

# WHANANAKI SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018



# WHANANAKI SCHOOL

Annual Report - For the year ended 31 December 2018

## School Directory

**Ministry Number:** 1127

**Principal:** Shaun Tepania

**School Address:** Whananaki North, New Zealand

**School Postal Address:** Counter Delivery, Whananaki Postcentre, Whananaki 0536

**School Phone:** (09) 433-8231

**School Email:** [office@whananaki.school.nz](mailto:office@whananaki.school.nz)

### Members of the Board of Trustees

Name	Position	How Position Gained	Term expires
Vicky Ogle	Chair Person	Elected	May-19
Shaun Tepania	Principal	ex Officio	
Charles Waetford	Parent Rep	Elected	May-19
Ripeka Walters	Parent Rep	Elected	May-19
Tania Vaile	Parent Rep	Elected	May-19
Jose Bell	Staff Rep	Elected	May-19
Jillian Shuttleworth	Secretary	Elected	May-19

**Accountant / Service Provider:** The School Office

# WHANANAKI SCHOOL

Annual Report - For the year ended 31 December 2018

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## Whananaki School

### Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.

Vicki Ogle.  
Full Name of Board Chairperson

g-ll  
Signature of Board Chairperson

28/5/19  
Date:

Shawn Tepana  
Full Name of Principal

Shawn Tepana  
Signature of Principal

28.5.19  
Date:



# Whananaki School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Revenue</b>				
Government Grants	2	614,008	516,918	581,275
Locally Raised Funds	3	51,124	84,110	46,443
Interest Earned		1,039	680	711
Other Revenue		-	-	3,332
		<hr/>	<hr/>	<hr/>
		666,171	601,708	631,761
<b>Expenses</b>				
Locally Raised Funds	3	8,811	7,750	10,513
Learning Resources	4	395,286	352,853	392,753
Administration	5	24,296	78,385	27,350
Finance		609	-	(55)
Property	6	198,361	162,159	178,777
Depreciation	7	20,280	-	20,169
Loss on Disposal of Property, Plant and Equipment		24	-	384
		<hr/>	<hr/>	<hr/>
		647,667	601,147	629,891
<b>Net Surplus / (Deficit) for the year</b>		18,504	561	1,870
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<hr/>	<hr/>	<hr/>
		18,504	561	1,870

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

**Whananaki School****Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	264,246	238,141	261,410
Total comprehensive revenue and expense for the year	18,504	561	1,870
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	1,746	-	966
Equity at 31 December	284,496	238,702	264,246
Retained Earnings	284,496	238,702	264,246
Reserves	-	-	-
Equity at 31 December	284,496	238,702	264,246

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

**Whananaki School**  
**Statement of Financial Position**  
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	53,908	12,544	25,469
Accounts Receivable	9	29,303	25,283	25,283
Prepayments		1,858	427	427
Inventories	10	336	240	240
		<u>85,405</u>	<u>38,494</u>	<u>51,419</u>
<b>Current Liabilities</b>				
GST Payable		3,972	3,795	3,795
Accounts Payable	12	31,346	28,194	28,194
Revenue Received in Advance	13	5,825	-	-
Provision for Cyclical Maintenance	14	-	10,615	10,615
Finance Lease Liability - Current Portion	15	5,155	5,928	5,928
		<u>46,298</u>	<u>48,532</u>	<u>48,532</u>
<b>Working Capital Surplus/(Deficit)</b>		39,107	(10,038)	2,887
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	259,171	261,988	274,607
		<u>259,171</u>	<u>261,988</u>	<u>274,607</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	13,039	7,350	7,350
Finance Lease Liability	15	743	5,898	5,898
		<u>13,782</u>	<u>13,248</u>	<u>13,248</u>
<b>Net Assets</b>		<u>284,496</u>	<u>238,702</u>	<u>264,246</u>
<b>Equity</b>				
		<u>284,496</u>	<u>238,702</u>	<u>264,246</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



