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**BDO INVERCARGILL**  
136 Spey Street,  
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PO Box 1206,  
Invercargill 9840, New Zealand

## **INDEPENDENT AUDITOR'S REPORT**

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

The Auditor-General is the auditor of Tokanui School (the School). The Auditor-General has appointed me, G N Thomas, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on his behalf.

#### **Opinion**

We have audited the financial statements of the School on pages 3 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.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2018; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 28 May 2019. This is the date at which our opinion is expressed.

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

#### **Basis for our opinion**

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

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

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

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

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



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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.



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- 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 analysis of variance, kiwisport paragraph and BOT listing included on pages 21 to 24, 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.

G N Thomas  
BDO Invercargill  
On behalf of the Auditor-General  
Invercargill, New Zealand



**TOKANUI School**  
RESPECT INTEGRITY COMMUNITY EXCELLENCE

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

Ministry Number:	4030
Principal:	Kate Stevenson
School Address	18 Duncan Street, Tokanui
School Postal Address:	18 Duncan Street, 1 RD, Tokanui, 9884
School Phone:	03 2468 738
School Email:	<a href="mailto:office@tokanui.school.nz">office@tokanui.school.nz</a>

# TOKANUI SCHOOL

Annual Report - For the year ended 31 December 2018

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Analysis of Variance

Kiwisport

# Tokanui School

## Statement of Responsibility

For the year ended 31 December 2018

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

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

Daryl Johnstone  
Full Name of Board Chairperson

[Signature]  
Signature of Board Chairperson

28/5/2019  
Date:

Kathryn Joy Steenson  
Full Name of Principal

[Signature]  
Signature of Principal

28/5/19.  
Date:

# **Tokanui School**

## **Members of the Board of Trustees**

For the year ended 31 December 2018

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Daryl Johnstone	Chairperson	Elected	May 2019
Kate Stevenson	Principal		
Ann Callahan	Parent Rep	Elected	May 2019
Cala Paenga	Parent Rep	Elected	May 2019
Nolan Jennings	Parent Rep	Elected	May 2019
Pauline Cahill	Staff Rep	Elected	May 2019

# Tokanui School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
<b>Revenue</b>				
Government Grants	2	894,395	850,160	873,829
Locally Raised Funds	3	97,073	77,872	89,272
Interest Earned		6,693	6,627	6,358
		<u>998,161</u>	<u>934,659</u>	<u>969,459</u>
<b>Expenses</b>				
Locally Raised Funds	3	69,113	40,832	42,927
Learning Resources	4	621,074	582,347	558,695
Administration	5	57,979	65,471	69,713
Finance Costs		2,933	436	3,154
Property	6	243,761	266,468	230,676
Depreciation	7	40,163	48,800	40,002
Loss on Disposal of Property, Plant and Equipment		6,641	-	255
		<u>1,041,664</u>	<u>1,004,354</u>	<u>945,422</u>
<b>Net Surplus / (Deficit)</b>		(43,503)	(69,695)	24,038
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(43,503)</u>	<u>(69,695)</u>	<u>24,038</u>

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

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

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
<b>Balance at 1 January</b>	529,028	529,028	504,991
Total comprehensive revenue and expense for the year	(43,503)	(69,695)	24,038
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	11,439	-	-
<b>Equity at 31 December</b>	496,964	459,333	529,028
Retained Earnings	496,964	459,333	529,028
<b>Equity at 31 December</b>	496,964	459,333	529,028

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

A faint, tilted stamp in the bottom right corner of the page. The text "IBDO" is prominent in a large, bold, sans-serif font. Below it, in a smaller, lighter font, is the text "COMMUNICATIONS".

