

# WAIKAWA BAY SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



School Address:	282 Waikawa Bay Road, Waikawa Bay, Picton
School Postal Address:	282 Waikawa Bay Road, Waikawa Bay, Picton 7220
School Phone:	03-573-6636
School Email:	<a href="mailto:office@waikawabay.school.nz">office@waikawabay.school.nz</a>
Ministry Number:	3057
Accountant/Service Provider:	Accounting for Schools Limited

# WAIKAWA BAY SCHOOL

Annual Report - For the year ended 31 December 2019

## Index

<b>Page</b>	<b>Financial Statements</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 11	Statement of Accounting Policies
12 - 20	Notes to the Financial Statements
	<b>Other Information</b>
21	Members of the Board of Trustees
22	Kiwisport
23	Analysis of Variance

# WAIKAWA BAY SCHOOL

## Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

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

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

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

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

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

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

# WAIKAWA BAY 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	1,354,737	1,213,967	1,274,783
Locally Raised Funds	3	43,277	31,800	56,807
Interest income		1,062	1,000	1,313
		<u>1,399,076</u>	<u>1,246,767</u>	<u>1,332,903</u>
<b>Expenses</b>				
Locally Raised Funds	3	24,101	41,400	35,254
Learning Resources	4	952,291	809,735	801,014
Administration	5	67,375	64,369	66,163
Finance		1,084	-	454
Property	6	370,206	345,393	344,267
Depreciation	7	43,193	25,000	38,926
Loss on Disposal of Property, Plant and Equipment		-	-	34
		<u>1,458,250</u>	<u>1,285,897</u>	<u>1,286,112</u>
<b>Net Surplus / (Deficit)</b>		(59,174)	(39,130)	46,791
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(59,174)</u>	<u>(39,130)</u>	<u>46,791</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.

# WAIKAWA BAY SCHOOL

## Statement of Changes in Net Assets/Equity For the year ended 31 December 2019

Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>	496,446	496,446	444,632
Total comprehensive revenue and expense for the year	(59,174)	(39,130)	46,791
Capital Contributions from the Ministry of Education	-	-	5,022
Contribution - Furniture and Equipment Grant	-	-	-
<b>Equity at 31 December</b>	<b>437,272</b>	<b>457,316</b>	<b>496,446</b>
Retained Earnings	437,272	457,316	496,446
Reserves	-	-	-
<b>Equity at 31 December</b>	<b>437,272</b>	<b>457,316</b>	<b>496,446</b>

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

**WAIKAWA BAY SCHOOL**  
Statement of Financial Position  
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	301,926	93,491	158,073
Accounts Receivable	9	37,488	45,200	43,394
GST Receivable		24,279	2,500	2,453
Prepayments		4,196	5,000	5,092
Investments	10	-	25,000	24,453
		<u>367,889</u>	<u>171,191</u>	<u>233,466</u>
<b>Current Liabilities</b>				
Accounts Payable	12	115,231	59,000	57,699
Provision for Cyclical Maintenance	13	36,250	9,000	9,000
Finance Lease Liability - Current Portion	14	5,923	5,000	7,040
Funds held for Capital Works Projects	15	155,474	-	32,925
		<u>312,878</u>	<u>73,000</u>	<u>106,664</u>
<b>Working Capital Surplus</b>		55,011	98,191	126,802
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	398,737	395,000	409,039
		<u>398,737</u>	<u>395,000</u>	<u>409,039</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	9,600	28,875	28,875
Finance Lease Liability	14	6,876	7,000	10,521
		<u>16,476</u>	<u>35,875</u>	<u>39,396</u>
<b>Net Assets</b>		<u>437,272</u>	<u>457,316</u>	<u>496,446</u>
<b>Equity</b>		<u>437,272</u>	<u>457,316</u>	<u>496,446</u>

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

# WAIKAWA BAY 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		287,725	263,967	326,456
Locally Raised Funds		43,277	31,800	56,806
Goods and Services Tax (net)		(21,826)	(47)	133
Payments to Employees		(160,623)	(122,537)	(113,156)
Payments to Suppliers		(113,978)	(188,720)	(202,397)
Interest Paid		(1,084)	-	(454)
Interest Received		1,010	948	1,330
Net cash from / (to) the Operating Activities		34,502	(14,590)	68,718
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	4,966
Purchase of PPE (and Intangibles)		(29,945)	(10,961)	(39,601)
Purchase of Investments		-	(547)	(777)
Proceeds from Sale of Investments		24,453	-	-
Net cash from / (to) the Investing Activities		(5,491)	(11,508)	(35,412)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	5,022
Finance Lease Payments		(7,707)	(5,560)	(6,676)
Funds Held for Capital Works Projects		122,549	(32,925)	32,925
Net cash from Financing Activities		114,841	(38,485)	31,271
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>143,852</b>	<b>(64,582)</b>	<b>64,577</b>
Cash and cash equivalents at the beginning of the year	8	158,074	158,073	93,496
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>301,926</b>	<b>93,491</b>	<b>158,073</b>

