

TAHUNA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

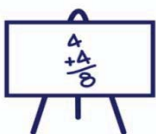
School Directory

Ministry Number:	1972
Principal:	Jeremy Pollard
School Address:	43 Tahuna Ohinewai Road, RD3, Morrinsville
School Postal Address:	43 Tahuna Ohinewai Road, RD3, Morrinsville
School Phone:	027 333 6186
School Email:	admin@tahunaschool.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Greg Mills	Chair Person	Elected		May-22
Jeremy Pollard	Principal	Ex Officio		May-22
Andrew Kay	Parent Rep	Elected		May-22
Gavin Austin	Parent Rep	Elected		May-22
Simon Pearce	Parent Rep	Elected		May-22
Nick Kraenzlin	Parent Rep	Elected		May-22
Debra-Lee Foster	Staff Rep	Elected		May-22

Accountant / Service Provider: Education Finance Ltd



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TAHUNA SCHOOL

Annual Report - For the year ended 31 December 2019

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Tahuna 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.

Amy Mills

Full Name of Board Chairperson

Amy Mills

Signature of Board Chairperson

22/7/20

Date:

Jeremy Pollard

Full Name of Principal

JMP

Signature of Principal

22/07/2020

Date:

Tahuna 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	885,605	733,910	833,826
Locally Raised Funds	3	65,712	51,600	66,573
Interest income		1,174	1,000	4,503
		<u>952,491</u>	<u>786,510</u>	<u>904,902</u>
Expenses				
Locally Raised Funds	3	12,517	19,550	33,903
Learning Resources	4	633,335	506,540	571,210
Administration	5	69,030	74,755	58,487
Finance		1,352	-	367
Property	6	165,802	146,350	180,030
Depreciation	7	39,187	39,000	38,200
Loss on Disposal of Property, Plant and Equipment		18	-	-
		<u>921,241</u>	<u>786,195</u>	<u>882,197</u>
Net Surplus / (Deficit) for the year		31,250	315	22,705
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>31,250</u></u>	<u><u>315</u></u>	<u><u>22,705</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.

Tahuna 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>427,550</u>	<u>427,550</u>	<u>403,786</u>
Total comprehensive revenue and expense for the year		31,250	315	22,705
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		2,733	-	1,059
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	21	<u>461,533</u>	<u>427,865</u>	<u>427,550</u>
Retained Earnings		461,533	427,865	427,550
Reserves		-	-	-
Equity at 31 December		<u>461,533</u>	<u>427,865</u>	<u>427,550</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.

Tahuna 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	15,984	124,973	97,611
Accounts Receivable	9	39,286	36,020	34,256
GST Receivable		1,588	-	-
Investments	10	129,172	127,841	127,841
		<hr/>	<hr/>	<hr/>
		186,030	288,834	259,708
Current Liabilities				
GST Payable		-	12,314	12,314
Accounts Payable	12	47,302	45,000	41,926
Revenue Received in Advance	15	23,000	-	-
Finance Lease Liability - Current Portion	14	15,451	5,919	5,919
Funds held for Capital Works Projects	16	-	-	17,263
		<hr/>	<hr/>	<hr/>
		85,753	63,233	77,422
Working Capital Surplus/(Deficit)		100,277	225,601	182,286
Non-current Assets				
Property, Plant and Equipment	11	395,275	241,990	280,990
		<hr/>	<hr/>	<hr/>
		395,275	241,990	280,990
Non-current Liabilities				
Provision for Cyclical Maintenance	13	30,218	30,218	26,218
Finance Lease Liability	14	3,801	9,508	9,508
		<hr/>	<hr/>	<hr/>
		34,019	39,726	35,726
Net Assets		<hr/>	<hr/>	<hr/>
		461,533	427,865	427,550
Equity				
	21	<hr/>	<hr/>	<hr/>
		461,533	427,865	427,550

