

# KOROMATUA SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 1784

**Principal:** Nigel Farthing

#### School Address:

**School Postal Address:** 355 Koromatua Road, RD 10, Hamilton, 3290

**School Phone:** 07 847 9828

**School Email:** [corrinag@koromatua.school.nz](mailto:corrinag@koromatua.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Stuart Cassidy	Chairperson	Elected	Customer Service Officer	Jun 2022
Nigel Farthing	Principal	ex Officio		
Carl Armstrong	Parent Rep	Elected	Retired; Doing voluntary work	Jun 2022
Nakita Arden	Parent Rep	Elected	Stay at home mum.	Jun 2022
Meiana Gray	Parent Rep	Elected	Self Employed (Various)	Jun 2022
Mekayla Peneha	Parent Rep	Elected	Kohanga Reo instructor	Jun 2022
Tracey Lancaster	Staff Rep	Elected	Teacher	Jun 2022

**Accountant / Service Provider:** Education Services Ltd

# KOROMATUA SCHOOL

Annual Report - For the year ended 31 December 2019

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# Koromatua School

## Statement of Responsibility

For the year ended 31 December 2019


The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflects the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Stuart Anthony Cassidy  
Full Name of Board Chairperson

  
Signature of Board Chairperson

28/05/2020  
Date:

NIGEL ANTHONY FARTHING  
Full Name of Principal

  
Signature of Principal

28/5/2020  
Date:

**Koromatua School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	1,665,340	1,402,533	1,480,917
Locally Raised Funds	3	10,694	10,061	28,582
Interest income		5,165	5,600	5,699
		<u>1,681,199</u>	<u>1,418,194</u>	<u>1,515,198</u>
<b>Expenses</b>				
Locally Raised Funds	3	16,800	12,204	32,615
	4	1,117,032	908,553	985,651
Administration	5	83,880	81,127	68,299
Finance		1,618	600	1,822
Property	6	409,109	396,797	423,111
Depreciation	7	37,260	34,496	36,007
Loss on Disposal of Property, Plant and Equipment		-	-	49,074
		<u>1,665,699</u>	<u>1,433,777</u>	<u>1,596,579</u>
<b>Net Surplus / (Deficit) for the year</b>		15,500	(15,583)	(81,381)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>15,500</u>	<u>(15,583)</u>	<u>(81,381)</u>

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



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

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		<u>480,316</u>	<u>492,179</u>	<u>553,243</u>
Total comprehensive revenue and expense for the year		15,500	(15,583)	(81,381)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	8,454
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
<b>Equity at 31 December</b>	22	<u>495,816</u>	<u>476,596</u>	<u>480,316</u>
 Retained Earnings		495,816	476,596	480,316
<b>Equity at 31 December</b>		<u>495,816</u>	<u>476,596</u>	<u>480,316</u>

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



**Koromatua School**  
**Statement of Financial Position**  
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	197,790	133,254	274,809
Accounts Receivable	9	73,097	46,006	50,158
GST Receivable		22,022	-	16,029
Prepayments		6,277	8,178	7,821
Inventories	10	593	797	701
Funds owed for Capital Works Projects	16	23,533	-	-
		323,312	188,235	349,518
<b>Current Liabilities</b>				
GST Payable		-	15,922	-
Accounts Payable	12	86,667	77,252	103,082
	13	-	2,156	2,181
Provision for Cyclical Maintenance	14	20,637	-	2,700
Finance Lease Liability - Current Portion	15	6,662	4,382	6,952
Funds held for Capital Works Projects	16	-	-	15,206
		113,966	99,712	130,121
<b>Working Capital Surplus/(Deficit)</b>		209,346	88,523	219,397
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	304,280	389,395	297,660
		304,280	389,395	297,660
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	11,190	-	24,500
Finance Lease Liability	15	6,620	1,322	12,241
		17,810	1,322	36,741
<b>Net Assets</b>		495,816	476,596	480,316
<b>Equity</b>	22	495,816	476,596	480,316

