

JAMES COOK HIGH SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

| | |
|------------------------|--|
| School Address: | Dr Pickering Drive, Manurewa, Auckland 2243 |
| School Postal Address: | P O Box 75-647, Manurewa, Auckland 2243 |
| School Phone: | (09) 268 3950 |
| School Email: | admin@jchs.school.nz |
| Ministry Number: | 0100 |

JAMES COOK HIGH SCHOOL

Financial Statements - For the year ended 31 December 2018

Index

| Page | Statement |
|------------------------|--|
| 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 |
| 12-22 | Notes to the Financial Statements |
| 23 | Member of the Board of Trustees Kiwisport |
| 24-29 | Analysis of Variance 2018 |

James Cook High School

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees (the Board) 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 authorized for issue by the Board.

CHRISTOPHER ROY SAUNDERS

Full Name of Limited Statutory Manager

George Andrew Symonds

Full Name of Principal

K. A. L.

Signature of Limited Statutory Manager

G. A. S.

Signature of Principal

20/5/19

Date:

24/5/19

Date:

James Cook High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

| | | 2018 | 2018 | 2017 |
|---|-------|-------------------|-------------------|-------------------|
| | Notes | Actual | Budget | Actual |
| | | \$ | (Unaudited) | \$ |
| Revenue | | | | |
| Government Grants | 2 | 12,857,131 | 12,991,964 | 12,954,655 |
| Locally Raised Funds | 3 | 597,739 | 413,354 | 728,886 |
| Interest Earned | | 58,141 | 82,320 | 75,464 |
| | | <u>13,513,012</u> | <u>13,487,638</u> | <u>13,759,005</u> |
| Expenses | | | | |
| Locally Raised Funds | 3 | 283,360 | 92,412 | 407,064 |
| Learning Resources | 4 | 8,785,483 | 8,971,788 | 9,549,401 |
| Administration | 5 | 643,693 | 518,816 | 503,013 |
| Finance | | 5,745 | 12,000 | 17,476 |
| Property | 6 | 3,427,025 | 3,428,514 | 3,651,118 |
| Depreciation | 7 | 461,301 | 440,210 | 489,431 |
| Amortisation of Intangible Assets | 13 | 6,830 | 6,456 | 7,160 |
| | | <u>13,613,437</u> | <u>13,470,196</u> | <u>14,624,663</u> |
| Net Surplus / (Deficit) for the year | | <u>(100,425)</u> | <u>17,442</u> | <u>(865,658)</u> |
| Other Comprehensive Revenue and Expenses | | - | - | - |
| Total Comprehensive Revenue and Expense for the Year | | <u>(100,425)</u> | <u>17,442</u> | <u>(865,658)</u> |

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



James Cook High School

Statement of Financial Position

As at 31 December 2018

| | | 2018 | 2018 | 2017 |
|---|-------|------------------|-----------------------------|------------------|
| | Notes | Actual \$ | Budget (Unaudited) \$ | Actual \$ |
| Current Assets | | | | |
| Cash and Cash Equivalents | 8 | 868,209 | 2,043,119 | 1,729,144 |
| Accounts Receivable | 9 | 811,679 | 480,000 | 485,161 |
| GST Receivable | | 79,779 | 90,000 | 87,499 |
| Prepayments | | 16,250 | - | 939 |
| Inventories | 10 | 3,580 | 3,500 | 3,580 |
| Investments | 11 | 507,549 | - | - |
| | | <u>2,287,046</u> | <u>2,616,619</u> | <u>2,306,323</u> |
| Current Liabilities | | | | |
| Accounts Payable | 14 | 620,123 | 833,000 | 847,983 |
| Revenue Received in Advance | 15 | 4,472 | - | 3,362 |
| Provision for Cyclical Maintenance | 16 | 120,470 | 120,000 | 117,619 |
| Finance Lease Liability - Current Portion | 17 | 69,973 | 60,000 | 49,443 |
| Funds held for Capital Works Projects | 18 | 504,293 | 2,211 | 2,211 |
| Funds held on behalf of Alternative Education Cluster | 19 | 132,363 | 265,000 | 264,567 |
| Funds Held for teen Parent Unit | 20 | 69,160 | 110,000 | 108,747 |
| | | <u>1,520,854</u> | <u>1,390,211</u> | <u>1,393,932</u> |
| Working Capital Surplus/(Deficit) | | 766,192 | 1,226,408 | 912,391 |
| Non-current Assets | | | | |
| Investments | 11 | - | - | - |
| Property, Plant and Equipment | 12 | 5,000,295 | 4,811,557 | 5,098,221 |
| Intangible Assets | 13 | 22,620 | 7,500 | 17,510 |
| | | <u>5,022,915</u> | <u>4,819,057</u> | <u>5,115,731</u> |
| Non-current Liabilities | | | | |
| Provision for Cyclical Maintenance | 16 | 54,572 | 104,000 | 96,299 |
| Finance Lease Liability | 17 | - | 90,000 | 97,800 |
| | | <u>54,572</u> | <u>194,000</u> | <u>194,099</u> |
| Net Assets | | <u>5,734,535</u> | <u>5,851,465</u> | <u>5,834,023</u> |
| Equity | | <u>5,734,535</u> | <u>5,851,465</u> | <u>5,834,023</u> |

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



[Handwritten signature]

James Cook High School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

| | Actual 2018 \$ | Budget (Unaudited) 2018 \$ | Actual 2017 \$ |
|--|----------------------|-------------------------------------|----------------------|
| Balance at 1 January | 5,834,023 | 5,834,023 | 6,699,681 |
| Total comprehensive revenue and expense for the year | (100,425) | 17,442 | (865,658) |
| Capital Contributions from the Ministry of Education | | | |
| Contribution - Furniture and Equipment Grant | 937 | - | - |
| Equity at 31 December | 5,734,535 | 5,851,465 | 5,834,023 |
| Retained Earnings | 5,734,535 | 5,851,465 | 5,834,023 |
| Reserves | - | - | - |
| Equity at 31 December | 5,734,535 | 5,851,465 | 5,834,023 |