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

Tahuna 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		209,483	191,410	226,052
Locally Raised Funds		65,712	51,600	64,690
Goods and Services Tax (net)		(13,902)	-	8,990
Payments to Employees		(120,374)	(97,450)	(99,570)
Payments to Suppliers		(57,507)	(118,178)	(121,464)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(1,352)	-	(367)
Interest Received		1,857	(20)	3,483
Net cash from Operating Activities		<u>83,917</u>	<u>27,362</u>	<u>81,816</u>
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(134,990)	-	(11,286)
Purchase of Investments		(1,331)	-	(42,357)
Net cash from Investing Activities		<u>(136,339)</u>	<u>-</u>	<u>(53,643)</u>
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,733	-	-
Finance Lease Payments		(14,675)	-	(5,352)
Funds Held for Capital Works Projects		(17,263)	-	13,370
Net cash from Financing Activities		<u>(29,205)</u>	<u>-</u>	<u>8,018</u>
Net increase/(decrease) in cash and cash equivalents		<u>(81,627)</u>	<u>27,362</u>	<u>36,190</u>
Cash and cash equivalents at the beginning of the year	8	97,611	97,611	61,421
Cash and cash equivalents at the end of the year	8	<u>15,984</u>	<u>124,973</u>	<u>97,611</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 Cash Flow Statement should be read in conjunction with the accompanying notes which form part of these financial statements..

Tahuna School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Tahuna 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 25.

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 11.

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.

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 the land and buildings which are owned by the Crown.

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

Inventories are consumable items held for sale and comprise of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

j) Investments

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

Prior Year Policy

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as “available for sale” for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

k) Property, Plant and Equipment

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

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

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

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

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

Finance Leases

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

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20-50 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value



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.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

o) Revenue Received in Advance

Revenue received in advance relates to fees received from grants received 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.

p) Provision for Cyclical Maintenance

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

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



q) Financial Assets and Liabilities

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

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

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

r) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

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	161,575	162,375	178,198
Teachers' Salaries Grants	542,938	425,000	485,706
Use of Land and Buildings Grants	130,118	117,500	122,067
Other MoE Grants	50,974	29,035	46,235
Other Government Grants	-	-	1,620
	<u>885,605</u>	<u>733,910</u>	<u>833,826</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	39,852	20,000	31,815
Activities	1,355	3,000	19,124
Trading	5,140	4,600	5,137
Other Revenue	19,365	24,000	10,497
	<u>65,712</u>	<u>51,600</u>	<u>66,573</u>
Expenses			
Activities	786	3,000	18,596
Trading	3,850	3,550	5,428
Transport (Local)	4,875	9,000	8,256
Other Locally Raised Funds Expenditure	3,006	4,000	1,623
	<u>12,517</u>	<u>19,550</u>	<u>33,903</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>53,195</u>	<u>32,050</u>	<u>32,670</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	14,750	19,290	15,080
Employee Benefits - Salaries	615,203	480,450	551,729
Staff Development	3,382	6,800	4,401
	<u>633,335</u>	<u>506,540</u>	<u>571,210</u>

5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	4,399	3,250	3,359
Board of Trustees Fees	5,350	4,500	1,500
Board of Trustees Expenses	5,474	1,775	-
Communication	1,925	2,550	1,846
Consumables	497	400	1,125
Operating Lease	-	-	2,667
Other	1,011	18,280	10,470
Employee Benefits - Salaries	47,247	42,000	34,676
Insurance	1,227	-	944
Service Providers, Contractors and Consultancy	1,900	2,000	1,900
	69,030	74,755	58,487

6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	2,551	1,250	1,983
Consultancy and Contract Services	490	-	23,677
Cyclical Maintenance Provision	4,000	4,000	5,943
Grounds	11,152	8,600	6,436
Heat, Light and Water	5,950	5,500	4,534
Rates	1,846	2,900	2,526
Repairs and Maintenance	9,695	6,600	12,864
Use of Land and Buildings	130,118	117,500	122,067
	165,802	146,350	180,030

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Building Improvements - Crown	10,627	11,800	10,627
Furniture and Equipment	4,776	5,000	5,993
Information and Communication Technology	4,391	4,000	4,786
Motor Vehicles	8,785	9,000	8,785
Leased Assets	10,422	9,000	7,796
Library Resources	186	200	213
	39,187	39,000	38,200

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	2,702	-	21,403
Bank Call Account	13,282	124,973	76,208
Cash and cash equivalents for Cash Flow Statement	<u>15,984</u>	<u>124,973</u>	<u>97,611</u>

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

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Interest Receivable	337	1,020	1,020
Teacher Salaries Grant Receivable	38,949	35,000	33,236
	<u>39,286</u>	<u>36,020</u>	<u>34,256</u>
Receivables from Exchange Transactions	337	1,020	1,020
Receivables from Non-Exchange Transactions	38,949	35,000	33,236
	<u>39,286</u>	<u>36,020</u>	<u>34,256</u>