# Tokanui School

## Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	99,168	412,742	433,637
Accounts Receivable	9	31,140	32,959	32,959
GST Receivable		312	-	-
Prepayments		6,318	4,080	4,080
Investments	10	132,000	132,000	132,000
Funds owing for Capital Works Projects	16	19,696	-	-
		<u>288,634</u>	<u>581,781</u>	<u>602,676</u>
<b>Current Liabilities</b>				
GST Payable		-	46,601	46,601
Accounts Payable	12	49,545	61,450	61,450
Revenue Received in Advance	13	118	-	-
Finance Lease Liability - Current Portion	15	7,645	5,603	5,603
Funds held for Capital Works Projects	16	-	258,855	258,855
		<u>57,308</u>	<u>372,509</u>	<u>372,509</u>
<b>Working Capital Surplus/(Deficit)</b>		231,326	209,272	230,167
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	325,722	306,273	355,073
		<u>325,722</u>	<u>306,273</u>	<u>355,073</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	52,225	44,070	44,070
Finance Lease Liability	15	7,859	12,142	12,142
		<u>60,084</u>	<u>56,212</u>	<u>56,212</u>
<b>Net Assets</b>		<u>496,964</u>	<u>459,333</u>	<u>529,028</u>
<b>Equity</b>		<u>496,964</u>	<u>459,333</u>	<u>529,028</u>

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

IBDO  
BOARD OF GOVERNORS

**Tokanui School**  
**Statement of Cash Flows**  
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		204,965	195,160	229,054
Locally Raised Funds		96,896	77,872	95,209
Goods and Services Tax (net)		(46,913)	-	42,888
Payments to Employees		(122,943)	(127,899)	(118,571)
Payments to Suppliers		(182,289)	(172,219)	(209,048)
Cyclical Maintenance Payments in the Year		-	-	40,205
Interest Received		5,554	6,627	6,707
Net cash from / (to) the Operating Activities		(44,730)	(20,459)	86,444
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(12,898)	-	(23,985)
Net cash from / (to) the Investing Activities		(12,898)	-	(23,985)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		11,439	-	-
Finance Lease Payments		(9,729)	(436)	(8,794)
Painting contract payments		-	-	(11,430)
Funds Held for Capital Works Projects		(278,551)	-	258,855
Net cash from Financing Activities		(276,841)	(436)	238,631
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(334,469)</b>	<b>(20,895)</b>	<b>301,090</b>
Cash and cash equivalents at the beginning of the year	8	433,637	433,637	132,547
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>99,168</b>	<b>412,742</b>	<b>433,637</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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

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# Tokanui School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2018

#### 1.1. Reporting Entity

Tokanui 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.

#### 1.2. Basis of Preparation

##### **Reporting Period**

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

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

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

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

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

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

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

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

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

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

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

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

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

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2018-2019

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

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

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

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

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

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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.

### **1.3. 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.

### **1.4. 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.

### **1.5. 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.

### **1.6. 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.

### **1.7. 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.

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### **1.8. 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.

### **1.9. 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.

### **1.10. 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.

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2023-2024

## **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	20–33 years
Furniture and equipment	10 years
Information and communication technology	5-10 years
Textbooks	3 years
Leased Assets	3-4 years
Library resources	12.5% diminishing value

### **1.11. 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.

### **1.12. 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.

### **1.13. Employment 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

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#### **1.14. Revenue Received in Advance**

Revenue received in advance relates to fees received from students 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.

#### **1.15. 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).

#### **1.16. 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.

#### **1.17. 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.

#### **1.18. Budget Figures**

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

#### **1.19. 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	178,065	182,000	192,315
Teachers' salaries grants	504,816	465,000	461,062
Use of Land and Buildings grants	186,258	190,000	180,978
Resource teachers learning and behaviour grants	7,748	2,400	-
Other MoE Grants	14,980	3,760	29,566
Other government grants	2,528	7,000	9,908
	<u>894,395</u>	<u>850,160</u>	<u>873,829</u>

## 3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	11,313	17,600	7,658
Fundraising	2,630	2,972	3,056
Other revenue	7,200	5,200	10,194
Trading	2,755	3,000	2,887
Activities	23,029	24,000	21,311
Pool Income	50,146	25,100	44,166
	<u>97,073</u>	<u>77,872</u>	<u>89,272</u>
<b>Expenses</b>			
Activities	24,405	24,000	23,457
Trading	4,107	2,290	4,261
Pool expenses	36,091	10,000	9,841
Other Expenses	4,510	4,542	5,368
	<u>69,113</u>	<u>40,832</u>	<u>42,927</u>
<i>Surplus for the year Locally raised funds</i>	<u>27,960</u>	<u>37,040</u>	<u>46,345</u>

