

TE KUITI HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 160

Principal: Thomas Tumai

School Address: Hospital Road

School Postal Address: P O Box 264, Te Kuiti, 3941

School Phone: 07 878 6292

School Email: ltaylor@tkhs.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Hilary Karaitiana	Chairperson	Elected	Manager	Sep 2021
Thomas Tumai	Principal	ex Officio		
Jo Randle	Parent Rep	Elected	Finance Manager	Sep 2021
Brent Ramsey	Parent Rep	Elected	Marketing Manager	Sep 2021
Rhys Brown	Parent Rep	Elected	Assessor	Sep 2021
Nikki Taylor	Parent Rep	Elected	Manager	Sep 2021
Teagan Houchen	Staff Rep	Elected	Teacher	Sep 2021
Justez Howe (to 22/1	Student Rep	Elected	Student	Sep 2019
Raiden van Herpen	Student Rep	Elected	Student	Sep 2020

Accountant / Service Provider: Education Services Ltd

TE KUITI HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 12	Statement of Accounting Policies
13 - 22	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Te Kuiti High 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.

Hilary Karaitiana

Full Name of Board Chairperson



Signature of Board Chairperson

28 October 2020

Date:

Thomas Tumai

Full Name of Principal



Signature of Principal

28 October 2020

Date:

Te Kuiti High 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	4,236,099	4,004,537	3,977,122
Locally Raised Funds	3	210,347	134,300	280,249
Interest income		22,632	10,000	14,843
International Students	4	20,242	47,900	24,741
		<hr/>	<hr/>	<hr/>
		4,489,320	4,196,737	4,296,955
Expenses				
Locally Raised Funds	3	157,425	42,600	141,613
International Students	4	8,906	29,600	4,517
Learning Resources	5	2,827,704	2,645,187	2,705,149
Administration	6	302,803	260,350	275,274
Finance		1,727	200	1,312
Property	7	1,106,259	1,098,205	1,035,803
Depreciation	8	138,225	119,115	144,619
		<hr/>	<hr/>	<hr/>
		4,543,049	4,195,257	4,308,287
Net Surplus / (Deficit) for the year		(53,729)	1,480	(11,332)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(53,729)	1,480	(11,332)

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

Te Kuiti High 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		1,600,278	1,561,508	1,611,610
Total comprehensive revenue and expense for the year		(53,729)	1,480	(11,332)
Capital Contributions from the Ministry of Education				
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	25	1,546,549	1,562,988	1,600,278
Retained Earnings		1,546,549	1,562,988	1,600,278
Equity at 31 December		1,546,549	1,562,988	1,600,278

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

Te Kuiti High School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	625,400	782,804	805,268
Accounts Receivable	10	231,962	143,538	192,720
GST Receivable		32,400	24,372	26,743
Prepayments		15,834	14,318	13,804
Inventories	11	71,802	63,187	84,570
Investments	12	235,315	185,000	-
Share Of Transport Network		7,734	55,636	13,862
		<u>1,220,447</u>	<u>1,268,855</u>	<u>1,136,967</u>
Current Liabilities				
Accounts Payable	14	277,064	335,262	246,990
Revenue Received in Advance	15	20,113	61,885	40,985
Provision for Cyclical Maintenance	16	167,297	84,563	103,672
Finance Lease Liability - Current Portion	17	9,330	1,281	9,570
Funds held in Trust	18	24,848	63,090	66,290
Funds held for Capital Works Projects	19	-	-	603
		<u>498,652</u>	<u>546,081</u>	<u>468,110</u>
Working Capital Surplus/(Deficit)		721,795	722,774	668,857
Non-current Assets				
Investments (more than 12 months)	12	-	8,874	-
Property, Plant and Equipment	13	848,384	781,453	949,805
Work in Progress		38,709	79,737	90,300
		<u>887,093</u>	<u>870,064</u>	<u>1,040,105</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	56,600	29,850	94,650
Finance Lease Liability	17	5,739	-	14,034
		<u>62,339</u>	<u>29,850</u>	<u>108,684</u>
Net Assets		<u><u>1,546,549</u></u>	<u><u>1,562,988</u></u>	<u><u>1,600,278</u></u>
Equity		<u><u>1,546,549</u></u>	<u><u>1,562,988</u></u>	<u><u>1,600,278</u></u>

