on pages 1 to 4, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



M K Castillo
Owen McLeod & Co
On behalf of the Auditor-General
Hamilton, New Zealand