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



**Koromatua School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		388,670	355,733	321,571
Locally Raised Funds		8,513	9,961	35,093
Goods and Services Tax (net)		(5,993)	-	(31,951)
Payments to Employees		(189,671)	(183,831)	(176,905)
Payments to Suppliers		(161,345)	(269,505)	(185,285)
Cyclical Maintenance Payments in the year		(33,390)	-	-
Interest Paid		(1,618)	(600)	(1,822)
Interest Received		5,189	5,600	5,719
Net cash from Operating Activities		10,355	(82,642)	(33,580)
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(44,876)	(66,800)	(13,320)
Net cash from Investing Activities		(44,876)	(66,800)	(13,320)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	8,454
Finance Lease Payments		(3,759)	(6,836)	(2,362)
Funds Held for Capital Works Projects		(38,739)	-	26,085
Net cash from Financing Activities		(42,498)	(6,836)	32,177
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(77,019)</b>	<b>(156,278)</b>	<b>(14,723)</b>
Cash and cash equivalents at the beginning of the year	8	274,809	289,532	289,532
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>197,790</b>	<b>133,254</b>	<b>274,809</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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





# Koromatua School

## Notes to the Financial Statements

### For the year ended 31 December 2019

#### 1. Statement of Accounting Policies

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

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

##### **b) Basis of Preparation**

###### ***Reporting Period***

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

###### ***Basis of Preparation***

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

###### ***Financial Reporting Standards Applied***

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

###### ***Standard early adopted***

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

###### ***PBE Accounting Standards Reduced Disclosure Regime***

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

###### ***Measurement Base***

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

###### ***Presentation Currency***

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

###### ***Specific Accounting Policies***

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





### ***Critical Accounting Estimates And Assumptions***

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

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

#### ***Useful lives of property, plant and equipment***

The School reviews the estimated 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.

#### ***Cyclical Maintenance Provision***

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 14.

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

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

#### ***Recognition of grants***

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

## **c) Revenue Recognition**

### ***Government Grants***

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

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

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

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

### ***Other Grants***

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

### **Donations, Gifts and Bequests**

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

### **Interest Revenue**

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

### **d) Use of Land and Buildings Expense**

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

### **e) Operating Lease Payments**

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

### **f) Finance Lease Payments**

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

### **g) Cash and Cash Equivalents**

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

### **h) Accounts Receivable**

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

### **Prior Year Policy**

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

### **i) Inventories**

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





## j) Investments

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

### **Prior Year Policy**

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

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

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

## k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$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.

### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Buildings

20-40 years

Furniture and Equipment

5-10 years

Information and Communication Technology

4-5 years

Library Resources

12.5% DV

Leased assets are depreciated over the Term of the lease



## **l) Intangible Assets**

### *Software costs*

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

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

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

The carrying value of software is amortised on a straight line basis over its 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, should the School be unable to provide the services to which they relate.

#### **q) Funds Held in Trust**

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

#### **r) Shared Funds**

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

#### **s) Provision for Cyclical Maintenance**

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

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

#### **t) Financial Assets and Liabilities**

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

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

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



**u) Borrowings**

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

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

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**

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

**x) Services received in-kind**

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



## 2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	331,142	305,283	295,430
Teachers' Salaries Grants	962,394	741,847	816,561
Use of Land and Buildings Grants	310,576	302,003	314,874
Resource Teachers Learning and Behaviour Grants	2,000	1,350	1,350
Other MoE Grants	59,228	52,050	52,702
	<u>1,665,340</u>	<u>1,402,533</u>	<u>1,480,917</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	5,364	3,575	13,575
Activities	5,315	6,126	14,515
Trading	15	100	57
Fundraising	-	260	435
	<u>10,694</u>	<u>10,061</u>	<u>28,582</u>
<b>Expenses</b>			
Activities	13,253	12,104	19,782
Trading	207	100	185
Fundraising (Costs of Raising Funds)	-	-	174
Other Locally Raised Funds Expenditure	3,340	-	12,474
	<u>16,800</u>	<u>12,204</u>	<u>32,615</u>
<i>Surplus/(Deficit) for the year Locally raised funds</i>	<u>(6,106)</u>	<u>(2,143)</u>	<u>(4,033)</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	26,225	27,650	26,073
Library Resources	625	1,000	1,006
Employee Benefits - Salaries	1,087,455	872,903	951,260
Staff Development	2,727	7,000	7,312
	<u>1,117,032</u>	<u>908,553</u>	<u>985,651</u>





## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,100	4,100	3,900
Board of Trustees Fees	3,835	4,000	3,465
Board of Trustees Expenses	4,405	4,705	3,755
Communication	1,540	1,350	1,094
Consumables	6,403	6,700	6,539
Operating Lease	-	-	1,012
Other	16,168	18,250	16,190
Employee Benefits - Salaries	33,616	27,932	18,351
Insurance	5,025	4,970	4,873
Service Providers, Contractors and Consultancy	8,788	9,120	9,120
	<u>83,880</u>	<u>81,127</u>	<u>68,299</u>

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	4,597	5,750	5,813
Cyclical Maintenance Provision	4,627	(1,644)	11,072
Grounds	9,350	10,200	9,498
Heat, Light and Water	11,074	10,000	9,191
Rates	-	45	45
Repairs and Maintenance	21,517	23,600	24,886
Use of Land and Buildings	310,576	302,003	314,874
Employee Benefits - Salaries	22,436	24,843	24,343
Contract Cleaning	24,932	22,000	23,389
	<u>409,109</u>	<u>396,797</u>	<u>423,111</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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	6,552	8,145	8,502
Building Improvements - Crown	396	198	207
Furniture and Equipment	6,613	6,548	6,835
Information and Communication Technology	14,157	11,713	12,226
Motor Vehicles	740	709	740
Leased Assets	6,969	5,233	5,462
Library Resources	1,833	1,950	2,035
	<u>37,260</u>	<u>34,496</u>	<u>36,007</u>



## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	201	-	201
Bank Current Account	111,393	26,955	88,154
Bank Call Account	86,196	106,299	84,945
Short-term Bank Deposits	-	-	101,509
Cash equivalents for Cash Flow Statement	197,790	133,254	274,809

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

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	-	6,486	-
Banking Staffing Underuse	10,011	-	-
Interest Receivable	-	44	24
Teacher Salaries Grant Receivable	63,086	39,476	50,134
	73,097	46,006	50,158
Receivables from Exchange Transactions	-	6,530	24
Receivables from Non-Exchange Transactions	73,097	39,476	50,134
	73,097	46,006	50,158

## 10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	593	797	701
	593	797	701



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	50,000	-	-	-	-	50,000
Buildings	158,218	-	-	-	(6,552)	151,666
Building Improvements	3,755	-	-	-	(396)	3,359
Furniture and Equipment	21,313	21,223	-	-	(6,613)	35,922
Information and Communication Tech	30,096	21,059	-	-	(14,157)	36,999
Motor Vehicles	2,449	-	-	-	(740)	1,709
Leased Assets	17,531	1,224	-	-	(6,969)	11,786
Library Resources	14,298	374	-	-	(1,833)	12,839
<b>Balance at 31 December 2019</b>	<b>297,660</b>	<b>43,880</b>	<b>-</b>	<b>-</b>	<b>(37,260)</b>	<b>304,280</b>

The net carrying value of equipment held under a finance lease is \$11,786 (2018: \$17,531)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	50,000	-	50,000
Buildings	264,031	(112,365)	151,666
Building Improvements	3,963	(604)	3,359
Furniture and Equipment	293,005	(257,083)	35,922
Information and Communication	101,683	(64,684)	36,999
Motor Vehicles	3,700	(1,991)	1,709
Leased Assets	26,419	(14,633)	11,786
Library Resources	72,887	(60,048)	12,839
<b>Balance at 31 December 2019</b>	<b>815,688</b>	<b>(511,408)</b>	<b>304,280</b>



2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	50,000	-	-	-	-	50,000
Buildings	215,636	-	(48,917)	-	(8,502)	158,218
Building Improvements	-	3,963	-	-	(207)	3,755
Furniture and Equipment	20,399	7,768	(20)	-	(6,835)	21,313
Information and Communication Technology	41,896	564	(137)	-	(12,226)	30,096
Motor Vehicles	3,189	-	-	-	(740)	2,449
Leased Assets	16,256	6,737	-	-	(5,462)	17,531
Library Resources	13,089	3,244	-	-	(2,035)	14,298
<b>Balance at 31 December 2018</b>	<b>360,465</b>	<b>22,276</b>	<b>(49,074)</b>	<b>-</b>	<b>(36,007)</b>	<b>297,660</b>

The net carrying value of equipment held under a finance lease is **\$17,531 (2017: \$16,256)**