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

Te Kuiti High 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		1,262,726	1,135,953	1,215,741
Locally Raised Funds		212,475	26,250	283,473
International Students		(2,758)	47,900	23,001
Goods and Services Tax (net)		(5,657)	-	(2,371)
Payments to Employees		(492,944)	(300,013)	(385,987)
Payments to Suppliers		(824,697)	(740,454)	(1,006,815)
Cyclical Maintenance Payments in the year		-	(20,000)	-
Interest Paid		(2,746)	(200)	(293)
Interest Received		14,497	10,000	16,152
Net cash from Operating Activities		<u>160,896</u>	<u>159,436</u>	<u>142,901</u>
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	609
Purchase of PPE (and Intangibles)		(60,138)	(48,000)	(117,576)
Purchase of Investments		(235,315)	-	-
Proceeds from Sale of Investments		-	-	185,000
Net cash from Investing Activities		<u>(295,453)</u>	<u>(48,000)</u>	<u>68,033</u>
Cash flows from Financing Activities				
Finance Lease Payments		(3,266)	(850)	(1,858)
Funds Administered on Behalf of Third Parties		(41,442)	-	23,974
Funds Held for Capital Works Projects		(603)	-	-
Net cash from Financing Activities		<u>(45,311)</u>	<u>(850)</u>	<u>22,116</u>
Net increase/(decrease) in cash and cash equivalents		<u>(179,868)</u>	<u>110,586</u>	<u>233,050</u>
Cash and cash equivalents at the beginning of the year	9	805,268	672,218	572,218
Cash and cash equivalents at the end of the year	9	<u>625,400</u>	<u>782,804</u>	<u>805,268</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.

Te Kuiti High School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2019 to 31 December 2019 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

Standard early adopted

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.

Cyclical Maintenance Provision

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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 \$1000 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:

Buildings	40 years
Furniture and Equipment	5-20 years
Information and Communication	3-5 years
Motor Vehicles	5 years
Textbooks	4 years
Library Resources	12.5% dv

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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

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.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and 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.

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

q) Funds Held in Trust

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

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

s) 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).

t) 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.

u) 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.

v) 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.

w) Budget Figures

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

x) 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.

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	325,263	437,763	425,764
Library Resources	583	1,450	1,952
Employee Benefits - Salaries	2,487,849	2,195,974	2,262,522
Staff Development	14,009	10,000	14,911
	<u>2,827,704</u>	<u>2,645,187</u>	<u>2,705,149</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,800	5,300	5,600
Board of Trustees Fees	4,935	3,800	2,320
Board of Trustees Expenses	3,931	8,500	16,954
Communication	13,242	8,550	9,369
Consumables	16,432	21,050	21,701
Operating Lease	-	4,400	1,549
Legal Fees	380	2,000	16
Other	42,877	28,050	24,829
Employee Benefits - Salaries	183,018	146,000	160,665
Insurance	14,932	16,200	16,491
Service Providers, Contractors and Consultancy	17,256	16,500	15,780
	<u>302,803</u>	<u>260,350</u>	<u>275,274</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	100,442	87,932	82,309
Consultancy and Contract Services	11,985	12,225	16,675
Cyclical Maintenance Expense	25,575	24,575	27,684
Grounds	20,781	14,700	17,246
Heat, Light and Water	55,145	71,500	61,747
Rates	5,669	12,000	9,832
Repairs and Maintenance	92,829	61,000	85,453
Use of Land and Buildings	751,774	778,760	690,903
Employee Benefits - Salaries	42,059	35,513	43,954
	<u>1,106,259</u>	<u>1,098,205</u>	<u>1,035,803</u>