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



James Cook High School

Statement of Cash Flows

For the year ended 31 December 2018

| | | 2018 | 2018 | 2017 |
|---|------|----------------|------------------|------------------|
| | Note | Actual | Budget | Actual |
| | | \$ | (Unaudited) | \$ |
| Cash flows from Operating Activities | | | | |
| Government Grants | | 3,811,119 | 4,091,964 | 5,602,992 |
| Locally Raised Funds | | 597,739 | 320,942 | 765,558 |
| Goods and Services Tax (net) | | 10,221 | 2,501 | (19,634) |
| Payments to Employees | | (2,331,171) | - | (2,378,546) |
| Payments to Suppliers | | (2,375,377) | (4,019,118) | (4,313,106) |
| Interest Paid | | (5,745) | (12,000) | (16,936) |
| Interest Received | | 58,141 | 82,320 | 77,067 |
| Net cash from / (to) the Operating Activities | | (235,072) | 466,609 | (282,605) |
| Cash flows from Investing Activities | | | | |
| Purchase of PPE (and Intangibles) | | (373,827) | (154,014) | (502,388) |
| Purchase of Investments | | (507,549) | - | 1,035,430 |
| Net cash from / (to) the Investing Activities | | (881,376) | (154,014) | 533,042 |
| Cash flows from Financing Activities | | | | |
| Furniture and Equipment Grant | | 2,490 | - | 111,425 |
| Finance Lease Payments | | (77,270) | 2,207 | (67,764) |
| Funds Administered on Behalf of Third Parties | | (171,791) | - | 56,117 |
| Funds Held for Capital Works Projects | | 502,082 | - | - |
| Net cash from Financing Activities | | 255,511 | 2,207 | 99,778 |
| Net increase/(decrease) in cash and cash equivalents | | (860,936) | 314,802 | 350,215 |
| Cash and cash equivalents at the beginning of the year | 8 | 1,729,145 | 1,729,144 | 1,378,930 |
| Cash and cash equivalents at the end of the year | 8 | <u>868,209</u> | <u>2,043,946</u> | <u>1,729,145</u> |

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.



James Cook High School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12



Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at

year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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

j) Investments

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

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

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

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of investment securities.

k) Property, Plant and Equipment

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

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

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

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

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

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

The estimated useful lives of the assets are:

| | |
|---|-------------------------|
| Building Improvements to Crown Owned Assets | 10–75 years |
| Furniture and equipment | 10–15 years |
| Information and communication technology | 4–5 years |
| Motor vehicles | 5 years |
| Textbooks | 3 years |
| Leased assets held under a Finance Lease | 4 years |
| Library resources | 12.5% Diminishing value |

l) Intangible Assets

Software costs

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

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

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

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to international students, should the School be unable to provide the services to which they relate.

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial Assets and Liabilities

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

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

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

u) Borrowings

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

Government Grants

| | 2018 | 2018 | 2017 |
|---|-------------------|-------------------|-------------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Operational grants | 3,330,051 | 3,175,344 | 3,118,131 |
| Teachers' salaries grants | 6,303,487 | 6,400,000 | 6,400,080 |
| Use of Land and Buildings grants | 2,464,858 | 2,500,000 | 2,564,367 |
| Resource teachers learning and behaviour grants | - | - | 25,406 |
| Other MoE Grants | 247,057 | 329,184 | 278,174 |
| STAR Grants | 113,800 | 111,972 | 175,598 |
| Other government grants | 397,878 | 475,464 | 392,899 |
| | <u>12,857,131</u> | <u>12,991,964</u> | <u>12,954,655</u> |

3. Locally Raised Funds

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

| | 2018 | 2018 | 2017 |
|--|----------------|----------------|----------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Revenue | | | |
| Donations | 3,551 | 8,952 | 3,428 |
| Fundraising | 205,974 | 240,960 | 229,461 |
| Other revenue | 30,002 | 31,704 | 45,792 |
| Trading | 22,853 | 12,946 | 19,714 |
| Activities | 152,005 | 118,792 | 244,785 |
| Gaming Grant Revenue | 183,355 | - | 185,706 |
| | <u>597,739</u> | <u>413,354</u> | <u>728,886</u> |
| Expenses | | | |
| Activities | 283,360 | 82,428 | 395,261 |
| Trading | - | 9,984 | 11,803 |
| | <u>283,360</u> | <u>92,412</u> | <u>407,064</u> |
| Surplus for the year Locally raised funds | <u>314,380</u> | <u>320,942</u> | <u>321,822</u> |

4. Learning Resources

| | 2018 | 2018 | 2017 |
|--|------------------|------------------|------------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Curricular | 413,341 | 459,700 | 480,095 |
| Other | 23,154 | 13,404 | 13,561 |
| Information and communication technology | 32,984 | 41,316 | 31,014 |
| Extra-curricular activities | 17,995 | 15,396 | 16,872 |
| Library resources | 4,904 | 8,064 | 8,284 |
| Employee benefits - salaries | 7,596,679 | 7,717,178 | 8,343,782 |
| Resource/attached teacher costs | 668,025 | 544,458 | 619,872 |
| Staff development | 28,402 | 172,272 | 35,921 |
| | <u>8,785,483</u> | <u>8,971,788</u> | <u>9,549,401</u> |

5. Administration

| | 2018 | 2018 | 2017 |
|--|---------|-------------|---------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Audit Fee | 10,429 | 5,136 | 9,212 |
| Board of Trustees Fees | 9,439 | 9,492 | 11,920 |
| Board of Trustees Expenses | 8,131 | 4,761 | 39,716 |
| Communication | 12,050 | 11,580 | 12,779 |
| Consumables | 25,492 | 39,525 | 17,219 |
| Operating Lease | - | - | - |
| Legal Fees | 7,496 | 3,060 | 850 |
| Other | 51,130 | 32,508 | 53,096 |
| Employee Benefits - Salaries | 450,384 | 314,522 | 272,770 |
| Insurance | 5,332 | 5,400 | 10,474 |
| Service Providers, Contractors and Consultancy | 63,810 | 92,832 | 74,977 |
| | 643,693 | 518,816 | 503,013 |

