



**ASHBURTON  
INTERMEDIATE SCHOOL**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

Ministry Number:	3282
Principal:	Brent Gray
School Address	144 Cass Street, Ashburton
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# ASHBURTON INTERMEDIATE SCHOOL

Annual Report - For the year ended 31 December 2019

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# Ashburton Intermediate 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 reflect the financial position and operations of the school.

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

\_\_\_\_\_  
Full Name of Board Chairperson

\_\_\_\_\_  
Full Name of Principal

\_\_\_\_\_  
Signature of Board Chairperson

\_\_\_\_\_  
Signature of Principal

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date:

# Ashburton Intermediate School

## Members of the Board of Trustees

For the year ended 31 December 2019

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Mike Farrell	Chairperson	Elected Member	May 2022
Brent Gray	Principal	ex Officio	
Jayne McLaren	Parent Rep	Elected Member	May 2022
Nicky Horrell	Parent Rep	Elected Member	May 2022
Daniel Jurd	Parent Rep	Elected Member	May 2022
Toni Sweetman	Parent Rep	Elected Member	May 2022
Matt Jones	Staff Rep	Elected Member	May 2022
Jen Muir	Chairperson	Elected Member	Apr 2019
Matt Bubb	Parent Rep	Elected Member	Apr 2019
Hinehau Butcher	Staff Rep	Elected Member	Apr 2019
<b>In Attendance</b>			
Sonya Middleton	Secretary		

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

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	2,991,443	2,989,408	2,738,089
Locally Raised Funds	3	120,663	116,285	153,931
Interest Income		20,722	8,000	14,941
		<u>3,132,828</u>	<u>3,113,693</u>	<u>2,906,961</u>
<b>Expenses</b>				
Locally Raised Funds	3	76,696	89,650	83,061
Learning Resources	4	2,133,154	2,206,711	1,944,344
Administration	5	144,403	161,889	129,580
Finance Costs		9,619	6,000	8,803
Property	6	594,577	612,721	462,280
Depreciation	7	130,709	133,000	132,885
Loss on Disposal of Property, Plant and Equipment		1,928	-	1,570
		<u>3,091,086</u>	<u>3,209,971</u>	<u>2,762,523</u>
<b>Net Surplus / (Deficit)</b>		41,742	(96,278)	144,438
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>41,742</u></u>	<u><u>(96,278)</u></u>	<u><u>144,438</u></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.

# Ashburton Intermediate School Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Balance at 1 January</b>	826,742	826,742	682,304
Total comprehensive revenue and expense for the year	41,742	(96,278)	144,438
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	9,318	-	-
<b>Equity at 31 December</b>	<b>877,802</b>	<b>730,464</b>	<b>826,742</b>
Retained Earnings	877,802	730,464	826,742
<b>Equity at 31 December</b>	<b>877,802</b>	<b>730,464</b>	<b>826,742</b>

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.

# Ashburton Intermediate 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	233,267	360,886	324,164
Accounts Receivable	9	130,503	139,221	139,221
GST Receivable		11,753	13,524	13,524
Prepayments		5,349	4,971	4,971
Investments	10	562,227	341,245	341,245
		<u>943,099</u>	<u>859,847</u>	<u>823,125</u>
<b>Current Liabilities</b>				
Accounts Payable	12	160,500	145,686	145,686
Revenue Received in Advance	13	4,212	3,824	3,824
Provision for Cyclical Maintenance	14	69,008	-	-
Finance Lease Liability - Current Portion	15	73,122	75,892	75,892
Funds held in Trust	16	73	(119)	(119)
Funds Held on Behalf of the RTLit Cluster	18	56,435	50,817	50,817
		<u>363,350</u>	<u>276,100</u>	<u>276,100</u>
<b>Working Capital Surplus/(Deficit)</b>		579,749	583,747	547,025
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	463,694	395,808	528,808
		<u>463,694</u>	<u>395,808</u>	<u>528,808</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	125,484	173,648	173,648
Finance Lease Liability	15	40,157	75,443	75,443
		<u>165,641</u>	<u>249,091</u>	<u>249,091</u>
<b>Net Assets</b>		<u>877,802</u>	<u>730,464</u>	<u>826,742</u>
<b>Equity</b>		<u>877,802</u>	<u>730,464</u>	<u>826,742</u>

