

AWANUI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	1004
Principal:	Margy Stratton
School Address:	172 State Highway 1, AWANUI
School Postal Address:	PO Box 55, AWANUI, 0451
School Phone:	09 406 7309
School Email:	admin@awanui.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Mary Henry	Chairperson	Elected	June 2019
Margaret Stratton	Principal	ex Officio	
Victoria Broughton	Parent Rep	Elected	June 2019
Ian Swindells	Parent Rep	Co-opted	June 2019
Awhirangi Marsden	Parent Rep	Elected	June 2019
Leah King	Staff Rep	Elected	June 2019

Accountant / Service Provider:	Education Services Ltd
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AWANUI SCHOOL

Annual Report - For the year ended 31 December 2018

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Awanui School

Statement of Responsibility

For the year ended 31 December 2018

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

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

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

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

Mere Henrietta Henry

Full Name of Board Chairperson

[Signature]

Signature of Board Chairperson

27 May 2019

Date:

Margaret Stratton

Full Name of Principal

[Signature]

Signature of Principal

27 May 2019

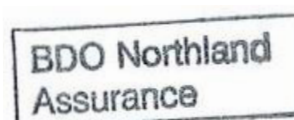
Date:

Awanui School**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	474,665	497,227	486,932
Locally Raised Funds	3	53,327	17,850	41,747
Interest Earned		3,680	1,500	2,742
		<hr/>	<hr/>	<hr/>
		531,672	516,577	531,421
Expenses				
Locally Raised Funds	3	7,649	3,626	7,814
Learning Resources	4	301,920	354,547	303,570
Administration	5	54,838	55,054	54,061
Finance Costs		564	400	571
Property	6	116,665	76,630	100,393
Depreciation	7	29,386	25,000	26,336
Loss on Disposal of Property, Plant and Equipment		4,409	-	-
Transport		-	50	-
		<hr/>	<hr/>	<hr/>
		515,431	515,307	492,745
Net Surplus / (Deficit)		16,241	1,270	38,676
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/>	<hr/>	<hr/>
		16,241	1,270	38,676

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

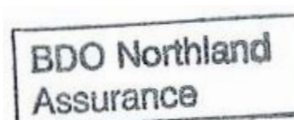


Awanui School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	245,070	206,951	206,394
Total comprehensive revenue and expense for the year	16,241	1,270	38,676
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	1,042	-	-
Equity at 31 December	262,353	208,221	245,070
 Retained Earnings	262,353	208,221	245,070
Equity at 31 December	262,353	208,221	245,070

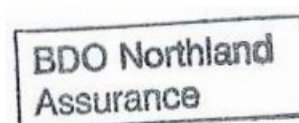
The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.



Awanui 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	87,387	116,349	178,732
Accounts Receivable	9	18,604	15,988	19,352
GST Receivable		2,469	-	-
Prepayments		3,584	3,478	3,279
Investments	10	88,848	25,860	40,000
		<u>200,892</u>	<u>161,675</u>	<u>241,363</u>
Current Liabilities				
GST Payable		-	151	9,062
Accounts Payable	12	23,742	29,381	24,557
Provision for Cyclical Maintenance	13	20,325	7,000	7,111
Finance Lease Liability - Current Portion	14	3,276	-	3,768
Funds held for Capital Works Projects	15	3,927	-	66,506
		<u>51,270</u>	<u>36,532</u>	<u>111,004</u>
Working Capital Surplus/(Deficit)		149,622	125,143	130,359
Non-current Assets				
Property, Plant and Equipment	11	165,277	132,953	162,817
		<u>165,277</u>	<u>132,953</u>	<u>162,817</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	40,750	49,875	46,750
Finance Lease Liability	14	11,796	-	1,356
		<u>52,546</u>	<u>49,875</u>	<u>48,106</u>
Net Assets		<u>262,353</u>	<u>208,221</u>	<u>245,070</u>
Equity		<u>262,353</u>	<u>208,221</u>	<u>245,070</u>