10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	129,172	127,841	127,841
Total Investments	<u>129,172</u>	<u>127,841</u>	<u>127,841</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Land	15,000	-	-	-	-	15,000
Building Improvements	202,534	133,348	-	-	(10,627)	325,255
Furniture and Equipment	27,719	-	-	-	(4,776)	22,943
Information and Communication	11,409	1,642	-	-	(4,391)	8,660
Motor Vehicles	12,444	-	-	-	(8,785)	3,659
Leased Assets	10,395	18,500	(18)	-	(10,422)	18,455
Library Resources	1,489	-	-	-	(186)	1,303
Balance at 31 December 2019	<u>280,990</u>	<u>153,490</u>	<u>(18)</u>	<u>-</u>	<u>(39,187)</u>	<u>395,275</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Land	15,000	-	15,000
Building Improvements	408,194	(82,939)	325,255
Furniture and Equipment	63,676	(40,733)	22,943
Information and Communication	61,500	(52,840)	8,660
Motor Vehicles	43,923	(40,264)	3,659
Leased Assets	25,616	(7,161)	18,455
Library Resources	23,632	(22,329)	1,303
Balance at 31 December 2019	641,541	(246,266)	395,275

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land	15,000	-	-	-	-	15,000
Building Improvements	213,161	-	-	-	(10,627)	202,534
Furniture and Equipment	26,033	7,679	-	-	(5,993)	27,719
Information and Communication Technology	12,588	3,607	-	-	(4,786)	11,409
Motor Vehicles	21,229	-	-	-	(8,785)	12,444
Leased Assets	14,823	3,368	-	-	(7,796)	10,395
Library Resources	1,702	-	-	-	(213)	1,489
Balance at 31 December 2018	304,536	14,654	-	-	(38,200)	280,990

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	15,000	-	15,000
Building Improvements	274,846	(72,312)	202,534
Furniture and Equipment	63,676	(35,957)	27,719
Information and Communication Technology	59,858	(48,449)	11,409
Motor Vehicles	43,923	(31,479)	12,444
Leased Assets	24,816	(14,421)	10,395
Library Resources	23,632	(22,143)	1,489
Balance at 31 December 2018	505,751	(224,761)	280,990

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	7,225	10,000	7,562
Banking Staffing Overuse	1,128	-	1,128
Employee Entitlements - Salaries	38,949	35,000	33,236
	<u>47,302</u>	<u>45,000</u>	<u>41,926</u>
Payables for Exchange Transactions	47,302	45,000	41,926
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>47,302</u>	<u>45,000</u>	<u>41,926</u>

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	26,218	26,218	20,275
Increase/ (decrease) to the Provision During the Year	4,000	4,000	5,943
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>30,218</u>	<u>30,218</u>	<u>26,218</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	30,218	30,218	26,218
	<u>30,218</u>	<u>30,218</u>	<u>26,218</u>

14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	4,644	5,919	5,919
Later than One Year and no Later than Five Years	15,867	9,508	9,508
Later than Five Years	-	-	-
	<u>20,511</u>	<u>15,427</u>	<u>15,427</u>

15. Revenue in Received in Advance

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Grants	23,000	-	-
	<u>23,000</u>	<u>-</u>	<u>-</u>

16. 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 \$
Learning Area	<i>completed</i>	3,893		3,893	-	-
Shower	<i>completed</i>	13,370	-	13,370	485	-
Totals		<u>17,263</u>	<u>-</u>	<u>17,263</u>	<u>485</u>	<u>-</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Due from the Ministry of Education	-
	<u>-</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Learning Area	<i>in progress</i>	3,893	-	-	3,893
Roof Project	<i>completed</i>	-	7,916	7,916	-
Shower	<i>in progress</i>	-	13,370	-	13,370
Totals		<u>3,893</u>	<u>21,286</u>	<u>7,916</u>	<u>17,263</u>

17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within 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.

18. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,350	1,500
Full-time equivalent members	0.22	0.11
<i>Leadership Team</i>		
Remuneration	113,379	111,962
Full-time equivalent members	1	1
Total key management personnel remuneration	118,729	113,462
Total full-time equivalent personnel	1.22	1.11

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	110-120	100-110
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	

Other Employees

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

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

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

19. Contingencies

There are no contingent liabilities and no contingent assets as at **31 December 2019** (Contingent liabilities and assets at **31 December 2018**: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

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

20. Commitments

(a) Capital Commitments

Nil

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

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

Nil

(2018: \$20,000 contract for Shower project to be completed in **2019**, which will be fully funded by the Ministry of Education. \$13,370 has been received of which \$0 has been spent on the project to date).