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

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

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### a) Reporting Entity

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

#### b) Basis of Preparation

##### *Reporting Period*

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

##### *Basis of Preparation*

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

##### *Financial Reporting Standards Applied*

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

##### *Standard early adopted*

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 25.

##### *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.



# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### *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.

### c) Revenue Recognition

#### **Government Grants**

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

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

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

#### **Other Grants**

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

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

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

#### **Interest Revenue**

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

### d) Use of Land and Buildings Expense

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

### e) Operating Lease Payments

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

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### f) Finance Lease Payments

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

#### g) Cash and Cash Equivalents

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

#### h) Accounts Receivable

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

#### **Prior Year Policy**

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

#### i) Inventories

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

#### j) Investments

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

#### **Prior Year Policy**

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

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

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

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 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 to Crown Owned Assets	10–75 years
Furniture and equipment	7–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### l) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

##### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

#### m) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

#### n) Employee Entitlements

##### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

##### *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.

#### o) 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).

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### p) Financial Assets and Liabilities

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

Investments that are shares are categorised as "fair value through profit or loss" for accounting purposes in accordance with financial reporting standards.

The School's financial liabilities comprise accounts payable, borrowings 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.

#### q) 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.

#### r) Budget Figures

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

#### s) 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.

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	260,887	248,967	255,752
Teachers' Salaries Grants	792,747	680,000	678,686
Use of Land and Buildings Grants	274,265	270,000	269,641
Other MoE Grants	26,838	15,000	70,705
	1,354,737	1,213,967	1,274,783

### 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	1,000	12,200	11,914
Activities	11,843	5,250	11,714
Trading	6,313	2,250	6,652
Fundraising	12,075	-	14,478
Other Revenue	12,046	12,100	12,049
	43,277	31,800	56,807
<b>Expenses</b>			
Activities	11,580	5,000	23,085
Trading	7,699	3,500	7,376
School House	4,822	32,900	4,793
	24,101	41,400	35,254
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	19,176	(9,600)	21,553

### 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	23,474	20,600	26,090
Equipment Repairs	1,025	-	680
Information and Communication Technology	5,722	11,000	5,089
Resource/Attached teacher Costs	10,089	8,500	12,524
Library Resources	1,265	2,550	1,222
Employee Benefits - Salaries	903,072	756,085	747,070
Staff Development	7,644	11,000	8,339
	952,291	809,735	801,014

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,379	4,000	3,269
Board of Trustees Fees	2,635	3,000	3,280
Board of Trustees Expenses	2,270	3,650	797
Communication	2,153	3,100	3,300
Consumables	6,678	6,500	6,275
Other	3,095	3,050	3,271
Employee Benefits - Salaries	38,434	32,069	38,302
Insurance	4,333	5,000	4,309
Service Providers, Contractors and Consultancy	4,398	4,000	3,360
	<u>67,375</u>	<u>64,369</u>	<u>66,163</u>

### 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	5,540	3,500	4,515
Consultancy and Contract Services	19,401	25,000	23,712
Cyclical Maintenance Provision	7,975	-	(13,330)
Grounds	3,084	3,500	4,577
Heat, Light and Water	8,014	10,000	10,152
Rates	1,032	1,700	1,144
Repairs and Maintenance	35,958	17,000	33,558
Use of Land and Buildings	274,265	270,000	269,641
Employee Benefits - Salaries	14,937	14,693	10,299
	<u>370,206</u>	<u>345,393</u>	<u>344,267</u>

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

### 7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	5,095	1,500	2,362
Building Improvements - Crown	5,599	3,750	6,041
Furniture and Equipment	15,258	9,500	14,718
Information and Communication Technology	8,054	4,750	7,416
Leased Assets	7,698	4,500	6,696
Library Resources	1,489	1,000	1,693
	<u>43,193</u>	<u>25,000</u>	<u>38,926</u>