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

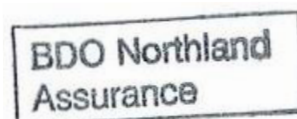


Awanui School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		155,842	160,667	165,526
Locally Raised Funds		53,327	17,850	37,982
Goods and Services Tax (net)		(11,531)	-	8,911
Payments to Employees		(90,899)	(89,904)	(90,843)
Payments to Suppliers		(64,909)	(53,632)	(56,509)
Interest Paid		(564)	(400)	(571)
Interest Received		3,624	1,500	2,510
Net cash from / (to) the Operating Activities		44,890	36,081	67,006
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(24,386)	-	(8,881)
Purchase of Investments		(47,629)	-	(40,000)
Proceeds from Sale of Investments		-	-	25,860
Net cash from / (to) the Investing Activities		(72,015)	-	(23,021)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,042	-	-
Finance Lease Payments		(2,683)	(4,294)	(2,765)
Funds Held for Capital Works Projects		(62,579)	-	52,950
Net cash from Financing Activities		(64,220)	(4,294)	50,185
Net increase/(decrease) in cash and cash equivalents		(91,345)	31,787	94,170
Cash and cash equivalents at the beginning of the year	8	178,732	84,562	84,562
Cash and cash equivalents at the end of the year	8	87,387	116,349	178,732

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.



Awanui School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Awanui 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.

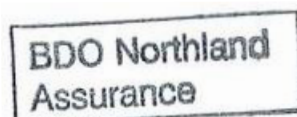
Specific Accounting Policies

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 11.

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 14.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

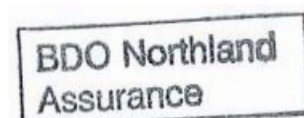
Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

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

d) Use of Land and Buildings Expense

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



e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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 of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

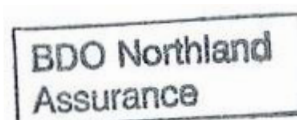
k) Property, Plant and Equipment

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 \$1000 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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication	4 years
Leased Assets	3-5 years
Library Resources	8 years

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

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

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

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. 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.

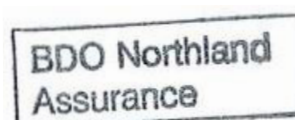
Commitments and contingencies are disclosed exclusive of GST.

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.



2. Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	124,460	132,331	141,256
Teachers' salaries grants	242,159	293,278	251,341
Use of Land and Buildings grants	75,454	43,282	66,343
All	4,000	7,300	7,300
Other MoE Grants	21,822	14,650	14,160
Other government grants	6,770	6,386	6,532
	<u>474,665</u>	<u>497,227</u>	<u>486,932</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	11,229	3,000	11,345
Bequests & Grants	24,360	-	10,481
Activities	2,093	1,350	3,576
Fundraising	2,155	-	1,845
Other Revenue	13,490	13,500	14,500
	<u>53,327</u>	<u>17,850</u>	<u>41,747</u>
Expenses			
Activities	285	680	3,710
Fundraising costs	2,948	-	722
Other Expenses	4,416	2,946	3,382
	<u>7,649</u>	<u>3,626</u>	<u>7,814</u>
<i>Surplus for the year Locally raised funds</i>	<u>45,678</u>	<u>14,224</u>	<u>33,933</u>

4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	8,949	9,180	7,272
Library resources	474	450	345
Employee benefits - salaries	288,463	339,267	291,619
Staff development	1,854	2,600	3,341
R&m & Purchases <\$1,000	2,180	3,050	993
	<u>301,920</u>	<u>354,547</u>	<u>303,570</u>

BDO Northland
Assurance

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,910	3,700	3,700
Board of Trustees Fees	495	1,320	880
Board of Trustees Expenses	1,422	1,281	1,094
Communication	1,522	1,480	1,587
Consumables	2,727	2,818	3,405
Operating Lease	-	-	499
Other	3,728	2,820	3,194
Employee Benefits - Salaries	34,369	34,915	32,618
Insurance	2,225	2,220	2,224
Service Providers, Contractors and Consultancy	4,440	4,500	4,860
	<u>54,838</u>	<u>55,054</u>	<u>54,061</u>