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	50,000	-	50,000
Buildings	264,031	(105,813)	158,218
Building Improvements	3,963	(208)	3,755
Furniture and Equipment	294,811	(273,498)	21,313
Information and Communication Technology	84,717	(54,621)	30,096
Motor Vehicles	3,700	(1,251)	2,449
Leased Assets	25,196	(7,665)	17,531
Library Resources	72,513	(58,215)	14,298
<b>Balance at 31 December 2018</b>	<b>798,931</b>	<b>(501,271)</b>	<b>297,660</b>

## 12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	16,798	7,824	45,330
Accruals	4,100	3,600	3,900
Capital Accruals for PPE items	-	-	2,219
Banking Staffing Overuse	-	25,341	-
Employee Entitlements - Salaries	63,086	39,476	50,134
Employee Entitlements - Leave Accrual	2,683	1,011	1,499
	<b>86,667</b>	<b>77,252</b>	<b>103,082</b>

Payables for Exchange Transactions	86,667	77,252	103,082
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>86,667</b>	<b>77,252</b>	<b>103,082</b>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	-	2,156	2,181
	<b>-</b>	<b>2,156</b>	<b>2,181</b>



#### 14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	27,200	1,644	49,518
Increase/decrease to the Provision During the Year	4,627	(1,644)	11,072
Use of the Provision During the Year	-	-	(33,390)
Provision at the End of the Year	31,827	-	27,200
Cyclical Maintenance - Current	20,637	-	2,700
Cyclical Maintenance - Term	11,190	-	24,500
	31,827	-	27,200

#### 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:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	7,322	4,382	7,910
Later than One Year and no Later than Five Years	6,972	1,322	13,253
	14,294	5,704	21,163

#### 16. 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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
A Block Upgrade <i>in progress</i>		15,283	283,598	281,169	-	12,854
Learning Support Fence <i>in progress</i>		(30,489)	-	41,168	-	10,679
Totals		(15,206)	283,598	322,337	-	23,533

#### Represented by:

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

-  
23,533  
23,533

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
A Block Upgrade <i>in progress</i>		4,288	-	10,995	-	15,283
Learning Support Fence <i>in progress</i>		6,591	90,735	53,655	-	(30,489)
Totals		10,879	90,735	64,650	-	(15,206)





## 17. Related Party Transactions

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

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

## 18. Remuneration

### *Key management personnel compensation*

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,835	3,465
Full-time equivalent members	0.20	0.18
<i>Leadership Team</i>		
Remuneration	336,328	310,273
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	340,163	313,738
Total full-time equivalent personnel	3.20	3.18

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

### *Principal*

The total value of remuneration paid or payable to the Principal was in the following bands:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	18 - 19	16 - 17
Termination Benefits	-	-

### *Other Employees*

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	-	-
	0.00	0.00

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



## 20. Contingencies

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

### Holidays Act Compliance – schools payroll

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

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

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

## 21. Commitments

### (a) Capital Commitments

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

(a) \$283,598.27 contract for A Block Upgrade to be completed in 2020, which will be fully funded by the Ministry of Education. \$283,598.27 has been received of which \$296,452 has been spent on the project to date; and

(b) \$90,735 contract for Learning Support Fence to be completed in 2020 which will be fully funded by the Ministry of Education. \$90,735 has been received of which \$101,414 has been spent on the project to balance date.

(Capital commitments at 31 December 2018: \$374,333).

### (b) Operating Commitments

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

## 22. 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.





## 23. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	197,790	133,254	274,809
Receivables	73,097	46,006	50,158
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	270,887	179,260	324,967

### Financial liabilities measured at amortised cost

Payables	86,667	77,252	103,082
Borrowings - Loans	-	-	-
Finance Leases	13,282	5,704	19,193
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	99,949	82,956	122,275

## 24. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

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

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

## 25. Comparatives

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

## 26. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 8 Cash and Cash Equivalents:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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



## **Koromatua School**

For the year 31 December 2019

### **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of **\$2,755.50** (excluding GST). The funding was spent on AIMS Games, in-school PE/sport and inter-sports participation.

