

AWAKERI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	1691
Principal:	Peter Fitzgerald
School Address:	State Highway 30, Whakatane
School Postal Address:	R.D. 2 Whakatane, Whakatane, 3192
School Phone:	07 304 9506
School Email:	office@awakeri.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Lindsay John	Chairperson	Elected	Jun 2019
Peter Fitzgerald	Principal	ex Officio	
Kiri Carter	Parent Rep	Elected	Jun 2019
Brett Grindrod	Parent Rep	Elected	Jun 2019
Jimmy Heal	Parent Rep	Elected	Jun 2019
Terry White	Parent Rep	Elected	Jun 2019
Debbie Rowe	Parent Rep	Elected	Jun 2019
Simon Nolan	Parent Rep	Elected	Jun 2019
Kate Dowzall	Staff Rep	Elected	Jun 2019

Accountant / Service Provider:	Education Services Ltd
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AWAKERI SCHOOL

Annual Report - For the year ended 31 December 2018

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Awakeri 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.

Lindsay Denis John

Full Name of Board Chairperson

Signature of Board Chairperson

Date:

31/05/19

Peter Fitzgerald

Full Name of Principal

Signature of Principal

Date:

31/5/2019

Awakeri 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	2,516,227	646,808	2,408,693
Locally Raised Funds	3	162,212	128,945	206,292
Interest Earned		2,345	2,500	2,061
		<u>2,680,784</u>	<u>778,253</u>	<u>2,617,046</u>
Expenses				
Locally Raised Funds	3	79,734	91,650	136,565
Learning Resources	4	1,839,349	329,474	1,697,683
Administration	5	142,467	121,800	130,633
Finance Costs		1,345	-	3,349
Property	6	512,851	117,900	516,638
Depreciation	7	72,561	27,000	62,707
Transport		90,965	90,600	83,793
		<u>2,739,272</u>	<u>778,424</u>	<u>2,631,368</u>
Net Surplus / (Deficit)		(58,488)	(171)	(14,322)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(58,488)</u>	<u>(171)</u>	<u>(14,322)</u>

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



Awakeri 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	698,399	698,399	712,721
Total comprehensive revenue and expense for the year	(58,488)	(171)	(14,322)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	9,310	-	-
Equity at 31 December	649,221	698,228	698,399
 Retained Earnings	649,221	698,228	698,399
Equity at 31 December	649,221	698,228	698,399

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



Awakeri School

Statement of Financial Position

As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	82,865	104,138	208,699
Accounts Receivable	9	104,447	93,207	93,207
GST Receivable		5,717	-	-
Prepayments		36,484	-	-
Inventories	10	1,445	1,646	1,646
		<u>230,958</u>	<u>198,991</u>	<u>303,552</u>
Current Liabilities				
GST Payable		-	11,159	11,159
Accounts Payable	12	173,643	118,497	118,497
Revenue Received in Advance	13	22,120	-	-
Provision for Cyclical Maintenance		-	-	-
Painting Contract Liability - Current Portion	15	6,115	6,115	12,925
Finance Lease Liability - Current Portion	16	8,282	8,738	8,738
Funds held for Capital Works Projects	17	6,789	-	124,682
		<u>216,949</u>	<u>144,509</u>	<u>276,001</u>
Working Capital Surplus/(Deficit)		14,009	54,482	27,551
Non-current Assets				
Property, Plant and Equipment	11	680,772	688,946	715,946
		<u>680,772</u>	<u>688,946</u>	<u>715,946</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	43,200	43,200	35,583
Painting Contract Liability	15	-	-	6,547
Finance Lease Liability	16	2,360	2,000	2,968
		<u>45,560</u>	<u>45,200</u>	<u>45,098</u>
Net Assets		<u>649,221</u>	<u>698,228</u>	<u>698,399</u>
Equity		<u>649,221</u>	<u>698,228</u>	<u>698,399</u>