## 4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	13,900	20,044	7,219
Equipment repairs	4,156	2,000	1,541
Information and communication technology	5,763	3,800	2,417
Library resources	1,534	1,010	3,263
Employee benefits - salaries	578,889	537,493	529,502
Staff development	16,832	18,000	14,753
	<u>621,074</u>	<u>582,347</u>	<u>558,695</u>

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## 5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,518	4,300	4,192
Board of Trustees Fees	3,355	3,872	3,168
Board of Trustees Expenses	5,100	7,340	11,820
Communication	3,445	1,957	1,654
Consumables	4,149	3,224	7,948
Operating Lease	6,139	12,526	8,835
Other	1,053	1,196	1,016
Employee Benefits - Salaries	22,744	28,082	26,559
Insurance	3,171	2,974	4,521
Service Providers, Contractors and Consultancy	4,305	-	-
	<u>57,979</u>	<u>65,471</u>	<u>69,713</u>

## 6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,079	1,750	1,392
Cyclical Maintenance Provision	8,155	8,000	8,155
Adjustment to the Provision	-	-	(13,616)
Grounds	753	12,070	578
Heat, Light and Water	15,732	16,510	16,341
Rates	2,738	3,272	2,842
Repairs and Maintenance	2,754	7,542	9,943
Use of Land and Buildings	186,258	190,000	180,978
Employee Benefits - Salaries	25,292	27,324	24,063
	<u>243,761</u>	<u>266,468</u>	<u>230,676</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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 of Property, Plant and Equipment

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	13,472	17,000	13,472
Furniture and Equipment	7,319	8,000	6,549
Information and Communication Technology	8,549	14,000	11,018
Textbooks	1,928	700	784
Leased Assets	7,568	6,000	5,776
Library Resources	1,327	3,100	2,403
	<u>40,163</u>	<u>48,800</u>	<u>40,002</u>

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## 8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	2,083	412,742	31,832
Bank Call Account	97,085	-	401,805
Cash equivalents and bank overdraft for Cash Flow Statement	99,168	412,742	433,637

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

## 9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	459	164	164
Receivables from the Ministry of Education	-	1,644	1,644
Interest Receivable	1,243	104	104
Teacher Salaries Grant Receivable	29,438	31,047	31,047
	31,140	32,959	32,959
Receivables from Exchange Transactions	1,702	268	268
Receivables from Non-Exchange Transactions	29,438	32,691	32,691
	31,140	32,959	32,959

## 10. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	132,000	132,000	132,000

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## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	8,000	-	-	-	-	8,000
Building Improvements	255,640	-	-	-	(13,472)	242,168
Furniture and Equipment	34,974	7,777	-	-	(7,319)	35,432
Information and Communication	18,275	873	-	-	(8,549)	10,599
Textbooks	3,910	3,810	-	-	(1,928)	5,792
Leased Assets	17,456	4,555	-	-	(7,568)	14,443
Library Resources	16,818	438	(6,641)	-	(1,327)	9,288
<b>Balance at 31 December 2018</b>	<b>355,073</b>	<b>17,453</b>	<b>(6,641)</b>	<b>-</b>	<b>(40,163)</b>	<b>325,722</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land	8,000	-	8,000
Building Improvements	433,456	(191,288)	242,168
Furniture and Equipment	127,273	(91,841)	35,432
Information and Communication	107,231	(96,632)	10,599
Textbooks	42,780	(36,988)	5,792
Leased Assets	30,696	(16,253)	14,443
Library Resources	40,563	(31,275)	9,288
<b>Balance at 31 December 2018</b>	<b>789,999</b>	<b>(464,277)</b>	<b>325,722</b>