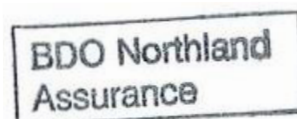
6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,931	3,100	2,280
Cyclical Maintenance Expense	7,214	8,125	5,236
Grounds	4,470	3,112	2,148
Heat, Light and Water	7,946	8,000	8,603
Rates	576	436	524
Repairs and Maintenance	5,640	2,425	5,581
Use of Land and Buildings	75,454	43,282	66,343
Security	-	150	82
Employee Benefits - Salaries	10,625	8,000	9,596
Consultancy And Contract Services	1,809	-	-
	<u>116,665</u>	<u>76,630</u>	<u>100,393</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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	3,190	3,027	3,189
Building Improvements	2,651	2,517	2,651
Furniture and Equipment	9,738	10,469	11,030
Information and Communication Technology	9,405	5,266	5,547
Leased Assets	3,701	3,058	3,221
Library Resources	701	663	698
	<u>29,386</u>	<u>25,000</u>	<u>26,336</u>



8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
ASB 00 Main	67,387	116,349	178,732
Short-term Bank Deposits	20,000	-	-
Cash equivalents for Cash Flow Statement	<u>87,387</u>	<u>116,349</u>	<u>178,732</u>

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

Of the \$87,387 Cash and Cash Equivalents, \$3,927 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.

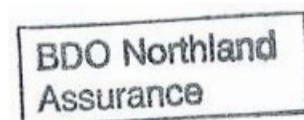
9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables from the Ministry of Education	-	-	1,238
Interest Receivable	360	72	304
Teacher Salaries Grant Receivable	18,244	15,916	17,810
	<u>18,604</u>	<u>15,988</u>	<u>19,352</u>
Receivables from Exchange Transactions	360	72	304
Receivables from Non-Exchange Transactions	18,244	15,916	19,048
	<u>18,604</u>	<u>15,988</u>	<u>19,352</u>

10. Investments

The School's investment activities are classified as follows:

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	88,848	25,860	40,000



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Buildings	73,637	-	-	-	(3,190)	70,447
Building Improvements	13,227	-	-	-	(2,651)	10,576
Furniture and Equipment	52,594	-	(4,409)	-	(9,738)	38,447
Information and Communication Tech	15,253	24,360	-	-	(9,405)	30,208
Leased Assets	4,138	11,870	-	-	(3,701)	12,306
Library Resources	3,968	26	-	-	(701)	3,293
Balance at 31 December 2018	162,817	36,256	(4,409)	-	(29,386)	165,277

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	127,589	(57,142)	70,447
Building Improvements	49,812	(39,236)	10,576
Furniture and Equipment	143,552	(105,105)	38,447
Information and Communication	60,031	(29,823)	30,208
Leased Assets	16,065	(3,759)	12,306
Library Resources	5,607	(2,314)	3,293
Balance at 31 December 2018	402,656	(237,379)	165,277

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings	76,826	-	-	-	(3,189)	73,637
Building Improvements	15,878	-	-	-	(2,651)	13,227
Furniture and Equipment	63,624	-	-	-	(11,030)	52,594
Information and Communication Tech	8,154	12,646	-	-	(5,547)	15,253
Leased Assets	4,924	2,434	-	-	(3,221)	4,138
Library Resources	4,666	-	-	-	(698)	3,968
Balance at 31 December 2017	174,072	15,080	-	-	(26,336)	162,817

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Buildings	127,589	(53,952)	73,637
Building Improvements	49,812	(36,585)	13,227
Furniture and Equipment	166,714	(114,120)	52,594
Information and Communication	35,671	(20,418)	15,253
Leased Assets	13,715	(9,577)	4,138
Library Resources	5,581	(1,613)	3,968
Balance at 31 December 2017	399,082	(236,265)	162,817

BDO Northland
Assurance

12. Accounts Payable

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating creditors	2,184	1,062	3,047
Accruals	2,910	4,198	3,700
Banking staffing overuse	-	2,512	-
Employee Entitlements - salaries	18,244	15,916	17,810
Employee Entitlements - leave accrual	404	5,693	-
	<u>23,742</u>	<u>29,381</u>	<u>24,557</u>
Payables for Exchange Transactions	23,742	26,869	24,557
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	2,512	-
	<u>23,742</u>	<u>29,381</u>	<u>24,557</u>

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	53,861	48,750	48,625
Increase to the Provision During the Year	7,214	8,125	5,236
Provision at the End of the Year	<u>61,075</u>	<u>56,875</u>	<u>53,861</u>
Cyclical Maintenance - Current	20,325	7,000	7,111
Cyclical Maintenance - Term	40,750	49,875	46,750
	<u>61,075</u>	<u>56,875</u>	<u>53,861</u>