# Whananaki School

## Statement of Cash Flows

For the year ended 31 December 2018

	Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		144,117	127,250	141,240
Locally Raised Funds		57,087	82,939	48,604
Goods and Services Tax (net)		177	904	904
Payments to Employees		(74,316)	(71,519)	(81,165)
Payments to Suppliers		(89,990)	(138,586)	(85,371)
Cyclical Maintenance Payments in the year		-	1,448	
Interest Paid		(609)	-	55
Interest Received		1,023	695	726
Net cash from / (to) the Operating Activities		37,489	3,131	24,993
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(24)	-	(384)
Purchase of PPE (and Intangibles)		(4,844)	(300)	(15,368)
Net cash from / (to) the Investing Activities		(4,868)	(300)	(15,752)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		1,746	-	966
Finance Lease Payments		(5,928)	(4,558)	(7,270)
Funds Held for Capital Works Projects		-	(8,404)	(8,404)
Net cash from Financing Activities		(4,182)	(12,962)	(14,708)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>28,439</b>	<b>(10,131)</b>	<b>(5,467)</b>
Cash and cash equivalents at the beginning of the year	8	25,469	22,675	30,936
Cash and cash equivalents at the end of the year	8	53,908	12,544	25,469

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.



# **Whananaki School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2018**

#### **1. Statement of Accounting Policies**

##### **a) Reporting Entity**

Whananaki 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 2018 to 31 December 2018 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".

###### ***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**

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

**Recognition of grants**

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

**c) Revenue Recognition****Government Grants**

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

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

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

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

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 uncollectability) 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 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.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

#### **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 \$750 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.

#### **Leased Assets**

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.



### **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	5-40 years
Furniture and equipment	20 years
Information and communication technology	5 years
Plant & Equipment	10 years
Musical Instruments	5 years
Sports Equipment	5 years
Leased assets held under a Finance Lease	3-7 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.

### **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.

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

### **p) Funds Held in Trust**

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

**q) Provision for Cyclical Maintenance**

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

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

**r) Financial Assets and Liabilities**

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

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

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

**s) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**t) Budget Figures**

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

**u) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.



## 2. Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	126,071	120,299	116,596
Teachers' salaries grants	301,490	257,000	291,022
Use of Land and Buildings grants	166,238	131,619	147,964
Resource teachers learning and behaviour grants	2,173	-	2,300
Other MoE Grants	18,036	8,000	23,393
	<u>614,008</u>	<u>516,918</u>	<u>581,275</u>

## 3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	18,026	6,060	19,682
Activities	18,323	14,980	16,013
Trading	5,070	5,070	5,070
Fundraising	6,531	6,000	5,678
Other Revenue	3,174	52,000	-
	<u>51,124</u>	<u>84,110</u>	<u>46,443</u>
<b>Expenses</b>			
Activities	1,890	1,250	3,733
Trading	2,259	2,000	2,289
Fundraising costs	4,662	4,500	4,491
	<u>8,811</u>	<u>7,750</u>	<u>10,513</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>42,313</u>	<u>76,360</u>	<u>35,930</u>

## 4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	26,252	26,038	23,673
Equipment repairs	709	3,550	943
Information and communication technology	1,739	3,900	2,344
Extra-curricular activities	405	1,200	767
Library resources	2,845	800	1,893
Employee benefits - salaries	362,248	315,865	358,941
Staff development	1,088	1,500	4,192
	<u>395,286</u>	<u>352,853</u>	<u>392,753</u>



## 5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	4,150	4,800	4,236
Board of Trustees Fees	2,520	2,800	2,630
Board of Trustees Expenses	1,884	1,600	1,417
Communication	1,576	1,790	5,846
Operating Lease	-	3,650	(1,569)
Other	5,085	54,985	6,082
Employee Benefits - Salaries	3,758	3,600	3,862
Insurance	593	570	566
Service Providers, Contractors and Consultancy	4,730	4,590	4,280
	<u>24,296</u>	<u>78,385</u>	<u>27,350</u>

## 6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	4,225	4,490	4,086
Cyclical Maintenance Expense	(4,926)	1,750	3,198
Grounds	6,514	4,900	4,314
Heat, Light and Water	6,326	6,300	6,199
Repairs and Maintenance	9,782	3,800	3,386
Use of Land and Buildings	166,238	131,619	147,964
Employee Benefits - Salaries	10,202	9,300	9,630
	<u>198,361</u>	<u>162,159</u>	<u>178,777</u>