The net carrying value of equipment held under a finance lease is \$14,443 (2017: \$17,456)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Land	8,000	-	-	-	-	8,000
Building Improvements	269,112	-	-	-	(13,472)	255,640
Furniture and Equipment	27,274	14,249	-	-	(6,549)	34,974
Information and Communication	26,213	3,080	-	-	(11,018)	18,275
Textbooks	1,101	3,593	-	-	(784)	3,910
Leased Assets	2,077	21,155	-	-	(5,776)	17,456
Library Resources	16,415	3,061	(255)	-	(2,403)	16,818
<b>Balance at 31 December 2017</b>	<b>350,192</b>	<b>45,138</b>	<b>(255)</b>	<b>-</b>	<b>(40,002)</b>	<b>355,073</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Land	8,000	-	8,000
Building Improvements	433,456	(177,816)	255,640
Furniture and Equipment	119,495	(84,521)	34,974
Information and Communication	106,358	(88,083)	18,275
Textbooks	38,970	(35,060)	3,910
Leased Assets	26,141	(8,685)	17,456
Library Resources	66,306	(49,488)	16,818
<b>Balance at 31 December 2017</b>	<b>798,726</b>	<b>(443,653)</b>	<b>355,073</b>

## 12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	7,775	16,755	16,755
Accruals	5,196	5,678	5,678
Banking staffing overuse	-	-	-
Employee Entitlements - salaries	29,438	31,047	31,047
Employee Entitlements - leave accrual	7,136	7,970	7,970
	<u>49,545</u>	<u>61,450</u>	<u>61,450</u>
Payables for Exchange Transactions	49,545	61,450	61,450
	<u>49,545</u>	<u>61,450</u>	<u>61,450</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	118	-	-
	<u>118</u>	<u>-</u>	<u>-</u>

## 14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	44,070	44,070	78,306
Increase to the Provision During the Year	8,155	8,000	8,155
Adjustment to the Provision	-	-	(13,616)
Use of the Provision During the Year	-	(8,000)	(28,775)
Provision at the End of the Year	<u>52,225</u>	<u>44,070</u>	<u>44,070</u>
Cyclical Maintenance - Term	52,225	44,070	44,070
	<u>52,225</u>	<u>44,070</u>	<u>44,070</u>

## 15. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	9,593	8,217	8,217
Later than One Year and no Later than Five Years	9,267	15,114	15,114
Later than Five Years	-	-	-
	<u>18,860</u>	<u>23,331</u>	<u>23,331</u>

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## 16. Funds Held for Capital Works

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

				<b>BOT Contribution/ (Write-off to R&amp;M)</b>	
	<b>2018</b>	<b>Opening Balances</b>	<b>Receipts from MoE</b>	<b>Payments</b>	<b>Closing Balances</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Roll Growth Classroom	In progress	258,855	-	278,551	(19,696)
Totals		258,855	-	278,551	(19,696)

### Represented by:

Funds Due from the Ministry of Education

19,696  
(19,696)

				<b>BOT Contribution/ (Write-off to R&amp;M)</b>	
	<b>2017</b>	<b>Opening Balances</b>	<b>Receipts from MoE</b>	<b>Payments</b>	<b>Closing Balances</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Roll Growth Classroom	In progress	-	283,079	24,224	258,855
Totals		-	283,079	24,224	258,855

## 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.

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## 18. Remuneration

### Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,355	3,168
Full-time equivalent members	0.15	0.15
<i>Leadership Team</i>		
Remuneration	202,270	116,087
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	205,625	119,255
Total full-time equivalent personnel	1.15	1.15

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 \$	2017 Actual \$
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	110 - 120
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	0 - 0	0 - 0

### Other Employees

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

Remuneration \$	2018 FTE Number	2017 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

## 19. 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	-	-

1300

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## 20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

### Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

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

## 21. Commitments

### (a) Capital Commitments

As at 31 December 2018 the Board has entered into the following contract agreements for capital works.

(a) \$332,000 contract for Roll Growth Classroom to be completed in 2018, which will be fully funded by the Ministry of Education. \$283,079 has been received, of which \$278,551 has been spent on the project to date.

(Capital commitments at 31 December 2017:\$332,000 contract for Roll Growth Classroom to be completed in 2018, which will be fully funded by the Ministry of Education. \$283,079 has been received, of which \$24,224 has been spent on the project to date..)

