

TAMATEA PRIMARY

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	2686
Principal:	Ruth Woolhouse
School Address:	10 Durham Avenue, Tamatea, Napier
School Postal Address:	10 Durham Avenue, Tamatea, Napier, 4112
School Phone:	06 843 2147
School Email:	office@tamateaprimary.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Paul Eady	Chairperson	Elected	Jun 2019
Wiremu Pearson	Principal	ex Officio	
Linda O'Brien	Parent Rep	Elected	Jun 2019
Tania Trenrove	Parent Rep	Elected	Jun 2019
Barbara Soloman	Parent Rep	Elected	Jun 2019
Justin Prebensen	Parent Rep	Appointed	Jun 2019
Jo Aplin	Staff Rep	Appointed	Jun 2019
Aaron Vaughan	Staff Rep	Appointed	Jun 2019
Ruth Woolhouse	Other	Appointed	

Accountant / Service Provider: Education Services Ltd

TAMATEA PRIMARY

Annual Report - For the year ended 31 December 2018

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 - 11	Statement of Accounting Policies
12 - 19	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Tamatea Primary

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.

Barb Solomon



Full Name of Board Chairperson



Signature of Board Chairperson

31 May 2019

Date:

Ruth Young Woolhouse

Full Name of Principal



Signature of Principal

31 May 2019

Date:

Tamatea Primary
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	1,519,856	1,255,116	1,572,595
Locally Raised Funds	3	160,654	135,200	168,689
Interest Earned		903	1,000	942
Gain on Sale of Property, Plant and Equipment		35	-	-
		<u>1,681,448</u>	<u>1,391,316</u>	<u>1,742,226</u>
Expenses				
Locally Raised Funds	3	127,272	107,300	112,920
Learning Resources	4	1,106,411	895,825	1,149,943
Administration	5	172,094	151,150	165,957
Finance Costs		3,009	2,024	2,295
Property	6	217,937	183,409	250,297
Depreciation	7	60,318	58,000	67,525
Loss on Disposal of Property, Plant and Equipment		557	-	13
		<u>1,687,598</u>	<u>1,397,708</u>	<u>1,748,950</u>
Net Surplus / (Deficit)		(6,150)	(6,392)	(6,724)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(6,150)</u>	<u>(6,392)</u>	<u>(6,724)</u>

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

Tamatea Primary
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	195,006	225,368	201,730
Total comprehensive revenue and expense for the year	(6,150)	(6,392)	(6,724)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	2,746	-	-
Board Donation for Capital Work	(10,660)	-	-
Equity at 31 December	180,942	218,976	195,006
Retained Earnings	180,942	218,976	195,006
Equity at 31 December	180,942	218,976	195,006

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

Tamatea Primary Statement of Financial Position

As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	12,580	69,820	22,781
Accounts Receivable	9	84,807	39,249	60,199
GST Receivable		-	10,786	1,563
Prepayments		5,640	4,443	5,419
Inventories	10	5,187	10,563	6,380
Investments	11	-	22,261	-
Funds owed for Capital Works Projects	17	-	-	13,566
		<u>108,214</u>	<u>157,122</u>	<u>109,908</u>
Current Liabilities				
GST Payable		677	-	-
Accounts Payable	13	80,446	54,104	83,326
Revenue Received in Advance	14	12,842	10,782	10,406
Provision for Cyclical Maintenance	15	14,654	41,636	6,364
Finance Lease Liability - Current Portion	16	21,619	-	27,402
		<u>130,238</u>	<u>106,522</u>	<u>127,498</u>
Working Capital Surplus/(Deficit)		(22,024)	50,600	(17,590)
Non-current Assets				
Investments (more than 12 months)	11	472	472	472
Property, Plant and Equipment	12	235,287	178,153	257,403
		<u>235,759</u>	<u>178,625</u>	<u>257,875</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	10,350	10,249	19,193
Finance Lease Liability	16	22,443	-	26,086
		<u>32,793</u>	<u>10,249</u>	<u>45,279</u>
Net Assets		<u>180,942</u>	<u>218,976</u>	<u>195,006</u>
Equity		<u>180,942</u>	<u>218,976</u>	<u>195,006</u>