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

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	16,951	13,962	16,951
Building Improvements	5,241	3,799	4,612
Furniture and Equipment	57,201	46,676	56,670
Information and Communication Technology	28,759	30,640	37,201
Motor Vehicles	13,479	12,561	15,250
Textbooks	-	638	775
Leased Assets	9,808	5,287	6,419
Library Resources	6,786	5,552	6,741
	<u>138,225</u>	<u>119,115</u>	<u>144,619</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	100	-	100
Bank Current Account	425,012	362,804	369,565
Short-term Bank Deposits	200,288	420,000	435,603
Cash equivalents for Cash Flow Statement	<u>625,400</u>	<u>782,804</u>	<u>805,268</u>

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

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	6,421	10,111	6,421
Banking Staffing Underuse	56,525	-	49,711
Interest Receivable	8,165	1,339	30
Teacher Salaries Grant Receivable	160,851	132,088	136,558
	<u>231,962</u>	<u>143,538</u>	<u>192,720</u>
Receivables from Exchange Transactions	14,586	11,450	6,451
Receivables from Non-Exchange Transactions	217,376	132,088	186,269
	<u>231,962</u>	<u>143,538</u>	<u>192,720</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	12,047	14,656	12,104
Uniform	59,755	48,531	72,466
	<u>71,802</u>	<u>63,187</u>	<u>84,570</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	235,315	185,000	-
Non-current Asset			
Long-term Bank Deposits	-	8,874	-
Total Investments	<u>235,315</u>	<u>193,874</u>	<u>-</u>

13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	39,000	-	-	-	-	39,000
Buildings	397,195	-	-	-	(16,951)	380,245
Building Improvements	78,536	-	-	-	(5,241)	73,295
Furniture and Equipment	282,061	22,077	-	-	(57,201)	246,937
Information and Communication Tech	69,905	8,002	-	-	(28,759)	49,148
Motor Vehicles	19,236	-	-	-	(13,479)	5,756
Leased Assets	22,581	1,118	-	-	(9,808)	13,892
Library Resources	41,291	5,605	-	-	(6,786)	40,111
Balance at 31 December 2019	949,805	36,802	-	-	(138,225)	848,384

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	39,000	-	39,000
Buildings	569,165	(188,920)	380,245
Building Improvements	99,925	(26,630)	73,295
Furniture and Equipment	1,206,828	(959,891)	246,937
Information and Communication	774,593	(725,445)	49,148
Motor Vehicles	198,184	(192,428)	5,756
Textbooks	135,797	(135,797)	-
Leased Assets	29,765	(15,873)	13,892
Library Resources	99,985	(59,874)	40,111
Balance at 31 December 2019	3,153,242	(2,304,858)	848,384

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	39,000	-	-	-	-	39,000
Buildings	414,146	-	-	-	(16,951)	397,195
Building Improvements	67,133	16,015	-	-	(4,612)	78,536
Furniture and Equipment	280,685	58,046	-	-	(56,670)	282,061
Information and Communication Technology	58,000	49,106	-	-	(37,201)	69,905
Motor Vehicles	34,486	-	-	-	(15,250)	19,236
Textbooks	775	-	-	-	(775)	-
Leased Assets	4,095	24,906	-	-	(6,419)	22,581
Library Resources	42,749	5,284	-	-	(6,741)	41,291
Balance at 31 December 2018	941,069	153,357	-	-	(144,619)	949,805

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	39,000	-	39,000
Buildings	569,165	(171,970)	397,195
Building Improvements	99,925	(21,389)	78,536
Furniture and Equipment	1,184,751	(902,690)	282,061
Information and Communication Technology	766,590	(696,685)	69,905
Motor Vehicles	198,184	(178,948)	19,236
Textbooks	135,797	(135,797)	-
Leased Assets	29,886	(7,305)	22,581
Library Resources	94,380	(53,089)	41,291
Balance at 31 December 2018	3,117,678	(2,167,873)	949,805

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	51,427	159,302	34,456
Accruals	5,800	5,300	5,600
Capital Accruals for PPE items	1,128	-	25,794
Employee Entitlements - Salaries	160,851	132,088	136,558
Employee Entitlements - Leave Accrual	57,858	38,572	44,582
	277,064	335,262	246,990
Payables for Exchange Transactions	277,064	335,262	246,990
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	277,064	335,262	246,990