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:

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	4,599	-	3,892
Later than One Year and no Later than Five Years	14,066	-	1,356
	<u>18,665</u>	<u>-</u>	<u>5,248</u>

BDO Northland
Assurance

15. Funds Held (Owed) for Capital Works Projects

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

		2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
			\$	\$	\$		\$
Refurbish Existing Toilets	<i>in progress</i>		66,506	4,615	67,194	-	3,927
Totals			66,506	4,615	67,194	-	3,927

Represented by:

Funds Held on Behalf of the Ministry of Education

3,927

Funds Due from the Ministry of Education

-

3,927

		2017	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
			\$	\$	\$		\$
Install Alarm System	<i>completed</i>		-	639	639	-	-
Pool Fence Replacement	<i>completed</i>		13,556	(1,508)	12,048	-	-
Refurbish Existing Toilets	<i>in progress</i>		-	89,808	23,302	-	66,506
Totals			13,556	88,939	35,989	-	66,506

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.

BDO Northland
Assurance

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.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	495	880
Full-time equivalent members	0.03	0.10
<i>Leadership Team</i>		
Remuneration	98,872	98,913
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	99,367	99,793
Total full-time equivalent personnel	1.03	1.10

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

Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90 - 100	90 - 100
Benefits and Other Emoluments	2 - 3	2 - 3
Termination Benefits	-	-

Other Employees

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

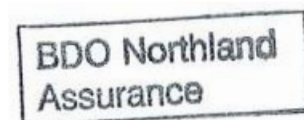
Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	-	-
	0.00	0.00

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:

	2018 Actual	2017 Actual
Total	-	-
Number of People	-	-



19. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

(a) Capital Commitments

The School has entered into the following capital commitments as at 31 December 2018:

(a) contract for the Toilet Refurbishment Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$94,423 has been received of which \$47,283 has been spent on the project to balance date.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

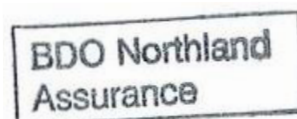
As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	1,440	2,268
Later than One Year and No Later than Five Years	5,519	-
Later than Five Years	-	-
	<u>6,959</u>	<u>2,268</u>

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.



22. 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	87,387	116,349	178,732
Receivables	18,604	15,988	19,352
Investments - Term Deposits	88,848	25,860	40,000
Total Loans and Receivables	194,839	158,197	238,084

Financial liabilities measured at amortised cost

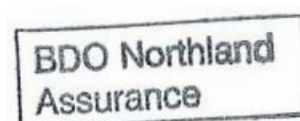
Payables	23,742	29,381	24,557
Borrowings - Loans	-	-	-
Finance Leases	15,072	-	5,124
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	38,814	29,381	29,681

23. Events After Balance Date

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

24. Comparatives

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



Analysis of Variance Reporting



School Name:	Awanui School	School Number:	1004
Strategic Aim:	To increase the number of students meeting or exceeding expected curriculum level in literacy.		
Annual Aim:	To increase the number achieving at or above their expected curriculum level in writing.		
Target:	That 70% or students will achieve or exceed expected level.		
Baseline Data:	<ul style="list-style-type: none"> • National exemplars. • OTJs. • Moderation each term. • AsTTle. <p>Our goal for 2018 is to have 70% of our children writing at or above the expected curriculum level.</p> <p>Data shows that there has been a significant improvement in writing across the school. The continuation of our PLD for term 1, along with ALL for the year will give consistency and a chance to consolidate an effective writing programme across the school.</p>		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> Continuation of PLD for term 1. ALL programme in Years 4- 6. Target students to be identified, Review assessment practices and moderation to include Asttle, moderation and OTJs. Professional readings. Teaching as inquiry focus for lead teacher. Continuation and extension of student agency. Keep informed of Kahui Ako progress particularly with writing development. Monitor and report regularly on progress of target students. Report progress to the Board in a timely manner. 	<p>69% were achieving at or above. In a small school like ours the 1% difference is equivalent to part of a child. We consider this goal achieved.</p>	<p>Continuation of PLD and maintaining the skills learnt by teachers.</p> <p>Focused monitoring through our teaching as inquiry work.</p> <p>ALL programme also allowed teacher to upskill and develop new teaching methods.</p>	<p>Continue to develop writing skills in our children.</p> <p>Continue with ALL programme again in 2019.</p>
Planning for next year:			
<p>Provide a description of the actions the board will take to address any targets that were not achieved. This may involve including aims and targets in next year's charter to address the variance.</p>			