# Analysis of Variance Reporting



School Name:	Koromatua School	School Number:	1784							
Strategic Aim:	Improve Teacher Effectiveness									
Annual Aim:	Identify and Monitor Target Students in Writing									
Target:	Literacy target- Writing: 69 students to move from working below the desired curriculum level to working within the desired curriculum level. All target students received an OTJ of below the desired curriculum level in Writing at the end of the previous year.									
	Year level	1	2	3	4	5	6	7	8	Total
	Number of target students	14	15	13	6	7	7	2	5	69
	Within desired curriculum level - (Final)	13 (93%)	15 (100%)	3 (23%)	1 (17%)	2 (29%)	6 (86%)	0 (0%)	0 (0%)	40 (58%)
	Below desired	1 (7%)	0 (0%)	10 (77%)	5 (83%)	5 (71%)	1 (14%)	2 (100%)	5 (100%)	29 (42%)

[illegible]

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Teachers were assigned to work in collaborative pairs.</p> <p>Target students were identified by name and progress was monitored regularly. Target students were selected from those who had achieved Below Standard at the end of 2017.</p> <p>No Well-Below students were selected as target students. This was the approach agreed upon by the Kahui Ako for target student selection.</p> <p>Target student achievement information was collected, collated and analysed to inform learning and teaching.</p> <p>Reporting to the board on student progress and achievement was conducted as scheduled in the board review plan.</p>	<p>The results for Writing have been presented in the table above.</p> <p>The following are key observations:</p> <p>In Writing 58% of the target students moved from Below curriculum level expectations to working within the expected curriculum levels. This result is similar to the 2017 writing data where 59% of writing target students moved from Below Standard to At Standard in the National Standards.</p> <p>Across year levels the whole school's results in writing show a trend of very low Within OTJs in the junior school, with the OTJs improving as one moves up the year levels into the middle and senior school. However the target student data show that</p>	<p>The data suggests that in the main, identifying and targeting specific students has had a positive impact for those students, with more achieving at desired curriculum levels than would be expected from their starting point and in comparison with students who were not target students. It also appears to have had some effect in the junior school. Our students have tended to come in low as shown by entry testing. It has generally taken us until Y4 to get students up to the appropriate levels. However, the success with some of the junior achievement suggests that we can have more of an impact than we have thus far.</p> <p>A continuing problem that became evident as EOY data was analysed was that some non-target students who had previously been working within the expected curriculum levels, had slipped to Below that expectation. We had actually discussed this issue at the start of the 2017 and 2018 year, with a mutual understanding that we did not want this to happen, otherwise it would negate school-wide achievement levels. Well, unfortunately in some cases this did occur, even with checking at key times in the term.</p> <p>We determined that we had some issues with identifying where the students were and what their next steps should be. Our assessment tools were unhelpful. In an effort to</p>	<p>In 2019 we will identify and target students at the end of each term.</p> <p>Our Kahui Ako is focusing on targeting students in Writing. For 2019 an in-school teacher has been appointed as the kahui ako writing development coordinator for the school. This is a new position in the school. This person will coordinate with the kahui ako across-school teachers and the senior management team to support classroom teachers.</p> <p>One of the things we introduced in 2018 were collaborative teaching pairs. This had some effect in helping teachers to have support in planning, assessing etc., but it wasn't as effective as hoped. So the school curriculum structure was changed for the start of 2019 to be more syndicate based, to allow teachers to collaborate on common school-wide themes more easily.</p> <p>In 2018 we actually moved away from the PaCT tool, but in 2019 we have moved back to it as the tool that will give us the best information on our students and place them more accurately within the curriculum levels. We are discontinuing the use of some assessment tools e.g. AsTtle and PAT, to allow teachers to focus on working with the PaCT tool, and to reduce workload duplication, so teachers can reflect more on their students and plan to teach.</p> <p>Our PD focus for the year is writing development</p>

reduce teacher workload we dropped the PaCT tool and concentrated on the astile/PAT/STAR tools, but these proved to be less useful than anticipated. So in 2019 we are picking up PaCT again).

#### Planning for next year

In 2019 we will once again identify target students in Writing, but will do so on a term by term basis. Staff all have access to PaCT and PD has begun. Teachers have made progress on identifying what aspects and stages they have evidence for; this will allow teachers to identify target students anew and to be clear on the next teaching steps. Our Kahui Ako is finally up and running with in-school and across-school appointments being made and the main achievement challenge across the cluster being in writing. Koromatua School is also coordinating with another school in our kahui ako who have also decided to use the PaCT assessment tool and to support each other in our implementation journey. There was a suggestion made to the school to concentrate on the junior school for its target, but this has been decided against and we will target students across the whole school (not including ORS students and those with global learning issues that place them on the school's SENCO register).