**WAIKAWA BAY SCHOOL**  
Notes to the Financial Statements  
For the year ended 31 December 2019

**8. Cash and Cash Equivalents**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	32,606	13,491	15,370
Bank Call Account	244,184	80,000	142,703
Short-term Bank Deposits	25,136	-	-
Cash and cash equivalents for Cash Flow Statement	<u>301,926</u>	<u>93,491</u>	<u>158,073</u>

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

Of the \$301,926 Cash and Cash Equivalents, \$214,376 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

**9. Accounts Receivable**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Interest Receivable	200	200	148
Teacher Salaries Grant Receivable	37,288	45,000	43,246
	<u>37,488</u>	<u>45,200</u>	<u>43,394</u>
Receivables from Exchange Transactions	200	200	148
Receivables from Non-Exchange Transactions	37,288	45,000	43,246
	<u>37,488</u>	<u>45,200</u>	<u>43,394</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	-	25,000	24,453
Total Investments	<u>-</u>	<u>25,000</u>	<u>24,453</u>



# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2019</b>						
Buildings	198,064	20,502	-	-	(5,095)	213,471
Building Improvements	83,936	1,179	-	-	(5,599)	79,516
Furniture and Equipment	84,117	1,087	-	-	(15,258)	69,946
Information and Communication Technology	15,056	6,373	-	-	(8,054)	13,375
Leased Assets	16,020	2,945	-	-	(7,698)	11,267
Library Resources	11,846	805	-	-	(1,489)	11,162
<b>Balance at 31 December 2019</b>	<b>409,040</b>	<b>32,891</b>	<b>-</b>	<b>-</b>	<b>(43,193)</b>	<b>398,737</b>

The net carrying value of equipment held under a finance lease is \$11,267 (2018: \$16,020).

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2019</b>			
Buildings	245,899	(32,428)	213,471
Building Improvements	134,129	(54,613)	79,516
Furniture and Equipment	221,411	(151,465)	69,946
Information and Communication Technology	106,446	(93,071)	13,375
Leased Assets	31,700	(20,433)	11,267
Library Resources	12,651	(1,489)	11,162
<b>Balance at 31 December 2019</b>	<b>752,236</b>	<b>(353,499)</b>	<b>398,737</b>

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2018</b>						
Buildings	200,425	-	-	-	(2,362)	198,064
Building Improvements	86,080	3,931	(34)	-	(6,041)	83,936
Furniture and Equipment	73,825	25,011	-	-	(14,718)	84,117
Information and Communication Technology	13,458	9,014	-	-	(7,416)	15,056
Leased Assets	21,026	1,690	-	-	(6,696)	16,020
Library Resources	13,027	513	-	-	(1,693)	11,847
<b>Balance at 31 December 2018</b>	<b>407,841</b>	<b>40,159</b>	<b>(34)</b>	<b>-</b>	<b>(38,926)</b>	<b>409,040</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2018</b>			
Buildings	225,396	(27,333)	198,064
Building Improvements	132,949	(49,013)	83,936
Furniture and Equipment	220,325	(136,207)	84,117
Information and Communication Technology	100,074	(85,017)	15,056
Leased Assets	28,754	(12,735)	16,020
Library Resources	48,720	(36,874)	11,846
<b>Balance at 31 December 2018</b>	<b>756,218</b>	<b>(347,179)</b>	<b>409,040</b>

**WAIKAWA BAY SCHOOL**  
Notes to the Financial Statements  
For the year ended 31 December 2019

**12. Accounts Payable**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Operating Creditors	73,273	9,000	9,983
Accruals	2,379	2,500	2,280
Employee Entitlements - Salaries	37,288	45,000	43,246
Employee Entitlements - Leave Accrual	2,291	2,500	2,190
	<b>115,231</b>	<b>59,000</b>	<b>57,699</b>
Payables for Exchange Transactions	115,231	59,000	57,699
	<b>115,231</b>	<b>59,000</b>	<b>57,699</b>

**13. Provision for Cyclical Maintenance**

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Provision at the Start of the Year	37,875	37,875	51,205
Increase/ (decrease) to the Provision During the Year	7,975	-	(13,330)
Provision at the End of the Year	<b>45,850</b>	<b>37,875</b>	<b>37,875</b>
Cyclical Maintenance - Current	36,250	9,000	9,000
Cyclical Maintenance - Term	9,600	28,875	28,875
	<b>45,850</b>	<b>37,875</b>	<b>37,875</b>