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

Tamatea Primary
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		431,916	353,700	413,330
Locally Raised Funds		158,655	135,200	168,385
Goods and Services Tax (net)		2,240	-	9,223
Payments to Employees		(293,000)	(178,000)	(280,721)
Payments to Suppliers		(272,815)	(256,107)	(243,082)
Cyclical Maintenance Payments in the year		(8,696)	-	(6,087)
Interest Paid		(3,009)	(2,024)	(2,295)
Interest Received		903	1,000	1,073
Net cash from / (to) the Operating Activities		16,194	53,769	59,826
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		35	-	-
Purchase of PPE (and Intangibles)		(19,775)	-	(23,853)
Proceeds from Sale of Investments		-	-	22,261
Net cash from / (to) the Investing Activities		(19,740)	-	(1,592)
Cash flows from Financing Activities				
Furniture and Equipment Grant		2,746	-	-
Finance Lease Payments		(25,177)	(27,411)	(35,994)
Funds Held for Capital Works Projects		15,776	-	(42,921)
Net cash from Financing Activities		(6,655)	(27,411)	(78,915)
Net increase/(decrease) in cash and cash equivalents		(10,201)	26,358	(20,681)
Cash and cash equivalents at the beginning of the year	8	22,781	43,462	43,462
Cash and cash equivalents at the end of the year	8	12,580	69,820	22,781

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.

Tamatea Primary

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Tamatea Primary (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 12.

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 16.

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

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 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 \$500 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:

Buildings	5 Yrs
Furniture and Equipment	5-15 Yrs
Information and Communication	18-40 Yrs
Motor Vehicles	5 Yrs
Library Resources	8 Yrs DV

Leased assets are depreciated over the life of the lease.

1) 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 are recognised at the amount borrowed. 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 the balance date.

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.

2. Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	338,481	327,700	347,338
Teachers' salaries grants	893,836	779,675	931,036
Use of Land and Buildings grants	162,976	118,912	228,003
Other MoE Grants	124,563	28,829	63,392
Other government grants	-	-	2,826
	<u>1,519,856</u>	<u>1,255,116</u>	<u>1,572,595</u>

3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	8,886	5,000	8,022
Bequests & Grants	7,500	10,000	10,720
Activities	22,868	12,000	34,633
Trading	17,161	14,200	13,021
After School Care/holiday Prog	104,239	94,000	102,293
	<u>160,654</u>	<u>135,200</u>	<u>168,689</u>
Expenses			
Activities	16,616	13,600	41,897
Trading	17,430	11,500	14,179
Other Expenses	615	-	-
After School Care/holiday Prog	92,611	82,200	56,844
	<u>127,272</u>	<u>107,300</u>	<u>112,920</u>
<i>Surplus for the year Locally raised funds</i>	<u>33,382</u>	<u>27,900</u>	<u>55,769</u>

Control over After School Care/Holiday Program revenue before recorded is limited, and there are no practical audit procedures to determine the effect of this limited control. The audit opinion has disclosed the limitation of scope raise over this revenue streams.

4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	38,883	28,600	29,618
Library resources	637	1,050	868
Employee benefits - salaries	1,063,395	857,675	1,110,639
Staff development	3,218	8,500	8,788
Minor Equipment & Repairs	278	-	30
	<u>1,106,411</u>	<u>895,825</u>	<u>1,149,943</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,760	3,600	3,650
Board of Trustees Fees	3,190	4,000	3,630
Board of Trustees Expenses	1,463	500	1,403
Communication	4,220	3,800	4,461
Consumables	9,583	12,400	10,235
Operating Lease	4,967	-	6,018
Other	10,379	15,050	17,204
Employee Benefits - Salaries	112,190	100,000	108,771
Insurance	3,333	2,800	2,185
Service Providers, Contractors and Consultancy Interventions	9,180	9,000	8,400
	9,829	-	-
	<u>172,094</u>	<u>151,150</u>	<u>165,957</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	5,329	4,650	4,899
Cyclical Maintenance Expense	8,143	6,167	(20,159)
Grounds	1,265	3,400	3,104
Heat, Light and Water	15,343	12,800	12,445
Rates	681	600	637
Repairs and Maintenance	2,056	18,780	6,413
Use of Land and Buildings	162,976	118,912	228,003
Security	1,434	600	517
Consultancy And Contract Services	20,710	17,500	14,438
	<u>217,937</u>	<u>183,409</u>	<u>250,297</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	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	4,900	4,209	4,900
Furniture and Equipment	10,724	7,901	9,198
Information and Communication Technology	15,189	13,950	16,241
Motor Vehicles	817	701	816
Leased Assets	27,128	29,817	34,714
Library Resources	1,560	1,422	1,656
	<u>60,318</u>	<u>58,000</u>	<u>67,525</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	60	-	60
ASB 00	12,146	-	(1,794)
ASB 01	-	-	2,026
ASB 02	374	69,820	22,489
Cash equivalents for Cash Flow Statement	<u>12,580</u>	<u>69,820</u>	<u>22,781</u>