6. Property

| | 2018 | 2018 | 2017 |
|-------------------------------------|-----------|-------------|-----------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Caretaking and Cleaning Consumables | 12,615 | 10,260 | 12,076 |
| Consultancy and Contract Services | 242,072 | 178,668 | 233,844 |
| Cyclical Maintenance Provision | 56,980 | 111,744 | 96,985 |
| Grounds | 34,108 | 31,704 | 31,880 |
| Heat, Light and Water | 224,270 | 220,848 | 245,434 |
| Rates | 1,524 | 2,400 | 1,311 |
| Repairs and Maintenance | 118,936 | 108,840 | 163,504 |
| Use of Land and Buildings | 2,464,858 | 2,500,000 | 2,564,367 |
| Security | 26,615 | 20,832 | 58,325 |
| Employee Benefits - Salaries | 245,046 | 243,218 | 243,392 |
| | 3,427,025 | 3,428,514 | 3,651,118 |

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

| | 2018 | 2018 | 2017 |
|--|---------|-------------|---------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Buildings | - | - | - |
| Building Improvements | 95,917 | 81,336 | 95,323 |
| Furniture and Equipment | 34,473 | 32,508 | 35,987 |
| Information and Communication Technology | 161,344 | 161,568 | 179,253 |
| Motor Vehicles | 7,702 | 7,728 | 8,368 |
| Textbooks | 13,926 | 26,148 | 25,946 |
| Leased Assets | 47,996 | 43,200 | 47,996 |
| Library Resources | 6,717 | 7,272 | 8,142 |

7. Depreciation (continued)

| | 2018 | 2018 | 2017 |
|------------------------|----------------|----------------|----------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Leasehold Improvements | 4,872 | 4,380 | 4,872 |
| Major Equipment | 7,684 | 6,912 | 7,684 |
| Musical Instruments | 8,571 | 7,788 | 8,669 |
| Plant and Machinery | 19,656 | 19,752 | 22,151 |
| Property & Grounds | | | |
| Sports Equipment | 4,975 | 7,656 | 7,749 |
| TELA Computers | 46,769 | 33,960 | 37,291 |
| Property and Grounds | 700 | | |
| | <u>463,319</u> | <u>442,228</u> | <u>491,448</u> |

8. Cash and Cash Equivalents

| | 2018 | 2018 | 2017 |
|---|----------------|------------------|------------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Cash on Hand | 436 | | 600 |
| Bank Current Account | 867,714 | 2,043,119 | 1,728,486 |
| Bank Call Account | 59 | - | 58 |
| Cash equivalents and bank overdraft for Cash Flow Statement | <u>868,209</u> | <u>2,043,119</u> | <u>1,729,144</u> |

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

Of the \$868,209 (2017: \$1,729,144) Cash and Cash Equivalents, \$611,911 (2017: \$2,211) is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$868,209 (2017: \$1,729,144) Cash and Cash Equivalents, \$0 (2017: \$0) of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

9. Accounts Receivable

| | 2018 | 2018 | 2017 |
|--|----------------|----------------|----------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Receivables | 419,993 | 480,000 | 99,789 |
| Teacher Salaries Grant Receivable | 391,685 | | 385,372 |
| | <u>811,679</u> | <u>480,000</u> | <u>485,161</u> |
| Receivables from Exchange Transactions | 419,993 | 480,000 | 99,789 |
| Receivables from Non-Exchange Transactions | 391,685 | - | 385,372 |
| | <u>811,679</u> | <u>480,000</u> | <u>485,161</u> |

10. Inventories

| | 2018 | 2018 | 2017 |
|------------|--------------|--------------|--------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Stationery | 1,779 | 1,750 | 1,779 |
| Canteen | 1,801 | 1,750 | 1,801 |
| | <u>3,580</u> | <u>3,500</u> | <u>3,580</u> |

11. Investments

The School's investment activities are classified as follows:

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset | | | |
| Short-term Bank Deposits | 507,549 | - | - |

12. Property, Plant and Equipment

| | Opening Balance (NBV) \$ | Additions \$ | Disposals \$ | Impairment \$ | Depreciation \$ | Total (NBV) \$ |
|-------------------------------|--------------------------------|-----------------|-----------------|------------------|--------------------|-------------------|
| 2018 | | | | | | |
| Artworks | 11,195 | - | - | - | - | 11,195 |
| Building Improvements | 3,997,395 | - | - | - | (95,917) | 3,901,476 |
| Furniture and Equipment | 214,312 | 17,353 | - | - | (34,473) | 197,192 |
| Information and | 421,399 | 118,641 | - | - | (161,344) | 378,696 |
| Motor Vehicles | 21,707 | - | - | - | (7,702) | 14,005 |
| Textbooks | 24,782 | 23,112 | - | - | (13,926) | 33,966 |
| Leased Assets | 79,993 | - | - | - | (47,996) | 31,997 |
| Library Resources | 33,580 | 11,390 | - | - | (6,717) | 38,253 |
| Leasehold Improvements | 63,340 | - | - | - | (4,872) | 58,468 |
| Major Equipment | 40,455 | - | - | - | (7,684) | 32,771 |
| Musical Instruments | 16,370 | 7,575 | - | - | (8,571) | 15,374 |
| Plant & Machinery | 107,160 | 60,323 | - | - | (19,656) | 147,827 |
| Property & Grounds | - | 56,017 | - | - | (700) | 55,317 |
| Sports Equipment | 6,770 | 68,966 | - | - | (4,975) | 70,762 |
| TELA Laptops | 59,766 | - | - | - | (46,769) | 12,997 |
| Balance at 31 December | 5,098,221 | 363,375 | - | - | (461,301) | 5,000,295 |