**14. Finance Lease Liability**

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

	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
No Later than One Year	5,923	5,000	7,291
Later than One Year and no Later than Five Years	6,876	7,000	10,579
	<b>12,799</b>	<b>12,000</b>	<b>17,870</b>

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 15. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions (Write-off to R&M)	Closing Balances \$
Inclusive Works Project	<i>completed</i>	21,393	22,812	(44,205)	-	-
Leaking Roof Repair	<i>completed</i>	11,532	(4,071)	(7,461)	-	-
Block A/B/H/F ILE	<i>in progress</i>	-	358,524	(203,050)	-	155,474
Totals		32,925	377,265	(254,716)	-	155,474

#### Represented by:

Funds Held on Behalf of the Ministry of Education	155,474
Funds Due from the Ministry of Education	-
	<u>155,474</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions (Write-off to R&M)	Closing Balances \$
Inclusive Works Project	<i>in progress</i>	-	387,976	(366,583)	-	21,393
Leaking Roof Repair	<i>in progress</i>	-	11,682	(150)	-	11,532
Totals		-	399,658	(366,733)	-	32,925

### 16. 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.

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 17. Remuneration

#### *Key management personnel compensation*

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	2,635	3,280
Full-time equivalent members	0.30	0.36
<i>Leadership Team</i>		
Remuneration	222,019	211,973
Full-time equivalent members	2	2
Total key management personnel remuneration	224,654	215,253
Total full-time equivalent personnel	2.30	2.36

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	120 - 130	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

#### *Other Employees*

There were no other employees with remuneration greater than \$100,000 (2018: nil).

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

### 18. 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	-	-

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2019

#### 19. 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.

#### 20. Commitments

##### (a) Capital Commitments

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

(i) to upgrade blocks A, B, H & F. Ministry funding of \$358,524 has been received and expenses of \$144,148 have been incurred at balance date.

(Capital commitments at 31 December 2018: \$Nil)

##### (b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(a) operating lease of computer equipment;

	2019 Actual \$	2018 Actual \$
No later than One Year	-	85
	-	85
	-	85

#### 21. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

# WAIKAWA BAY SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2019

### 22. Financial Instruments

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

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Cash and Cash Equivalents	301,926	93,491	158,073
Receivables	37,488	45,200	43,394
Investments - Term Deposits	-	25,000	24,453
Total Financial assets measured at amortised cost	<u>339,414</u>	<u>163,691</u>	<u>225,921</u>

#### Financial liabilities measured at amortised cost

Payables	115,231	59,000	57,699
Finance Leases	12,799	12,000	17,560
Total Financial Liabilities Measured at Amortised Cost	<u>128,030</u>	<u>71,000</u>	<u>75,259</u>

### 23. Events After Balance Date

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

### 24. Breach of Law - Failure to meet Statutory Reporting Deadlines

Due to Covid-19, the Board of Trustees did not comply with Section 87A of the Education Act, in that it did not submit its annual financial statements for audit by 31 March 2020.

### 25. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 10 Investments: 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

# WAIKAWA BAY SCHOOL

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired/expires
Rachel Russell	Chair Person	Elected May 2016, Re-elected May 2019	Project Coordinator	June 2022
Willem Lampe	Principal		Principal	Resigned December 2019
Kevin Childs	Parent Rep	Elected May 2019	Senior Community Work Supervisor	June 2022
Jimmy Giles	Parent Rep	Elected May 2019	Mechanical Engineer	June 2022
Matt Hopping	Parent Rep	Elected Jan 2019, re-elected May 2019	Design, Sales, Production engineer	June 2022
Wendy Strack	Parent Rep	Elected May 2019	Hairdresser	June 2022
Kat Murdoch	Staff Rep	Elected May 2018	Teacher	June 2022
Jessica Kopua	Parent Rep	Co-Opted 2018		May 2019
Malcolm Slater	Parent Rep	Co-Opted 2018		May 2019
Gavin Beattie	Parent Rep	Elected May 2016		May 2019

## **WAIKAWA BAY SCHOOL**

### Kiwisport Funding

For the year ended 31 December 2019

Kiwisport is a Government funding initiative to support student participation in organised sport.

In 2019 the School received funding of \$2,000 (2018: \$2,005). This funding was spent on sporting and PE gear for the school and Year 3 - 6 students participating in the "Swim for Life Programme".