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

9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	3,886	8,879	3,320
Receivables from the Ministry of Education	20,329	-	2,541
Interest Receivable	-	131	-
Teacher Salaries Grant Receivable	60,592	30,239	54,338
	<u>84,807</u>	<u>39,249</u>	<u>60,199</u>

Receivables from Exchange Transactions	3,886	9,010	3,320
Receivables from Non-Exchange Transactions	80,921	30,239	56,879
	<u>84,807</u>	<u>39,249</u>	<u>60,199</u>

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	-	889	952
Uniforms	5,187	9,674	5,428
	<u>5,187</u>	<u>10,563</u>	<u>6,380</u>

11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	-	22,261	-
Farmlands Shares	472	472	472

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	128,152	-	-	-	(4,900)	123,252
Furniture and Equipment	50,077	12,440	-	-	(10,724)	51,793
Information and Communication Tech	16,542	7,127	-	-	(15,189)	8,480
Motor Vehicles	2,309	-	-	-	(817)	1,492
Leased Assets	48,210	18,435	-	-	(27,128)	39,517
Library Resources	12,113	757	(557)	-	(1,560)	10,753
Balance at 31 December 2018	257,403	38,759	(557)	-	(60,318)	235,287

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	146,305	(23,053)	123,252
Furniture and Equipment	208,459	(156,666)	51,793
Information and Communication	123,902	(115,422)	8,480
Motor Vehicles	4,083	(2,591)	1,492
Leased Assets	97,555	(58,038)	39,517
Library Resources	53,921	(43,168)	10,753
Balance at 31 December 2018	634,225	(398,938)	235,287

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building Improvements	133,052	-	-	-	(4,900)	128,152
Furniture and Equipment	37,629	21,646	-	-	(9,198)	50,077
Information and Communication Tech	31,365	1,418	-	-	(16,241)	16,542
Motor Vehicles	3,125	-	-	-	(816)	2,309
Leased Assets	56,247	26,677	-	-	(34,714)	48,210
Library Resources	12,735	1,047	(13)	-	(1,656)	12,113
Balance at 31 December 2017	274,153	50,788	(13)	-	(67,525)	257,403

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building Improvements	146,304	(18,152)	128,152
Furniture and Equipment	196,921	(146,844)	50,077
Information and Communication	116,776	(100,234)	16,542
Motor Vehicles	4,083	(1,774)	2,309
Leased Assets	118,340	(70,130)	48,210
Library Resources	60,232	(48,119)	12,113
Balance at 31 December 2017	642,656	(385,253)	257,403

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	5,923	6,501	10,289
Accruals	3,760	3,600	3,650
Employee Entitlements - salaries	60,592	30,239	54,338
Employee Entitlements - leave accrual	10,171	13,764	15,049
	<u>80,446</u>	<u>54,104</u>	<u>83,326</u>
Payables for Exchange Transactions	80,446	54,104	83,326
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>80,446</u>	<u>54,104</u>	<u>83,326</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
MSD Grant	12,275	10,782	9,820
Income In Advance - Parents	567	-	586
	<u>12,842</u>	<u>10,782</u>	<u>10,406</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	25,557	45,718	51,803
Increase/(decrease) to the Provision During the Year	8,143	6,167	(20,159)
Use of the Provision During the Year	(8,696)	-	(6,087)
Provision at the End of the Year	<u>25,004</u>	<u>51,885</u>	<u>25,557</u>
Cyclical Maintenance - Current	14,654	41,636	6,364
Cyclical Maintenance - Term	10,350	10,249	19,193
	<u>25,004</u>	<u>51,885</u>	<u>25,557</u>