| | Cost or Valuation \$ | Accumulated Depreciation \$ | Net Book Value \$ |
|------------------------------------|----------------------------|-----------------------------------|-------------------------|
| 2018 | | | |
| Artworks | 11,195 | - | 11,195 |
| Building Improvements | 4,768,830 | (867,355) | 3,901,476 |
| Furniture and Equipment | 756,662 | (559,470) | 197,192 |
| Information and | 2,059,940 | (1,681,245) | 378,696 |
| Motor Vehicles | 120,580 | (106,575) | 14,005 |
| Textbooks | 277,192 | (243,225) | 33,966 |
| Leased Assets | 239,978 | (207,981) | 31,997 |
| Library Resources | 173,480 | (135,227) | 38,253 |
| Leasehold Improvements | 97,446 | (38,978) | 58,468 |
| Major Equipment | 88,199 | (55,428) | 32,771 |
| Musical Instruments | 93,317 | (77,942) | 15,374 |
| Plant & Machinery | 351,218 | (203,392) | 147,827 |
| Property & Grounds | 56,017 | (700) | 55,317 |
| Sports Equipment | 175,853 | (105,092) | 70,762 |
| TELA Laptops | 187,075 | (174,078) | 12,997 |
| Balance at 31 December 2018 | 9,456,983 | (4,456,688) | 5,000,295 |

The net carrying value of equipment held under a finance lease is \$44,994 (2017: \$139,759)

12. Property, Plant & Equipment (continued)

| | Opening Balance NBV | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|-------------------------------|------------------------|----------------|-----------|------------|------------------|------------------|
| 2017 | \$ | \$ | \$ | \$ | \$ | \$ |
| Artworks | 11,195 | - | - | - | - | 11,195 |
| Building Improvements | 4,032,856 | 59,862 | - | - | (95,323) | 3,997,395 |
| Furniture and Equipment | 238,226 | 12,073 | - | - | (35,987) | 214,312 |
| Electronic Equipment | 316,461 | 284,191 | - | - | (179,253) | 421,399 |
| Motor Vehicles | 30,075 | - | - | - | (8,368) | 21,707 |
| Textbooks | 29,455 | 21,273 | - | - | (25,946) | 24,782 |
| Leased Assets | 127,987 | 2 | - | - | (47,996) | 79,993 |
| Library Resources | 36,569 | 5,154 | - | - | (8,143) | 33,580 |
| Leasehold Improvements | 68,212 | - | - | - | (4,872) | 63,340 |
| Major Equipment | 48,139 | - | - | - | (7,684) | 40,455 |
| Musical Equipment | 23,387 | 1,652 | - | - | (8,669) | 16,370 |
| Plant & Machinery | 84,808 | 44,503 | - | - | (22,151) | 107,160 |
| Sports Equipment | 14,519 | - | - | - | (7,749) | 6,770 |
| TELA Laptops | 57,040 | 40,017 | - | - | (37,291) | 59,766 |
| Balance at 31 December | 5,118,929 | 468,725 | - | - | (489,431) | 5,098,221 |

| | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| 2017 | \$ | \$ | \$ |
| Land | 11,195 | - | 11,195 |
| Building Improvements-Crown | 4,768,361 | (771,437) | 3,997,395 |
| Furniture and Equipment | 739,311 | (524,998) | 214,312 |
| Information and Communication Technology | 1,941,299 | (1,519,901) | 421,399 |
| Motor Vehicles | 120,580 | (98,873) | 21,707 |
| Textbooks | 254,079 | (229,299) | 24,782 |
| Leased Assets | 239,978 | (159,985) | 79,993 |
| Library Resources | 162,092 | (128,511) | 33,580 |
| Leasehold Improvements | 97,446 | (34,106) | 63,340 |
| Major Equipment | 88,198 | (47,744) | 40,455 |
| Musical Instruments | 85,743 | (69,372) | 16,370 |
| Plant and Machinery | 290,895 | (183,736) | 107,160 |
| Sports equipment | 106,887 | (100,117) | 6,770 |
| TELA Laptops | 187,075 | (127,309) | 59,766 |
| Balance at 31 December 2017 | 9,093,139 | (3,995,388) | 5,098,221 |

13. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

| 2018 | Opening | Additions | Disposals | Impairment | Closing |
|---|---------------|---------------|-----------|------------|---------------|
| | \$ | \$ | \$ | \$ | \$ |
| Cost | | | | | |
| Intangible Assets (Cost) | 34,486 | 11,940 | - | - | 46,426 |
| Balance at 31 December 2018 | 34,486 | 11,940 | - | - | 46,426 |
| Accumulated | | | | | |
| Intangible Assets (Amortisation for the | 16,976 | 6,830 | - | - | 23,806 |
| Balance at 31 December 2018 | 16,976 | 6,830 | - | - | 23,806 |
| Net Book Value at 31 December 2018 | | | | | 22,620 |

13. Intangible Assets (continued)

| 2017 | Opening \$ | Additions \$ | Disposals \$ | Impairment \$ | Closing \$ |
|---|----------------|-----------------|-----------------|------------------|-----------------|
| Cost | | | | | |
| Intangible Assets | 34,486 | - | - | - | 34,486 |
| Balance at 31 December 2017 | 34,486 | - | - | - | 34,486 |
| Accumulated | | | | | |
| Intangible Assets (Amortisation for the | (9,809) | (7,167) | - | - | (16,976) |
| Balance at 31 December 2017 | (9,809) | (7,167) | - | - | (16,976) |
| Net Book Value at 31 December 2017 | | | | | 17,510 |

14. Accounts Payable

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Operating creditors | 233,728 | 833,000 | 146,550 |
| Accruals | - | - | 6,141 |
| Banking staffing overuse | (23,018) | - | 222,854 |
| Employee Entitlements - salaries | 363,951 | - | 417,661 |
| Employee Entitlements - leave accrual | 45,462 | - | 54,777 |
| | <u>620,123</u> | <u>833,000</u> | <u>847,983</u> |
| Payables for Exchange Transactions | 620,123 | 833,000 | 779,748 |
| Payables for Non-exchange Transactions - Taxes Payable | - | - | 68,235 |
| | <u>620,123</u> | <u>833,000</u> | <u>847,983</u> |