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Student Grants (Winz/Trusts)	20,113	61,814	18,843
Calculator-Deposits Received	-	71	71
International Students in advance	-	-	23,000
Other Funds In Advance	-	-	(929)
	<u>20,113</u>	<u>61,885</u>	<u>40,985</u>

16. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	198,322	89,838	170,638
Increase to the Provision During the Year	25,575	24,575	27,684
Provision at the End of the Year	<u>223,897</u>	<u>114,413</u>	<u>198,322</u>
Cyclical Maintenance - Current	167,297	84,563	103,672
Cyclical Maintenance - Term	56,600	29,850	94,650
	<u>223,897</u>	<u>114,413</u>	<u>198,322</u>

17. 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	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	9,330	1,281	9,570
Later than One Year and no Later than Five Years	5,739	-	14,034
	<u>15,069</u>	<u>1,281</u>	<u>23,604</u>

18. Funds held in Trust

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Funds Held in Trust on Behalf of Third Parties - Current	24,848	63,090	66,290
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>24,848</u>	<u>63,090</u>	<u>66,290</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

19. Funds Held (Owed) for Capital Works Projects

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

		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Remedial repairs Admin	<i>completed</i>	603	-	(603)	-	-
Totals		603	-	(603)	-	-

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

-

-

-

		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Remedial repairs Admin	<i>in progress</i>	603	-	-	-	603
Totals		603	-	-	-	603

20. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

21. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,935	2,320
Full-time equivalent members	0.15	0.12
<i>Leadership Team</i>		
Remuneration	484,267	431,976
Full-time equivalent members	5.00	4.00
Total key management personnel remuneration	<u>489,202</u>	<u>434,296</u>
Total full-time equivalent personnel	<u>5.15</u>	<u>4.12</u>

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:		
Principal A		
Salary and Other Payments	140 - 150	110 - 120
Benefits and Other Emoluments	4 - 5	-
Termination Benefits	-	-
Principal B		
Salary and Other Payments	-	30 - 40
Benefits and Other Emoluments	-	1 - 2
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	-
	<u>1.00</u>	<u>0.00</u>

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

22. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	\$4,500	-
Number of People	1	-

23. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

24. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2019 (Capital commitments at 31 December 2018: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2019 (Operating commitments at 31 December 2018: nil).

25. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

26. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	625,400	782,804	805,268
Receivables	231,962	143,538	192,720
Investments - Term Deposits	235,315	193,874	-
Total Financial assets measured at amortised cost	<u>1,092,677</u>	<u>1,120,216</u>	<u>997,988</u>

Financial liabilities measured at amortised cost

Payables	277,064	335,262	246,990
Borrowings - Loans	-	-	-
Finance Leases	15,069	1,281	23,604
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>292,133</u>	<u>336,543</u>	<u>270,594</u>

27. Events After Balance Date

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

28. Comparatives

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

29. 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 10 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 12 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.

30. Breach of Law - Statutory Reporting

The Board of Trustees has failed to comply with section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

Te Kuiti Transport Network Group

For the year ended 31 December 2019

	Closing balance	% split	MOE Income	Other income	Expenditure	Disbursements	Balance
Te Kuiti High School	13,862	34.80%	136,659	406	108,393	34,800	7,734
Te Kuiti Primary School	8,730	26.10%	102,495	304	81,297	26,100	4,132
Rangitoto Primary	5,799	13.00%	51,051	152	40,493	13,000	3,509
Pukenui School	4,597	14.00%	54,978	163	43,607	14,000	2,130
St Josephs School	2,889	8.90%	34,950	104	27,722	8,900	1,321
Centennial Park School	1,023	3.20%	12,566	37	9,967	3,200	459
	36,899		<u>392,699</u>	<u>1,166</u>	<u>311,479</u>	<u>100,000</u>	<u>19,286</u>

Kiwisport is a government funding initiative to support student's participation in organized sport. In 2019 the school received total Kiwisport funding of \$6,839 (excluding GST). The funding was spent on sporting endeavors.