16. 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	23,948	-	27,402
Later than One Year and no Later than Five Years	26,184	-	30,042
	<u>50,132</u>	<u>-</u>	<u>57,444</u>

17. Funds Owed (Held) for Capital Works Projects

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

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Learning Spaces	<i>completed</i>	(1,170)	(1,170)	-	-	-
Block C - Stage 2	<i>completed</i>	15,236	14,105	(1,131)	-	-
Fairhaven Wall	<i>completed</i>	(500)	(500)	-	-	-
Totals		13,566	12,435	(1,131)	-	-

Represented by:

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

	2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Learning Spaces	<i>in progress</i>	1,267	4,622	2,185	-	(1,170)
Block C - Stage 2	<i>in progress</i>	(28,412)	-	43,648	-	15,236
Fairhaven Wall	<i>in progress</i>	-	22,098	21,598	-	(500)
Totals		(27,145)	26,720	67,431	-	13,566

18. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and 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.

19. 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	13,019	3,630
Full-time equivalent members	0.11	0.06
<i>Leadership Team</i>		
Remuneration	240,240	334,382
Full-time equivalent members	3.00	3.59
Total key management personnel remuneration	253,259	338,012
Total full-time equivalent personnel	3.11	3.65

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	120 - 130	120 - 130
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
100 - 110	-	-
	0.00	0.00

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

20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee 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:

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-

21. Contingencies

As at 31 December 2018 the School had a Contingent Liability of \$10,000 for an employment settlement.

(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.

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (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 laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	3,585	3,798
Later than One Year and No Later than Five Years	-	3,585
Later than Five Years	-	-
	<u>3,585</u>	<u>7,383</u>

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that 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.

24. 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	12,580	69,820	22,781
Receivables	84,807	39,249	60,199
Investments - Term Deposits	472	22,733	472
Total Loans and Receivables	<u>97,859</u>	<u>131,802</u>	<u>83,452</u>

Financial liabilities measured at amortised cost

Payables	80,446	54,104	83,326
Finance Leases	44,062	-	53,488
Total Financial Liabilities Measured at Amortised Cost	<u>124,508</u>	<u>54,104</u>	<u>136,814</u>

25. Events After Balance Date

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

26. Comparatives

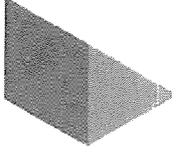
There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

27. Going Concern

The Ministry of Education have provided a letter of support and considers Tamatea Primary School to be essential to the network and will continue to provide resourcing (via teacher salaries, operational funding and support funding if necessary) for the foreseeable future.

The Ministry is aware of some financial concerns regarding a negative working capital of \$22,024 and will continue to work with the School regarding these matters.

Analysis of Variance Reporting



School Name:	Tamatea Primary School	School Number:	2686	December 2018
Strategic Aim:	To improve our Literacy achievement to 80%, achieving At or Above by December 2019.			
Annual Aim:	To accelerate progress of all students in writing, with a particular focus on Maori boys.			
Target:	Through targeted intervention (ALL) selected students, included a group of targeted Maori boys will make accelerated progress i.e. as per the agreed ALL description of accelerated progress (3 or more threads per term).			
Baseline Data:	<p>School-wide Baseline data for the start of 2018 in literacy (reading and writing) is currently unavailable due to the Principal being on sick leave and Acting Principal having no access to it.</p> <p>Baseline data for ALL Writing: FEB 2018</p> <p>WB=19 (9 are Maori boys)</p> <p>B= 37 (15 are Maori boys)</p> <p>At= 7, these children have met the expectation but have been monitored over the year to ensure they maintain their progress, 4 are Maori boys</p>			