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|-------|----------------------|-------------------------------------|----------------------|
| Other | 4,472 | - | 3,362 |
| | <u>4,472</u> | <u>-</u> | <u>3,362</u> |

16. Provision for Cyclical Maintenance

| | 2018 Actual \$ | 2018 Budget (Unaudited) \$ | 2017 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Provision at the Start of the Year | 213,918 | 213,918 | 291,855 |
| Increase to the Provision During the Year | 56,980 | 111,744 | 96,985 |
| Use of the Provision During the Year | (95,856) | (101,662) | (174,923) |
| Provision at the End of the Year | <u>175,042</u> | <u>224,000</u> | <u>213,917</u> |

16. Provision for Cyclical Maintenance (continued)

| | 2018 | 2018 | 2017 |
|--------------------------------|----------------|----------------|----------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| Cyclical Maintenance - Current | 120,470 | 120,000 | 117,619 |
| Cyclical Maintenance - Term | 54,572 | 104,000 | 96,299 |
| | <u>175,042</u> | <u>224,000</u> | <u>213,918</u> |

The Board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations as at 31 December 2018. Present obligations are identified in the school's current 10 Year Property Plan and are yet to be approved by the Ministry of Education. The provision has not been adjusted for inflation and the time value of money.

17. Finance Lease Liability

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

| | 2018 | 2018 | 2017 |
|--|---------------|--------------|----------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| No Later than One Year | 69,973 | 1,050 | 49,443 |
| Later than One Year and no Later than Five Years | - | 5,250 | 97,800 |
| Later than Five Years | - | - | - |
| | <u>69,973</u> | <u>6,300</u> | <u>147,243</u> |

18. 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

| 2018 | Opening Balances | Receipts from MoE | Payments | BOT Contribution/ (Write-off to R&M) | Closing Balances |
|---|------------------|-------------------|----------------|--------------------------------------|------------------|
| | \$ | \$ | \$ | | \$ |
| O Block & Hall Refurbishment <i>in progress</i> | (7,999) | - | - | - | (7,999) |
| 10YPP <i>in progress</i> | 10,210 | - | - | - | 10,210 |
| Boiler Pipework <i>in progress</i> | - | 29,700 | 1,993 | - | 27,707 |
| Block JB New Gym Floor <i>in progress</i> | - | 82,800 | - | - | 82,800 |
| Block B Carpet Replacement <i>in progress</i> | - | 17,340 | 15,840 | - | 1,500 |
| Roofing Replacement <i>in progress</i> | - | 400,000 | 218,191 | - | 181,809 |
| Block A Refurbishment <i>in progress</i> | - | 80,161 | - | - | 80,161 |
| Block M/TD Reline Walls <i>in progress</i> | - | 55,755 | 9,938 | - | 45,817 |
| Electrical Upgrades <i>in progress</i> | - | 319,526 | 229,821 | - | 89,705 |
| Block H refurbishment <i>in progress</i> | - | - | 7,416 | - | (7,416) |
| Totals | <u>2,211</u> | <u>985,282</u> | <u>483,199</u> | <u>-</u> | <u>504,293</u> |

18. Funds Held for Capital Works Projects (continued)

| | | | | | | |
|---|-------------------------|--------------------------|-----------------|---|-------------------------|----------------|
| Represented by: | | | | | | \$ |
| Funds Held on Behalf of the Ministry of Education | | | | | | 504,293 |
| Funds Due from the Ministry of Education | | | | | | - |
| | | | | | | <u>504,293</u> |
| | | | | BOI Contribution/ (Write-off to R&M) | | |
| 2017 | Opening Balances | Receipts from MoE | Payments | | Closing Balances | |
| | \$ | \$ | \$ | | \$ | |
| O Block & Hall Refurbishrr <i>in progress</i> | 22,874 | - | 30,873 | - | (7,999) | |
| 10YPP <i>in progress</i> | 10,210 | - | - | - | 10,210 | |
| Totals | 33,084 | - | 30,873 | - | 2,211 | |

19. Funds Held on Behalf of Alternative Education Cluster

Kiwi Park School is the lead school and holds funds on behalf of the Kiwi Park cluster, a group of schools funded by the Ministry.

| | 2018 Actual | 2018 Budget (Unaudited) | 2017 Actual |
|---|--------------------|--------------------------------|--------------------|
| | \$ | \$ | \$ |
| Funds Held at Beginning of the Year | 264,567 | 265,000 | 177,577 |
| Funds Received from MoE | 1,729,884 | 1,518,756 | 1,738,132 |
| Funds Spent on Behalf of the Cluster | 1,736,002 | 1,518,756 | 1,651,162 |
| Distribution of Funds | | | |
| High Wire Charitable Trust | 10,493 | - | - |
| Community Education and Training-Papakura | 24,770 | - | - |
| Community Education and Training-Manurewa | 23,394 | - | - |
| Te Ara Poutama-Manurewa | 24,770 | - | - |
| Te Ara Poutama -Pukekohe | 23,394 | - | - |
| Papakura High School | 19,266 | - | - |
| Funds Held at Year End | 132,363 | 265,000 | 264,567 |

20. Funds Held for Teen Parent Unit

The school's Teen Parent Unit is a separate business unit of the school. This note sets out the revenue and expenditure for this unit. The revenue and expenditure is included in the school's Statement of Revenue and Expense. The balance of funds relates to revenue received in advance, which is carried forward to be spent on the Teen Parent unit in the next year.

| | 2018 Actual | 2018 Budget | 2017 Actual |
|---|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Funds Held at Beginning of the Year | 108,747 | 108,747 | 105,516 |
| Revenue | | | |
| Funds Received from the Ministry of Education | 133,099 | 140,004 | 130,176 |
| Other Revenue | 1,504 | 25,104 | 20,922 |
| Teachers Salaries | 259,022 | 255,000 | 247,947 |
| * | 393,625 | 420,108 | 399,045 |