### (b) Operating Commitments

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

(a) operating lease of a photocopier, laptops and chromebooks, which includes the service portion of the photocopier lease.

	2018 Actual \$	2017 Actual \$
No later than One Year	7,952	7,952
Later than One Year and No Later than Five Years	5,535	7,995
Later than Five Years	-	-
	<u>13,487</u>	<u>15,947</u>

## 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.

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### 23. 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	99,168	412,742	433,637
Receivables	31,140	32,959	32,959
Investments - Term Deposits	132,000	132,000	132,000
Total Loans and Receivables	<u>262,308</u>	<u>577,701</u>	<u>598,596</u>

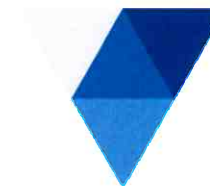
#### Financial liabilities measured at amortised cost

Payables	49,545	61,450	61,450
Finance Leases	15,504	17,745	17,745
Total Financial Liabilities Measured at Amortised Cost	<u>65,049</u>	<u>79,195</u>	<u>79,196</u>

### 24. Events After Balance Date

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

# Analysis of Variance Reporting



<b>School Name:</b>	Tokenui School	<b>School Number:</b>	4030
<b>Strategic Aim:</b>	Each Tokenui Student will be engaged in an education that enables them to reach their full potential (underpinned by the New Zealand Curriculum).		
<b>Annual Aim:</b>	All target learners will progress in writing at least one and a half years over the next twelve months.		
<b>Target:</b>	<ul style="list-style-type: none"> <li>● All, targeted year 4 boys and girls, will progress at least 2 sub levels in writing (2ii)</li> <li>● All targeted year 6 students will progress at least 2 sub levels in writing (2A, 3B, 3P).</li> <li>● All targeted Year 8 boys and girls will move forward and complete a stage in numeracy, maths - taking them to mid-stage 7</li> </ul>		
<b>Baseline Data:</b>	<p>Writing Achievement:</p> <p>All targeted year 4 students are at 1iii</p> <p>Targeted year 6 students are at 2B, 2P, 2A</p> <ul style="list-style-type: none"> <li>● Maths Achievement:</li> <li>● Three targeted year 8 students are at mid stage 6 for numeracy</li> </ul>		



<p><b>Maths:</b></p> <p>Year 8</p> <p>Individualised maths programme that was competitive</p> <p>One student was made anxious by the speed of the ICan test done through the computer. Teacher removed the barrier by reading out the test but still counting the 4 seconds between questions.</p>	<p>Year 8</p> <p>One student left after mid year. This student moved up ½ stage.</p> <p>One student went up one stage and the other student went up two stages.</p> <p>Teach individually specific to individual learning needs.</p>	<p>The competition meant that a male student became particularly engaged.</p> <p>Taking away the barrier – the online test and reading it out instead, made a big difference for another student.</p> <p>Needs based specific teaching has helped to raise results.</p>	<p>Find opportunities for competition during maths lessons.</p> <p>School-wide acceptance that ICan test can be read out.</p> <p>Find the individual needs.</p>
<p><b>Planning for next year:</b></p> <ul style="list-style-type: none"> <li>• ALL will be taken by 4 teachers across two classrooms.</li> <li>• Keep motivation up with High interest topics.</li> <li>• Maths – Trial PRIME maths programme in one classroom.</li> <li>• ICan tests can be read out instead of using the computer.</li> </ul>			



**TOKANUI School**

RESPECT INTEGRITY COMMUNITY EXCELLENCE

## **Kiwisport Funding 2018**

Kiwisport is a government funding initiative to support students' participation in organised sport.

During 2018 the school received total Kiwisport funding of \$1,403 (excluding GST). The funding was spent on Southland coaches for Kiwisport Run, Jump and Throw and Basketball. Children took part in cross country, touch, golf, soccer, netball, athletics, tennis, table tennis, cricket, Moffett Cup and Jump Jam.

Sporting equipment was bought as necessary and all children took part in sports activities relevant to their age. All children took part in swimming February, March, November and December when the pool was open.