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

## 7. Depreciation

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Buildings - School	4,215	-	4,895
Furniture and Equipment	853	-	877
Information and Communication Technology	6,724	-	6,724
Plant & Equipment	1,585	-	1,268
Sports Equipment	46	-	232
Leased Assets	5,736	-	5,209
Library Resources	1,121	-	964
	<u>20,280</u>	<u>-</u>	<u>20,169</u>

## 8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash on Hand	80	-	80
Bank Current Account	25,008	(2,834)	4,380
Bank Call Account	8,138	-	5,631
Short-term Bank Deposits	20,682	15,378	15,378
Cash and cash equivalents for Cash Flow Statement	<u>53,908</u>	<u>12,544</u>	<u>25,469</u>

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

Of the \$53,908- Cash and Cash Equivalents, \$5,825- of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

## 9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	3,194	3,332	3,332
Receivables from the Ministry of Education	4,873	2,710	2,710
Interest Receivable	18	2	2
Teacher Salaries Grant Receivable	21,218	19,239	19,239
	<u>29,303</u>	<u>25,283</u>	<u>25,283</u>
Receivables from Exchange Transactions	3,212	3,334	3,334
Receivables from Non-Exchange Transactions	26,091	21,949	21,949
	<u>29,303</u>	<u>25,283</u>	<u>25,283</u>

## 10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	336	240	240
	<u>336</u>	<u>240</u>	<u>240</u>

# 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land - School	95,000	-	-	-	-	95,000
Buildings - School	122,335	-	-	-	(4,215)	118,120
Furniture and Equipment	9,153	-	-	-	(853)	8,300
Information and Communication T.	17,223	-	-	-	(6,724)	10,499
Plant & Equipment	13,346	765	-	-	(1,585)	12,526
Sports Equipment	-	1,863	-	-	(46)	1,817
Leased Assets	10,800	-	-	-	(5,736)	5,064
Library Resources	6,750	2,239	(23)	-	(1,121)	7,845
<b>Balance at 31 December 2018</b>	<b>274,607</b>	<b>4,867</b>	<b>(23)</b>	<b>-</b>	<b>(20,280)</b>	<b>259,171</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land - School	95,000	-	95,000
Buildings - School	190,132	(72,012)	118,120
Furniture and Equipment	28,740	(20,440)	8,300
Information and Communication Technology	110,226	(99,727)	10,499
Plant & Equipment	50,119	(37,593)	12,526
Sports Equipment	10,461	(8,644)	1,817
Musical Instruments	1,402	(1,402)	-
Leased Assets	23,418	(18,354)	5,064
Library Resources	43,887	(36,042)	7,845
<b>Balance at 31 December 2018</b>	<b>553,385</b>	<b>(294,214)</b>	<b>259,171</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land - School	95,000	-	-	-	-	95,000
Buildings - School	127,230	-	-	-	(4,895)	122,335
Furniture and Equipment	6,690	3,340	-	-	(877)	9,153
Information and Communication T.	23,947	-	-	-	(6,724)	17,223
Plant & Equipment	2,936	11,678	-	-	(1,268)	13,346
Sports Equipment	232	-	-	-	(232)	-
Leased Assets	13,297	2,712	-	-	(5,209)	10,800
Library Resources	7,364	735	(385)	-	(964)	6,750
<b>Balance at 31 December 2017</b>	<b>276,696</b>	<b>18,465</b>	<b>(385)</b>	<b>-</b>	<b>(20,169)</b>	<b>274,607</b>

The net carrying value of equipment held under a finance lease is \$5,064 (2017: \$10,800)



2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land - School	95,000	-	95,000
Buildings - School	190,132	(67,797)	122,335
Furniture and Equipment	28,740	(19,587)	9,153
Information and Communication Technology	110,226	(93,003)	17,223
Plant & Equipment	49,354	(36,008)	13,346
Sports Equipment	8,598	(8,598)	-
Musical Instruments	1,402	(1,402)	-
Leased Assets	23,418	(12,618)	10,800
Library Resources	41,796	(35,046)	6,750
<b>Balance at 31 December 2017</b>	<b>548,666</b>	<b>(274,059)</b>	<b>274,607</b>

## 12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	1,940	818	818
Accruals	6,498	6,849	6,849
Employee Entitlements - salaries	21,218	19,239	19,239
Employee Entitlements - leave accrual	1,690	1,288	1,288
	<b>31,346</b>	<b>28,194</b>	<b>28,194</b>
Payables for Exchange Transactions	31,346	28,194	28,194
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>31,346</b>	<b>28,194</b>	<b>28,194</b>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	5,825	-	-
	<b>5,825</b>	<b>-</b>	<b>-</b>