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



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

	Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash flows from Operating Activities				
Government Grants		645,191	646,808	599,959
Locally Raised Funds		184,332	36,295	207,092
Goods and Services Tax (net)		(16,876)	20,355	20,355
Payments to Employees		(438,199)	(373,000)	(323,276)
Payments to Suppliers		(368,316)	(437,519)	(432,344)
Interest Paid		(1,345)	-	-
Interest Received		2,345	2,500	2,061
Net cash from / (to) the Operating Activities		7,132	(104,561)	73,847
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(23,082)	-	(81,067)
Net cash from / (to) the Investing Activities		(23,082)	-	(81,067)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,310	-	-
Finance Lease Payments		(3,960)	-	(4,165)
Painting contract payments		(13,357)	-	(5,910)
Funds Held for Capital Works Projects		(101,877)	-	124,682
Net cash from Financing Activities		(109,884)	-	114,607
Net increase/(decrease) in cash and cash equivalents		(125,834)	(104,561)	107,387
Cash and cash equivalents at the beginning of the year	8	208,699	208,699	101,312
Cash and cash equivalents at the end of the year	8	82,865	104,138	208,699

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.



Awakeri School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Awakeri 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 16.

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 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	10-75 years
Furniture and Equipment	5-15 years
Information and Communication	3-5 years
Textbooks	3 years
Library Resources	12.5% DV
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. Its 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 (Unaudited)	Actual
	\$	\$	\$
Operational grants	492,852	487,808	429,046
Teachers' salaries grants	1,470,506	-	1,415,559
Use of Land and Buildings grants	389,585	-	383,296
RTLB Grant	-	-	24,474
Other MoE Grants	69,666	65,600	42,343
Transport grants	87,183	88,000	86,343
Other government grants	6,435	5,400	27,632
	<u>2,516,227</u>	<u>646,808</u>	<u>2,408,693</u>

3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	27,124	24,000	21,925
Activities	111,497	90,245	116,481
Trading	13,536	6,200	11,970
Fundraising	-	-	14,013
School House	10,055	8,500	-
Other Revenue	-	-	41,903
	<u>162,212</u>	<u>128,945</u>	<u>206,292</u>
Expenses			
Activities	70,104	78,250	117,722
Trading	8,931	5,900	11,919
Fundraising costs	-	-	6,924
School House	699	7,500	-
	<u>79,734</u>	<u>91,650</u>	<u>136,565</u>
<i>Surplus for the year Locally raised funds</i>	<u>82,478</u>	<u>37,295</u>	<u>69,727</u>

4. Learning Resources

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	28,406	38,674	1,027
Equipment repairs	-	-	65
Library resources	1,015	1,000	934
Employee benefits - salaries	1,789,084	264,300	1,628,417
Staff development	20,844	25,500	45,544
Resource attached teacher cost	-	-	21,696
	<u>1,839,349</u>	<u>329,474</u>	<u>1,697,683</u>



5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,500	4,500	4,500
Board of Trustees Fees	4,950	6,000	5,913
Board of Trustees Expenses	3,858	3,500	1,735
Communication	6,488	6,900	4,518
Consumables	28,009	26,700	6,805
Operating Lease	-	-	14,709
Other	4,558	7,400	25,011
Employee Benefits - Salaries	74,009	56,700	56,268
Insurance	7,015	4,600	6,220
Service Providers, Contractors and Consultancy	9,080	5,500	-
	-	-	4,954
	<u>142,467</u>	<u>121,800</u>	<u>130,633</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	4,107	6,000	6,174
Cyclical Maintenance Expense	7,617	-	12,439
Grounds	7,138	5,400	4,225
Heat, Light and Water	24,183	22,800	21,775
Repairs and Maintenance	24,890	31,700	36,255
Use of Land and Buildings	389,585	-	383,296
Employee Benefits - Salaries	55,331	52,000	52,474
	<u>512,851</u>	<u>117,900</u>	<u>516,638</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)	\$
Building Improvements	10,169	4,379	10,169
Furniture and Equipment	28,484	12,335	20,553
Information and Communication Technology	17,949	6,374	21,785
Textbooks	4,247	1,429	4,432
Leased Assets	7,638	1,230	2,857
Library Resources	4,074	1,253	2,911
	<u>72,561</u>	<u>27,000</u>	<u>62,707</u>



8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
ASB -00	15,220	104,138	27,661
ASB -01	(185)	-	186
ASB -02	262	-	23
ASB -03	66,911	-	30,864
ASB -50	647	-	149,965
ASB -Camp -01	10	-	-
Cash equivalents for Cash Flow Statement	82,865	104,138	208,699

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

Of the \$82,865 Cash and Cash Equivalents, \$6,789 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 (Unaudited)	Actual
	\$	\$	\$
Teacher Salaries Grant Receivable	104,447	93,207	93,207
	104,447	93,207	93,207
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	104,447	93,207	93,207
	104,447	93,207	93,207