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

# Ashburton Intermediate 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		795,923	761,888	729,005
Locally Raised Funds		121,022	116,285	155,375
Goods and Services Tax (net)		1,771	-	5,083
Payments to Employees		(303,510)	(343,936)	(275,095)
Payments to Suppliers		(411,285)	(499,515)	(397,531)
Interest Received		26,234	8,000	8,872
Net cash from / (to) the Operating Activities		230,155	42,722	225,709
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(1,928)	-	-
Purchase of PPE (and Intangibles)		(67,442)	-	(63,431)
Purchase of Investments		(220,982)	-	(5,936)
Net cash from the Investing Activities		(290,352)	-	(69,367)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		9,318	-	-
Finance Lease Payments		(45,828)	(6,000)	(55,191)
Funds Administered on Behalf of Third Parties		5,810	-	6,683
Funds held for Capital Works Projects		-	-	6,600
Net cash from Financing Activities		(30,700)	(6,000)	(41,908)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(90,897)</b>	<b>36,722</b>	<b>114,434</b>
Cash and cash equivalents at the beginning of the year	8	324,164	324,164	209,730
<b>Cash and cash equivalents at the end of the year</b>	8	<b>233,267</b>	<b>360,886</b>	<b>324,164</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 which form part of these financial statements.



# Ashburton Intermediate School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2019

#### 1.1. Reporting Entity

Ashburton Intermediate 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 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 27.

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

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

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

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

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

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

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

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

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

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

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

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

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.

### **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. 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.

### **1.6. 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.

### **1.7. 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.

### **1.8. 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.

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

### **1.9. 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 \$250 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:

Building improvements	20 - 40 years
Furniture and equipment	7–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Leased assets	3 years
Library resources	12.5% Diminishing value

### **1.10. 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.

### **1.11. 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.

### **1.12. 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

### **1.13. 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.

### **1.14. 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.

### **1.15. 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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

### **1.16. 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).

### **1.17. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

### **1.18. 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.

### **1.19. Budget Figures**

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

### **1.20. 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	642,183	665,888	621,591
Teachers' salaries grants	1,830,235	1,830,235	1,650,507
Use of Land and Buildings grants	397,285	397,285	359,109
Other MoE Grants	108,218	96,000	106,882
Other government grants	13,522	-	-
	<u>2,991,443</u>	<u>2,989,408</u>	<u>2,738,089</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	16,535	12,000	46,074
Fundraising	1,423	1,500	1,012
Bequests & Grants	5,880	4,500	4,656
Other revenue	4,188	7,650	10,465
Transport Revenue	9,942	5,000	3,854
Trading Activities	48	1,000	717
	<u>82,647</u>	<u>84,635</u>	<u>87,153</u>
	120,663	116,285	153,931
<b>Expenses</b>			
Activities	71,770	81,650	76,403
Trading	69	1,000	39
Transport (local)	4,275	5,000	5,101
Other Expenses	582	2,000	1,518
	<u>76,696</u>	<u>89,650</u>	<u>83,061</u>
	43,967	26,635	70,870
<i>Surplus for the year Locally raised funds</i>	<u>43,967</u>	<u>26,635</u>	<u>70,870</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	78,420	89,890	78,338
Equipment repairs	803	1,500	1,207
Information and communication technology	30,884	33,550	34,857
Library resources	1,056	1,400	1,298
Employee benefits - salaries	2,010,071	2,064,271	1,819,540
Staff development	11,920	16,100	9,104
	<u>2,133,154</u>	<u>2,206,711</u>	<u>1,944,344</u>

## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,214	3,500	4,091
Board of Trustees Fees	3,491	5,000	2,035
Board of Trustees Expenses	9,563	4,000	2,832
Communication	5,549	4,100	4,887
Consumables	12,209	8,700	8,784
Operating Lease	421	18,800	2,167
Other	15,901	24,889	19,162
Employee Benefits - Salaries	82,233	79,900	76,341
Insurance	4,483	6,000	4,845
Service Providers, Contractors and Consultancy	6,339	7,000	4,436
	<u>144,403</u>	<u>161,889</u>	<u>129,580</u>

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	6,057	5,400	4,948
Consultancy and Contract Services	63,938	64,336	58,967
Cyclical Maintenance Provision	20,844	36,000	35,094
Adjustment to the Provision	-	-	(107,294)
Grounds	5,344	6,000	5,257
Heat, Light and Water	40,233	40,000	36,372
Rates	8,414	9,000	8,683
Repairs and Maintenance	9,830	14,700	17,252
Use of Land and Buildings	397,285	397,285	359,109
Security	10,290	10,000	12,078
Employee Benefits - Salaries	32,342	30,000	31,814
	<u>594,577</u>	<u>612,721</u>	<u>462,280</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 of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	4,616	4,500	4,615
Furniture and Equipment	29,895	25,000	27,992
Information and Communication Technology	9,987	20,000	19,043
Motor Vehicles	776	1,000	776
Leased Assets	82,787	79,500	77,568
Library Resources	2,648	3,000	2,891
	<u>130,709</u>	<u>133,000</u>	<u>132,885</u>

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	21,941	360,886	71,731
Bank Call Account	211,326	-	252,433
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>233,267</u>	<u>360,886</u>	<u>324,164</u>

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

Of the \$233,267 Cash and Cash Equivalents, \$56,435 is held by the School on behalf of the RTLit cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	835	806	806
Receivables from the Ministry of Education	-	32,000	32,000
Interest Receivable	1,738	7,250	7,250
Teacher Salaries Grant Receivable	127,930	99,165	99,165
	<u>130,503</u>	<u>139,221</u>	<u>139,221</u>
Receivables from Exchange Transactions	2,573	8,056	8,056
Receivables from Non-Exchange Transactions	127,930	131,165	131,165
	<u>130,503</u>	<u>139,221</u>	<u>139,221</u>

## 10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	562,227	341,245	341,245
Total Investments	<u>562,227</u>	<u>341,245</u>	<u>341,245</u>



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	120,306	-	-	-	(4,616)	115,690
Furniture and Equipment	211,585	15,343	-	-	(29,895)	197,033
Information and Communication	23,384	4,821	-	-	(9,987)	18,218
Motor Vehicles	2,330	-	-	-	(776)	1,554
Leased Assets	150,965	44,487	-	-	(82,787)	112,665
Library Resources	20,238	2,872	(1,928)	-	(2,648)	18,534
<b>Balance at 31 December 2019</b>	<b>528,808</b>	<b>67,523</b>	<b>(1,928)</b>	<b>-</b>	<b>(130,709)</b>	<b>463,694</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	184,619	(68,929)	115,690
Furniture and Equipment	533,535	(336,502)	197,033
Information and Communication	429,222	(411,004)	18,218
Motor Vehicles	29,448	(27,894)	1,554
Leased Assets	284,995	(172,330)	112,665
Library Resources	81,252	(62,718)	18,534
<b>Balance at 31 December 2019</b>	<b>1,543,071</b>	<b>(1,079,377)</b>	<b>463,694</b>

The net carrying value of equipment held under a finance lease is \$112,665 (2018: \$150,965)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	124,921	-	-	-	(4,615)	120,306
Furniture and Equipment	203,414	36,163	-	-	(27,992)	211,585
Information and Communication	42,427	-	-	-	(19,043)	23,384
Motor Vehicles	3,106	-	-	-	(776)	2,330
Leased Assets	125,941	102,592	-	-	(77,568)	150,965
Library Resources	20,975	3,724	(1,570)	-	(2,891)	20,238
<b>Balance at 31 December 2018</b>	<b>520,784</b>	<b>142,479</b>	<b>(1,570)</b>	<b>-</b>	<b>(132,885)</b>	<b>528,808</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	184,619	(64,313)	120,306
Furniture and Equipment	518,192	(306,607)	211,585
Information and Communication	424,401	(401,017)	23,384
Motor Vehicles	29,448	(27,118)	2,330
Leased Assets	286,842	(135,877)	150,965
Library Resources	86,635	(66,397)	20,238
<b>Balance at 31 December 2018</b>	<b>1,530,137</b>	<b>(1,001,329)</b>	<b>528,808</b>