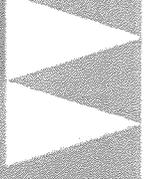
Tātaritanga raraunga



Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> 66 students participated in ALL during the course of 2018. 5 students left the school during term 2. Models of good teacher practice identified as a result of senior leadership observations. Opportunities were timetabled for staff to observe good teaching practice. Mid year across school writing moderation using consistent tool. Identification of accelerated progress was agreed to mean to be "3 or more threads per term". Ongoing data analysis of acceleration documented term by term. Leadership discussed data with staff regarding limited progress 	<ul style="list-style-type: none"> End of Term 2- 50/61 students, 82% met the criteria for accelerated progress. End of Term 3- 43/61 students, 71% met the criteria for accelerated progress. End of Term 4- 41/61 students, 67% met the criteria for accelerated progress. Of the 9 Maori boys working Well Below at February, 2 have left and 5 have moved from Well Below to Below 5/7, 72%, leaving 2 still working in Well Below. These 5 Maori boys have met the criteria for accelerated progress. Accelerated Progress- 3/15 Maori boys moved from Below to Met. 	<ul style="list-style-type: none"> Actions taken improved teacher practice and student outcomes. Strong Leadership has developed robust teaching by all staff, which has impacted positively on the student achievement levels. <p>Maori Boys</p> <ul style="list-style-type: none"> Of the 7 Maori boys who did not make accelerated progress this year 3 have attendance concerns. One has behavioural needs, one receives ICS funding one is working with the RTLit and one was new to the school. 	<ul style="list-style-type: none"> ALL Programme works for the teachers in our school. The emphasis will be on sustaining ALL writing methodology in 2019. In term 2 the school will transfer methodology used to enhance student writing to the curriculum area of reading. Promote student agency through self- assessment eg honeycombs, peer conversations and increased student choice in literacy. Students will be able to identify their strengths and areas of growth and show progress in their development. Moderation across COL schools is needed.

Tātaritanga raraunga

<p>through the year and possible solutions.</p> <ul style="list-style-type: none"> ● Key assessment strategies i.e. LLPs and honeycomb matrices were consistently used by all staff and students. ● Termly reporting to Board of Trustees to inform their decision making. 	<ul style="list-style-type: none"> ● Of the 12 Maori boys remaining at Below, 7/12 met the criteria for accelerated progress. <p>Summary:- The majority of ALL students made accelerated progress. Target met.</p> <ul style="list-style-type: none"> ● 15/24 Maori boys met the criteria for accelerated progress within the ALL programme- (63%). 		
<p>Planning for next year:</p>			
<p><u>Our Actions</u></p> <p><u>Objective 1:</u> Sustain our writing programme Literacy Learning Progressions for Reading</p> <p><u>Objective 2:</u> Consult re Principal's appointment Consult on Vision Statement Follow up by incorporating input from Community Hui Provide ongoing information with parents/whānau of target students Provide up-to-date information on our Website and Facebook page</p> <p><u>Objective 3:</u> PB4L- Year 2 Te Reo PD to improve staff capability Improve student attendance and lateness</p> <p><u>Objective 4:</u> Provide staff with Professional Development for ILE Use the Appraisal process to strengthen teaching practice</p>			



Objective 5: Review and evaluate progress found in Annual Plan
Use Teaching as Inquiry reviews to identify effective practice
Use the Board Assurance Statement (ERO) as an internal evaluation tool
Prepare for an ERO Review (external evaluation)

29th May 2019

Tamatea Primary School received \$2,900 of Kiwisport funding during 2018. This was spent on a variety of sporting endeavours.

Regards

Ruth Woolhouse
Principal



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TAMATEA PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Tamatea Primary School (the School). The Auditor-General has appointed me, Maxwell John Dixon, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the School on his behalf.

We have audited the financial statements of the School on pages 2 to 20, 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.

Qualified opinion

In our opinion, except for the matter described in the *Basis for our qualified opinion* section of our report, 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 Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

Our audit was completed on 31 May 2019. This is the date at which our qualified opinion is expressed.

The basis for our qualified 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 qualified opinion

Prior to being recorded, control over the receipt of after school care/holiday program revenue is limited. After school care/holiday program revenue is disclosed in note 3 of the financial statements on page 12 as \$104,239 (2017: \$102,293). There are no satisfactory audit procedures that we could adopt to confirm independently that the revenue from after school care/holiday program had been properly recorded.

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 qualified 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 arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included within the Analysis of Variance, and the Kiwisport Statement, which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

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

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



Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (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.

A handwritten signature in black ink, appearing to read 'M. John Dixon', written in a cursive style.

Maxwell John Dixon
PricewaterhouseCoopers
On behalf of the Auditor-General
Napier, New Zealand