20. Funds held for Teen Parent Unit (continued)

| | 2018 Actual \$ | 2018 Budget \$ | 2017 Actual \$ |
|------------------------------|----------------------|----------------------|----------------------|
| Total Funds Available | 502,372 | 528,855 | 504,561 |
| <i>Expenses</i> | | | |
| Employee Benefit -- Salaries | 42,357 | 42,292 | 33,297 |
| Administration | 18,000 | 15,000 | 13,944 |
| Curriculum Resources | 67,617 | 60,000 | 63,879 |
| Asset Purchases | 7,484 | 10,000 | 4,396 |
| Property Management | 38,732 | 36,563 | 32,351 |
| Teachers Salaries | 259,022 | 255,000 | 247,947 |
| | 433,212 | 418,855 | 395,814 |
| | 69,160 | 110,000 | 108,747 |

21. 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.

22. Remuneration

Key management personnel compensation

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

| | 2018 Actual | 2017 Actual |
|---|----------------|----------------|
| <i>Board Members</i> | | |
| Remuneration | 9,401 | 11,860 |
| Full-time equivalent members | 0.46 | 0.65 |
| <i>Leadership Team</i> | | |
| Remuneration | 737,908 | 912,718 |
| Full-time equivalent members | 6 | 7 |
| Total key management personnel remuneration | 747,309 | 924,578 |
| Total full-time equivalent personnel | 6.46 | 7.65 |

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

22. Remuneration (continued)

Principal

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

| | 2018 Actual \$000 | 2017 Actual \$000 |
|--|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: | | |
| Salary and Other Payments | 200-210 | 190-200 |
| Benefits and Other Emoluments | 20-30 | 20-30 |
| Termination Benefits | - | - |

Other Employees

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

| Remuneration \$000 | 2018 FTE Number | 2017 FTE Number |
|-----------------------|--------------------|--------------------|
| 110-120 | - | 1.00 |
| 100-110 | 3.00 | 6.00 |
| | <u>3.00</u> | <u>7.00</u> |

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

23. 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 | \$39,205 | \$96,605 |
| Number of People | 2 | 2 |

24. 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 schools boards of trustees, through payroll service provider Education Payroll Limited. The Ministry has commenced a review of the schools payroll sector 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 may exist.

25. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has entered into contract agreements for capital works as follows:

- (a) \$29,700 contract to have the boiler pipework upgraded which will be fully funded by the Ministry of Education. \$29,700 has been received of which \$1993 has been spent on the project to date; and
- (b) \$82,200 contract to repave the gym floor as agent for the Ministry of Education. This project is fully funded by the Ministry and \$82,800 has been received of which nothing has yet been spent on the project to balance date; and

(a) Capital Commitment (continued)

(c) \$17,340 contract to replace carpet in B Block. The project is fully funded by the Ministry and \$17,340 has been received of which \$15,840 has been spent on the project to balance date. This project has been approved by the
(d) \$400,000 contract to have roofing replaced which will be fully funded by the Ministry of Education. \$400,000 has been received of which \$218,191 has been spent on the project to date; and
(e) \$750,000 to refurbish A Block as agent for the Ministry of Education. This project is fully funded by the Ministry and \$80,161 has been received of which nil has been spent; and
(f) \$55,755 contract to reline walls in M/TD Block. The project is fully funded by the Ministry and \$55,755 has been received of which \$9,938 has been spent on the project to balance date; and
(g) \$319,526 contract to upgrade electrical work. The project is fully funded by the Ministry and \$319,526 has been received of which \$229,821 has been spent on the project to balance date; and
(h) \$10,209 contract to refurbish H Block. The project is fully funded by the Ministry and \$7,416 has been spent on the project to balance date. The contract is approved by the Ministry of Education.
(Capital Commitments at 31 December 2017: nil)

(b) Operating

As at 31 December 2018 the Board had not entered into any operating commitments.

26. 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.

27. 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 | 868,209 | 2,043,119 | 1,729,144 |
| Receivables | 419,993 | 480,000 | 99,789 |
| Total Loans and Receivables | 1,288,202 | 2,523,119 | 1,828,933 |

Financial liabilities measured at amortised cost

| | | | |
|--|---------|-----------|-----------|
| Payables | 620,123 | 833,000 | 779,748 |
| Finance Leases | 69,973 | 150,000 | 147,243 |
| Cyclical Maintenance Liability | 175,042 | 224,000 | 213,918 |
| Total Financial Liabilities Measured at Amortised Cost | 865,138 | 1,207,000 | 1,140,909 |

28. Events After Balance Date

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

Members of the Board of Trustees

| Name Term | Position | How Position Gained | Occupation |
|------------------------------|------------------------|---------------------|---------------------------|
| Mr G McMillan | Principal | | |
| Mrs J Ball 5 June 2019 | Chairperson | Elected | Administrator |
| Mr J Hall 5 June 2019 | Deputy Chair | Elected | Driver |
| Mrs C Dennis 5 June 2019 | Parent Representative | Re-elected | Social Worker |
| Mrs S Tuilimu 5 June 2019 | Parent Representative | Elected | Administrator |
| Mrs B Munro 5 June 2019 | Parent Representative | Elected | Business Owner |
| Mr M Malesaia 5 June 2019 | Parent Representative | Co-opted | Pasifika Cultural Advisor |
| Ms M Coyne 5 June 2019 | Staff Representative | Elected | Deputy Principal |
| Mr T Vili | Student Representative | Elected | Student |

Kiwi Sport

Kiwisport is a government funding initiative to support student's participation in organised sport. In 2018 the school received nil funding. (2017: \$nil)





James Cook High School

Analysis of Variance 2018

Summary

This Analysis of Variance (AOV) for 2018 is based on a set of enduring targets and indicators.

These targets and their indicators are in turn based on the Board of Trustee's Strategic Goals for Student and School achievement, under the areas of Achievement, Engagement and Belonging.