Analysis of Variance Reporting



School Name:	Awanui School	School Number:	1004
Strategic Aim:	To increase the number of students meeting or exceeding expected curriculum level in numeracy.		
Annual Aim:	To increase the number achieving at or above their expected curriculum level in maths.		
Target:	That 60% or students will achieve or exceed expected level.		
Baseline Data:	<ul style="list-style-type: none"> GLOSS OTJs. Full NUMPA <p>Our goal for 2018 is to have 60% of our children achieving at or above the expected curriculum level.</p> <p>The implementation of the PRIME maths programme is the school wide focus. A trial of the programme in term 4 of 2017 showed good results in a short time.</p>		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none"> PRIME Maths Programme to be fully implemented from Years 1 – 6. Incorporate into teaching as inquiry. Identify target students in this area. Ensure adequate resources are available and work within the budget. Continue and extend student agency. Monitor and regularly share at staff meetings the progress of students. Report progress to the Board in a timely manner. 	<p>RESULTS:</p> <ul style="list-style-type: none"> 37% were achieving at or above expectation in a best fit across 3 domains. The target was 60%. Overall girls are achieving better than boys. 	<p>Staff have discussed possible reasons for this and the steps that will be taken to address this issue (refer action plan for 2019 targets). In add/sub the achievement rate was 54%. In mult/div the achievement rate was 36%. In prop/rat for Y4-6 the achievement rate was 30%.</p> <ul style="list-style-type: none"> Placement tests - had to start low because there were things in the book they didn't know. Needed to start low (a step back to move forwards). This takes time - for example when breaking and splitting they needed to know place value better. Transferring number knowledge to doing an algorithm. <p>WHAT WORKED?</p> <ul style="list-style-type: none"> Focusing on number knowledge in Years 1 and 2. In placement tests from term 1 - week 4, results showed that no children went backwards, they have retained their learning. Our Year 5 group has a number of high needs students – they have had a number of interventions including RTLB and accelerated programmes but with no success. <p>WHAT DIDN'T WORK?</p> <ul style="list-style-type: none"> Setting a best fit target across the 3 domains. 	<p>WHAT NEEDS TO CHANGE?</p> <ul style="list-style-type: none"> Assessing against a best fit. Setting targets and reporting against each domain. Closer monitoring of student progress.

		<ul style="list-style-type: none"> Basing our results on a best fit across all 3 domains. Students were assessed on areas they hadn't been taught especially in the proportions and ratios domain. 	
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Planning for next year:

MATHS TARGETS FOR 2019 – to be achieving at or above. Because of the small numbers we have set targets and number of students rather than percentages.

YEAR	ADD/SUB	MULT/DIV	PROP/RAT
3	3 / 5 chn.	3 / 5 chn	
4	2 / 4 chn.	2 / 4 chn.	
5	6 / 8 chn	5 / 8 chn	4 / 8 chn

HOW THIS WILL BE ACHIEVED:

- Set targets for each domain and pr number of students not a percentage.
- Assess according to school plans CaAp - per year levels and domains.
- Ensure follow up activities are meaningful and support learning.
- ALiM implemented – target students identified and catered for
- More opportunities to work independently rather than collaboratively all the time.
- Through Teaching as Inquiry we monitor and report on progress more closely. Weeks 5 and 10.
- Review assessment processes – Break down stages 1-3 on the CAaP so analysis of achievement is more precise.
- More effective use of OTJs and student workbooks.

Awanui School

KiwiSport Statement

For the year ended 31 December 2018

This year we received \$574.70 KiwiSport Funding. This was to employ a sporting specialist to come into the school.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF AWANUI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Awanui School (the School). The Auditor-General has appointed me, Angela Edwards, using the staff and resources of BDO Northland, 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 20, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 27 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.

PARTNERS: Adelle Allbon Greg Atkins Angela Edwards Scott Kennedy Robyn Terlesk

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 arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 21 to 26, 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.



Angela Edwards
BDO Northland
On behalf of the Auditor-General
Auckland, New Zealand