21. 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.

22. 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	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	15,984	124,973	97,611
Receivables	39,286	36,020	34,256
Investments - Term Deposits	129,172	127,841	127,841
Total Financial assets measured at amortised cost	<u>184,442</u>	<u>288,834</u>	<u>259,708</u>

Financial liabilities measured at amortised cost

Payables	47,302	45,000	41,926
Finance Leases	19,252	15,427	15,427
Total Financial Liabilities Measured at Amortised Cost	<u>66,554</u>	<u>60,427</u>	<u>57,353</u>

23. 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 the 18th of May 2020.

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

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

24. Comparatives

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

25. 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 9 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 10 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.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

26. Legislative Deadlines

The school breached the following deadline:

Section 87C of the Education Act requires the school to provide its audited financial statements to the Ministry of Education by 31 May each year.

Covid-19 had a material impact on the ability of school service providers, school administrators, and the school's auditors to complete school audits by the legislative deadline.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF TAHUNA SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Tahuna School (the School). The Auditor-General has appointed me, Richard Currie, using the staff and resources of Crowe New Zealand Audit Partnership, 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 21, 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 Standards, Reduced Disclosure Regime

Our audit was completed on 24 July 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to other matters. 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 23 on page 20 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information obtained at the date of our report is the Members of the Board of Trustees listing, the Analysis of Variance and the Kiwisport Report 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: *International 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.



Richard Currie
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Hamilton New Zealand

Analysis of Variance Reporting



School Name:	Tahuna School	School Number:	1972
Strategic Aim:	All students are successfully able to access the New Zealand Curriculum as evidenced by achievement in relation to the National Standards.		
Annual Aim:	To increase the number of students achieving at or above the National Standard for Reading.		
Target:	To have 85% across the school achieving at/above the standard in Reading. Including 85% for Maori students and boys.		
Baseline Data:	29% of Maori students (4/14) were achieving below or well below the standard. 23% of boys (11/47) were achieving below or well below the standard for reading.		

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>
<ul style="list-style-type: none"> • Reviewed assessment data with staff to determine particular students learning needs. We subscribed to NZCER marking site and used their 'next steps' information. • Monitored the target students' progress on a regular basis. This included detailed reports to the BoT and regular meetings with the classroom teacher. • Schoolwide focus on Reading, Reading with Dad days, Reading week. Lots of talk about reading at Assemblies etc. Maori topic based reading • We subscribed to Reading eggs and Epic as a tool to encourage reading work at home and also used it for teaching new concepts and reinforcing basic facts. • Student voice was used in selecting and revising current programmes and reading. New reading material purchased for the Library. 	<p>The analysis of the end of year National Standards data shows very positive gains in levels of achievement in Reading. Of the 14 Maori students in the initial data, 9 remain enrolled at school. 2/9 are reading below the standard, and both of these students show significant accelerated progress. 78% of Maori students are now at or above their Curriculum level for Reading.</p> <p>Of the 47 boys in the initial data, 32 remain enrolled at school. Including the new admissions throughout the year 12/40 are reading below the standard. However 5 of these students are new admissions. All but two show accelerated progress throughout the year. 70% of boys are now at or above their Curriculum level for Reading.</p>	<p>This year we have had a significant number of students moving schools due to the dairy farm turnover in the area. This has meant data cannot be directly compared without looking at the students involved. The strong emphasis that we have put on reading all year has meant that even those students new to our school have seen significant acceleration in their reading ability over 2019.</p>	<p>Ensure Teacher Aides are allocated to benefit target students. (Possibly allowing classroom teacher to spend more time with target learners.) Continue to ensure that reading is curriculum based and boys see a clear purpose to reading.</p> <p>Look to invite male reading role models in to talk to students</p>
Planning for next year:			
<ul style="list-style-type: none"> • Professional Development on analysing NZCER data and identifying individual next steps. • Fostering the wider use of student voice in learning programmes. • Teacher reflective practice is built into this year's appraisal system. 			

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of \$1,642.44 excluding GST. The funding was spent on replacement basketballs and training equipment to enhance pupils skills and increase confidence in participating in team sports. It was also used to pay for entry and transport to various local interschool sporting opportunities (e.g Rugby fun day, Netball day etc.)