#### 14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	17,965	17,965	14,767
Increase/ (decrease) to the Provision During the Year	(4,926)	1,750	3,198
Use of the Provision During the Year	-	(1,750)	-
Provision at the End of the Year	13,039	17,965	17,965
Cyclical Maintenance - Current	-	10,615	10,615
Cyclical Maintenance - Term	13,039	7,350	7,350
	13,039	17,965	17,965

#### 15. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	6,537	6,537	6,537
Later than One Year and no Later than Five Years	6,418	12,955	12,955
Later than Five Years	-	-	-
	12,955	19,492	19,492

#### 16. Funds Held for Capital Works Projects

During the 2018 year the School has not received or applied for funding from the Ministry of Education for capital works projects:

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions Write off to R&M	Closing Balances \$
MOE 5YA	completed	8,404	-	-	8,404	-
Totals		8,404	-	-	8,404	-

## 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.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration		
Full-time equivalent members	2,520 0.09	2,630 0.09
<i>Leadership Team</i>		
Remuneration		
Full-time equivalent members	110,054 1.00	107,258 1.00
Total key management personnel remuneration	112,574	109,888
Total full-time equivalent personnel	1.09	1.09

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:

	2018 Actual \$000	2017 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	2018 FTE Number	2017 FTE Number
110-120	0.00	0.00
100-110	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 (except as noted below) and no contingent assets as at **31 December 2018** (Contingent liabilities and assets at **31 December 2017**: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

## 20. Commitments

### (a) Capital Commitments

As at 31 December 2018 the Board has entered into a contract agreement for capital works as follows:

(a) \$98,500 contract for Electrical, Roofing, Cladding, Shed Project and AMS ILE Works Project to be completed in **2019**, which will be fully funded by the Ministry of Education.

(Capital commitments at 31 December 2017: nil)

### (b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease of a Eftpos Machine;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	179
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>179</u>

## 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:

### Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	53,908	12,544	25,469
Receivables	29,303	25,283	25,283
Investments - Term Deposits	-	-	-
Total Loans and Receivables	<u>83,211</u>	<u>37,827</u>	<u>50,752</u>

### Financial liabilities measured at amortised cost

Payables	31,346	28,194	28,194
Borrowings - Loans	-	-	-
Finance Leases	5,898	11,826	11,826
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>37,244</u>	<u>40,020</u>	<u>40,020</u>

## 23. Events After Balance Date

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

## 24. Comparatives

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF WHANANAKI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Whananaki School (the School). The Auditor-General has appointed me, Bhavin Sanghavi using the staff and resources of UHY Haines Norton (Auckland) Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2018, 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 2018; 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 31/05/19 This is the date at which our opinion is expressed.

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

#### Basis for our opinion

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

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

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



## **Responsibilities of the Board of Trustees for the financial statements**

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

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 comprises the Analysis of Variance Reporting, Kiwisport Funding Report and the Members of the Board of Trustees, but does not include the financial statements, and our auditor's report thereon.

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

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



## Independence

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

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



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**Bhavin Sanghavi**  
**UHY Haines Norton (Auckland) Limited**  
**On behalf of the Auditor-General**  
**Auckland, New Zealand**

**Whananaki School**  
**Kiwisport Statement**  
As at 31 December 2018

Kiwisport is a government funded initiative to support students' participation in organised sport. In 2018 the school received Kiwisport funding of \$900 exc GST (2017:\$831). This year all of the Kiwisport funding was targetted for Basketball. Basketball continued positively into 2018 with 22 children playing. Two children were chosen to represent the Whangarei Rep Team. Three new children started playing. The Kiwisport funding was used to pay fees for a Year 7 & 8 team and a Year 6 and under team. Three basketballs were purchased and a new hoop. Both teams played every term.





# **WHANANAKI SCHOOL**

# **ANNUAL PLAN 2018**

Analysis of Variance

## Strategic Goal 1: Learning for Life

### Annual Target 1:

To increase the number of students achieving **AT** or **ABOVE** in their Curriculum Level in reading.