Within these Strategic Goals are a wide range of measures and actions.

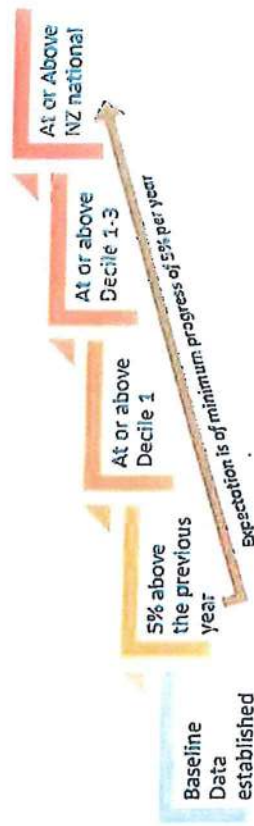
Our School has set an Overall Performance Goal of achieving at or above NZ national levels of achievement, for all the aspects of school performance and student achievement that we monitor.

All of the indicators are valid and reliable. That is, we are only using measures that can be clearly shown and ideally have external or independent data to verify them.

Our School has also set a poutama (or staircase) of progress towards the Overall Performance Goal.

This is shown in the Progress / Improvement Indicator description of the AOV.

2018 was in many ways a year of rapid progress across a wide range of foci and indicators. A Charter Plan was established and approved by the Board, LSM, Tumuaaki-Principal, and Crown agencies of MOE and ERO.



Indicators were identified and regular external assessments of school performance were carried out. ERO published a progress report in December 2018, which summarises the progress and gains made. Additionally, a monitoring report summarised progress on the Charter Plan throughout the year. Copies were also shared with ERO and MOE.

The Goals for 2018 were to achieve at Decile 1 or above and/or to improve by a minimum of 5% from 2016 for each of the areas of:

- Student Achievement in
 - NCEA
 - Terms of Leaving Qualifications
 - Tertiary Pathways
- Student Engagement in:
 - Attendance
 - Stand downs and Suspensions
 - Participation within the School
- Student Belonging in the School

| Key | Achieved | Partially Achieved | Not Achieved | Not a Current Target |
|-----|----------|--------------------|--------------|----------------------|
| | | | | |

Handwritten signature and initials.





Each of these Goals has specific targets within it, which are reported on in this AOV.

NB: NZOA introduced a new measure for 2018 NCEA results. As much as is possible the 2018 has been compared with an adjusted 2017 and 2016 baseline result using the new measure.

Analysis of Variance

The AOV is summarised as follows:

| No. | Target | 2018 Result | Progress / Improvement Indicator | | | | | Analysis | Implications for Future | Specific Focus in 2019 Plan? |
|-----|---|-------------|----------------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|---|---------------------------------|------------------------------|
| | | | Using Baseline Data? | 5% Improvement on Previous Year | Equal or Better than Decile 1 | Equal or Better than Decile 1-3 | Equal or Better than NZ National | | | |
| 1 | Student Achievement: NCEA | | | | | | | | | |
| 1a | Level 1 Literacy achieved in Year 11 | 63.9% | Yes | +12.6% | No data available | 78.1% | 84.3% | Significant increase on previous year achieved Still below Decile 1-3. | English Faculty review | ✓ |
| 1b | Level 1 Numeracy achieved in Year 11 | 72.2% | Yes | +67.5% | No data available | 84.6% | 90.1% | Increase on previous year achieved. Just under 5% improvement. | Continue with NCEA action plan. | ✓ |
| 1c | Level 1 achieved in Year 11 | 45.8% | Yes | +14.3% | No data available | 55.1% | 70.5% | Still below Decile 1-3. Significant shift. Still below Decile 1-3 and national. | Continue with NCEA action plan. | ✓ |
| 1d | Nett of AE and TPU Students (e.g. JCHS site only) | 53.6% | Yes | +22.6% | No data available | 55.1% | 70.5% | Very significant shift. Above Decile 1-3, still below National | Continue with AE action plan. | ✓ |
| | Level 2 achieved in Year 12 | 53.6% | Yes | -2.9% | No data available | 67.4% | 76.4% | 3% drop on previous years. However, significant lift for this student cohort (+21.5%) | Continue with NCEA action plan. | ✓ |
| | | | | | | | | Still below Decile 1-3 | | |

| | | | | | | | | |
|------------|---|-----------------|---|---------------------------|---|---------------------|---|-----------------------------|
| Key |  | Achieved |  | Partially Achieved |  | Not Achieved |  | Not a Current Target |
|------------|---|-----------------|---|---------------------------|---|---------------------|---|-----------------------------|

Handwritten signature

| No. | Target | 2018 Result | Progress / Improvement Indicator | | | | | Analysis | Implications for Future | Specific Focus in 2019 Plan? |
|-----|---|-------------|----------------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|---|---|------------------------------|
| | | | Using Baseline Data? | 5% Improvement on Previous Year | Equal or Better than Decile 1 | Equal or Better than Decile 1-3 | Equal or Better than NZ National | | | |
| | Nett of AE and TPU Students (e.g. JCHS site only) | 55.7% | Yes | -0.8% | No data available | 67.4% | 76.4% | 1% drop on previous years. However, significant lift for this student cohort (+23.5%) | Continue with AE action plan. | ✓ |
| 1e | Level 3 achieved in Year 13 | 47.9% | Yes | +1.3% | No data available | 55.1% | 64.1% | Still below Decile 1-3 Slight improvement on 2017, but much higher than previous years. 8% below Decile 1-3 | Continue with NCEA action plan. | ✓ |
| 1f | Gained UE | 5.9% | Yes | -4.9% | No data available | 28.1% | 45.9% | Volatile measure that changes year to year. Drop from previous year. Significantly below Decile 1-3 and national | Audit/review then a specific strategy or action required for 2019 | ✓ |
| 2 | Student Achievement: Leaving Qualifications | | | | | | | | | |
| 2a | Left School with Level 2 or above | | Yes | No data available | | | | Awaiting MOE data for 2017 and 2018 | Likely to be improving based on NCEA results | ✓ |
| 3 | Student Achievement: Tertiary Pathways | | | | | | | | | |
| 3a | School leavers enrolling in Tertiary courses at NZQF Levels 4-7+ (1st year 2017 cohort) | 14% (45) | Yes | N/A | 19% | 23% | 33% | Within 5% of Decile 1. Further analysis required to understand better what is happening here. | Further analysis required. (Provisional data.) | ✓ |

| Key | Achieved | Partially Achieved | Not Achieved | Not a Current Target |
|-----|----------|--------------------|--------------|----------------------|
| | | | | |