## 12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	24,687	23,814	23,814
Accruals	3,696	9,421	9,421
Employee Entitlements - salaries	127,930	110,087	110,087
Employee Entitlements - leave accrual	4,187	2,364	2,364
	<u>160,500</u>	<u>145,686</u>	<u>145,686</u>
Payables for Exchange Transactions	160,500	145,686	145,686
	<u>160,500</u>	<u>145,686</u>	<u>145,686</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	4,212	3,824	3,824
	<u>4,212</u>	<u>3,824</u>	<u>3,824</u>

## 14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	173,648	173,648	245,848
Increase/ (decrease) to the Provision During the Year	20,844	-	35,094
Adjustment to the Provision	-	-	(107,294)
Provision at the End of the Year	<u>194,492</u>	<u>173,648</u>	<u>173,648</u>
Cyclical Maintenance - Current	69,008	-	-
Cyclical Maintenance - Term	125,484	173,648	173,648
	<u>194,492</u>	<u>173,648</u>	<u>173,648</u>

## 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	77,877	83,533	83,533
Later than One Year and no Later than Five Years	42,609	79,235	79,235
	<u>120,486</u>	<u>162,768</u>	<u>162,768</u>

## 16. Funds Held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	73	(119)	(119)
	<u>73</u>	<u>(119)</u>	<u>(119)</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 17. 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:  
No projects in 2019

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution	Closing Balances
		\$	\$	\$	\$	\$
Re-Roof Classrooms	Completed	(600)	-	-	600	-
Classroom upgrade	Completed	(6,000)	8,008	-	(2,008)	-
Totals		(6,600)	8,008	-	(1,408)	-

## 18. Funds Held on Behalf of the RTLit Cluster

Ashburton Intermediate School is the lead school and holds funds on behalf of the RTLit cluster, a group of schools funded by the Ministry of Education to share resource teaching.

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Funds Held at Beginning of the Year	50,817	50,817	44,231
Funds Received from MoE	12,724	-	12,524
Funds Spent on Behalf of the Cluster	(7,106)	-	(5,938)
Funds Held at Year End	56,435	50,817	50,817

## 19. 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.

## 20. Remuneration

### Key management personnel compensation

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

	2019 Actual	2018 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,491	2,035
Full-time equivalent members	0.31	0.20
<i>Leadership Team</i>		
Remuneration	237,191	226,982
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	240,682	229,017
Total full-time equivalent personnel	2.31	2.20

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	140-150	130 - 140
Benefits and Other Emoluments	4-5	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 \$000	2019 FTE Number	2018 FTE Number
100 -110	-	-
	-	-

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

## 21. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	\$ -	\$ -
Number of People	-	-

## 22. 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.

## 23. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

### (b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts.

## 24. 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.

## 25. 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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	233,267	360,886	324,164
Receivables	130,503	139,221	139,221
Investments - Term Deposits	562,227	341,245	341,245
Total Financial assets measured at amortised cost	<u>925,997</u>	<u>841,352</u>	<u>804,630</u>

### Financial liabilities measured at amortised cost

Payables	160,500	145,686	145,686
Finance Leases	113,279	151,335	151,335
Total Financial liabilities measured at amortised Cost	<u>273,779</u>	<u>297,021</u>	<u>297,021</u>

## 26. Events After Balance Date

### Impact from COVID-19

On the 11th March 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on the 26th 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 until 18th 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.

## 27. 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:

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.

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.

## 28. Breach of Borrowing

There is an expected breach in 2020 of clause 12 of the Crown Entities regulations - annual cost of interest and principal exceeding 10% of the operation grant