### Baseline data:

Analysis of school wide data in December 2017 showed 12 students are **BELOW/WELL BELOW** in their Curriculum Level in reading.

### Target:

Of these 12 students, we want to move all 12 students (100%) to **AT** in their Curriculum Level in reading.

Actions	Led by	Resources/Budget	Timeframe	Evaluation
Review what is working and share good practice.	All teaching staff	*Class room budget. *Teacher support. *e- learning programmes. *RTLB & school finance.	Ongoing	*Teacher aide support in all classrooms. *Small ability groups. *e-learning programmes, 'LexiaCore5 and Reading Plus'. *RTLB support *Staff meetings to discuss learners. *Celebrating success, newsletters and assemblies.
Look at assessment data, analysing where students are and where they should be. Professional discussions about how to get them there. Use "Priority students" information to accelerate their learning.	Principal/ teachers	*eTAP	Ongoing	*Priority students information provided data and direction for teachers. *Good to set goals for students but some felt their planning identified the needs and direction. *Some below students were on all forms, is there a better way to record this? *Transient students have increased in the number of students below/ well below. Throughout the year some of the new students have more learning needs than the ones already allocated teacher aide time. It is frustrating when you reorganise support and the student leaves. *End of year data shows 9 students below/ well below. Although there are students below, all students have progressed. The increase of below students is due to new students enrolled. STAR assessment tool and running records provided valuable knowledge. Group/ individual observation and book work help determine



the curriculum level.

## Strategic Goal 2: Learning for Life

### Annual Target 1:

To increase the number of students achieving **AT** or **ABOVE** in their Curriculum Level in writing.

### Baseline data:

Analysis of school wide data in December 2017 showed 9 students are **BELOW/WELL BELOW** in their Curriculum Level in writing.

### Target:

Of these 9 students, we want to move all students (100%) to **AT** in their Curriculum Level in writing.

Actions	Led by	Resources/Budget	Timeframe	Evaluation
Review what is working and share good practice.	All teaching staff	*Class room budget. *Teacher support. *e- learning programmes. *RTLb & school finance.	Ongoing	*Teacher aide support in all classrooms. *Small ability groups. *Google Docs *RTLb support *Staff meetings to discuss learners. *Celebrating success, newsletters and assemblies.
Look at assessment data, analysing where students are and where they should be. Professional discussions about how to get them there. Use " <b>Priority students</b> " information to accelerate their learning.	Principal/ teachers	*eTAP	Ongoing	*Priority students information provided data and direction for teachers. *Good to set goals for students but some felt their planning identified the needs and direction. *Some below students were on all forms, is there a better way to record this? *Transient students are a problem(see reading comment).  *End of year data shows 12 students below/ well below. Although there are more students below, all students have progressed. The increase of below students is due to new students enrolled. e-asTTle assessment tool provided valuable knowledge. Group/ individual observation and book work help determine the curriculum level.

### Strategic Goal 3: Learning for Life

#### Annual Target 1:

To increase the number of students achieving **AT** or **ABOVE** in their Curriculum Level in maths.

#### Baseline data:

Analysis of school wide data in December 2017 showed 9 students are **BELOW/WELL BELOW** in their Curriculum Level in maths.

#### Target:

Of these 9 students, we want to move all students (100%) to **AT** in their Curriculum Level in maths.

Actions	Led by	Resources/Budget	Timeframe	Evaluation
Review what is working and share good practice.	All teaching staff	*Class room budget. *Teacher support. *e- learning programmes. *RTLb & school finance.	Ongoing	*Teacher aide support in all classrooms. *Small ability groups. *e-learning programmes, 'Symphony maths, IXL, Khan Academy'. *RTLb support. *Staff meetings to discuss learners. *Celebrating success, newsletters and assemblies.
Look at assessment data, analysing where students are and where they should be. Professional discussions about how to get them there. Use <b>"Priority students"</b> information to accelerate their learning.	Principal/ teachers	*eTAP	Ongoing	*Priority students information provided data and direction for teachers. *Good to set goals for students but some felt their planning identified the needs and direction. *Some below students were on all forms, is there a better way to record this? *Transient students are a problem. *End of year data shows 11 students below/ well below. Progression for all students. JAM, GLOSS, Step Up and PAT assessment tools provided valuable knowledge. Group/ individual observation and book work help determine OTJ.