C

| No. | Target | 2018 Result | Progress / Improvement Indicator | | | | | Analysis | Implications for Future | Specific Focus in 2019 Plan? |
|-----|---|-------------|----------------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|--|---|------------------------------|
| | | | Using Baseline Data? | 5% Improvement on Previous Year | Equal or Better than Decile 1 | Equal or Better than Decile 1-3 | Equal or Better than NZ National | | | |
| 3b | School leavers enrolling in Tertiary courses at NZQF Levels 4-7+ (2 nd year 2016 cohort) | 15% (55) | Yes | N/A | 20% | 28% | 21% | 53% (170) went on to tertiary, but only 14% (45) top NZQF 4+ Appears to still be an over reliance on low NZQF (short?) courses. AUT now the main provider for Levels 4+ Within 5% of Decile 1 Close to Decile 1-3 and significantly below National. Low level (1-3 NZQF) courses are through Salvation Army and MIT. However trending to AUT for Levels 4+ | NB: AE data and transience affects this data significantly. | |
| 4 | Student Engagement: Attendance | | | | | | | | | |
| 4a | Lateness >5% | | | | | | | Awaiting MOE data for 2018 | | |
| 4b | Attendance Year 9 | | | | | | | Awaiting MOE data for 2018 | | |
| 4c | Attendance Year 10 | | | | | | | Awaiting MOE data for 2018 | | |
| 4d | Attendance Year 11 | | | | | | | Awaiting MOE data for 2018 | | |
| 4e | Attendance Year 12 | | | | | | | Awaiting MOE data for 2018 | | |

Page 27

| Key | | | | |
|-----|----------|--------------------|--------------|----------------------|
| | Achieved | Partially Achieved | Not Achieved | Not a Current Target |

(Handwritten signature)

| No. | Target | 2018 Result | Progress / Improvement Indicator | | | | | Analysis | Implications for Future | Specific Focus in 2019 Plan? |
|-----|---|-------------|----------------------------------|--|-------------------------------|---------------------------------|----------------------------------|--|--|------------------------------|
| | | | Using Baseline Data? | 5% Improvement on Previous Year | Equal or Better than Decile 1 | Equal or Better than Decile 1-3 | Equal or Better than NZ National | | | |
| 4f | Attendance Year 13 | | | | | | | Awaiting MOE data for 2018 | | |
| 4g | All Years attending regularly | | | | | | | Awaiting MOE data for 2018 | | |
| 5 | Student Engagement: SDS | | | | | | | | | |
| 5a | Stand downs (per 1000) | | | | | | | Awaiting MOE data for 2018 | | ✓ |
| 5b | Suspension (per 1000) | | | | | | | Awaiting MOE data for 2018 | | ✓ |
| 5c | Exclusions (per 1000) | | | | | | | Awaiting MOE data for 2018 | | ✓ |
| 6 | Student Engagement: Transience (NB – Our school has little control over Transience) | | | | | | | | | |
| 6a | Transience (per 1000) | | Yes | | | | | Awaiting comparative MOE data for 2018 | | ✓ |
| 7 | Student Belonging: Me & My School | | | | | | | | | |
| 7a | I am proud to be here | 80% | Yes | 1% improvement on an already higher result | No Data Available | | 74% | Student sense of belonging is relatively favourable (compared to rest of NZ sub-sample) but could still improve. | Ongoing work through other specific initiatives. | ✓ |
| 7b | I feel safe at school | 68% | Yes | 19% | | | 78% | | | ✓ |

| Key | Achieved | Partially Achieved | Not Achieved | Not a Current Target |
|-----|----------|--------------------|--------------|----------------------|
| | | | | |

| No. | Target | 2018 Result | Progress / Improvement Indicator | | | | Analysis | Implications for Future | Specific Focus in 2019 Plan? |
|--|--|-------------|----------------------------------|---------------------------------|-------------------------------|---------------------------------|----------------------------------|-------------------------|------------------------------|
| | | | Using Baseline Data? | 5% Improvement on Previous Year | Equal or Better than Decile 1 | Equal or Better than Decile 1-3 | Equal or Better than NZ National | | |
| 7c | My family's culture is treated with respect by my Teachers | 90% | Yes | No change | | | 90% | | ✓ |
| 7d | Most of my Teachers like me | 71% | Yes | 7% | | | 76% | | ✓ |
| 7e | I am interested in what I am learning | 77% | Yes | 6% | | | 72% | | ✓ |
| 7f | I take notice of the comments my Teachers make about my work | 82% | Yes | 3% | | | 77% | | ✓ |
| 7g | I am often bored in class | 66% | Yes | unchanged | | | 61% | | ✓ |
| NB – 2018 data is only Years 9 and 10 (same as National) 2017 was all Year levels, so some JCHS shifts could be reflective of Year 9 and 10 experience vs more senior students | | | | | | | | | |

| Key | Achieved | Partially Achieved | Not Achieved | Not a Current Target |
|-----|----------|--------------------|--------------|----------------------|
| | | | | |

Q

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF JAMES COOK HIGH SCHOOL'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of James Cook High School (the School). The Auditor-General has appointed me, Kurt Sherlock, using the staff and resources of Crowe Horwath New Zealand Audit Partnership, 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 2 to 22, 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 24 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.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Members of the Board of Trustees and Analysis of Variance included on pages 23 to 29, 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.



Kurt Sherlock
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Auckland, New Zealand