10. Inventories

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Stationery	1,445	1,646	1,646
	1,445	1,646	1,646



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land	76,210	-	-	-	-	76,210
Building Improvements	389,022	-	-	-	(10,169)	378,853
Furniture and Equipment	142,991	-	-	-	(28,484)	114,507
Information and Communication Tech	54,971	16,969	-	-	(17,949)	53,991
Textbooks	18,228	2,938	-	-	(4,247)	16,919
Leased Assets	17,598	14,305	-	-	(7,638)	24,265
Library Resources	16,926	3,175	-	-	(4,074)	16,027
Balance at 31 December 2018	715,946	37,387	-	-	(72,561)	680,772

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	76,210	-	76,210
Building Improvements	508,440	(129,587)	378,853
Furniture and Equipment	321,135	(206,628)	114,507
Information and Communication	196,497	(142,506)	53,991
Textbooks	111,265	(94,346)	16,919
Leased Assets	35,582	(11,317)	24,265
Library Resources	69,442	(53,415)	16,027
Balance at 31 December 2018	1,318,571	(637,799)	680,772

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land	76,210	-	-	-	-	76,210
Building Improvements	399,190	-	-	-	(10,169)	389,021
Furniture and Equipment	108,892	62,748	-	-	(28,649)	142,991
Information and Communication Tech	61,992	7,783	-	-	(14,803)	54,972
Textbooks	15,229	6,317	-	-	(3,318)	18,228
Leased Assets	16,501	3,954	-	-	(2,857)	17,598
Library Resources	15,618	4,219	-	-	(2,911)	16,926
Balance at 31 December 2017	693,632	85,021	-	-	(62,707)	715,946

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	76,210	-	76,210
Building Improvements	508,439	(119,418)	389,021
Furniture and Equipment	321,135	(178,144)	142,991
Information and Communication	179,529	(124,557)	54,972
Textbooks	108,327	(90,099)	18,228
Leased Assets	21,277	(3,679)	17,598
Library Resources	66,266	(49,340)	16,926
Balance at 31 December 2017	1,281,183	(565,237)	715,946



12. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	49,485	2,158	2,158
Accruals	10,715	10,500	10,500
Employee Entitlements - salaries	104,447	93,207	93,207
Employee Entitlements - leave accrual	8,996	12,632	12,632
	<u>173,643</u>	<u>118,497</u>	<u>118,497</u>
Payables for Exchange Transactions	173,643	118,497	12,658
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	105,839
	<u>173,643</u>	<u>118,497</u>	<u>118,497</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Income in Advance	22,120	-	-
	<u>22,120</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	35,583	43,200	23,144
Increase to the Provision During the Year	7,617	-	12,439
Provision at the End of the Year	<u>43,200</u>	<u>43,200</u>	<u>35,583</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	43,200	43,200	35,583
	<u>43,200</u>	<u>43,200</u>	<u>35,583</u>

15. Painting Contract Liability

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	6,115	6,115	12,925
Non Current Liability	-	-	6,547
	<u>6,115</u>	<u>6,115</u>	<u>19,472</u>

In 2008 the Board signed an agreement with Programmed Maintenance Services Ltd (the contractor) for an agreed programme of work covering a 12 year period. The programme provides for one interior and exterior repaint of the Ministry owned buildings in 2014, with regular maintenance in subsequent years. The agreement has an annual commitment of \$10,225. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.



16. 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 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	8,282	8,738	8,738
Later than One Year and no Later than Five Years	2,360	2,000	2,968
	<u>10,642</u>	<u>10,738</u>	<u>11,706</u>

17. 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 \$
Roof Works	<i>in progress</i>	1,057	-	-	-	1,057
Fire & Safety Upgrades	<i>in progress</i>	79,897	18,146	92,660	-	5,383
Special Needs Modification	<i>in progress</i>	43,728	-	43,379	-	349
Totals		<u>124,682</u>	<u>18,146</u>	<u>136,039</u>	<u>-</u>	<u>6,789</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	6,789
Funds Due from the Ministry of Education	-
	<u>6,789</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Roof Works	<i>in progress</i>	-	21,094	20,037	-	1,057
Fire & Safety Upgrades	<i>in progress</i>	-	86,742	6,845	-	79,897
Special Needs Modification	<i>in progress</i>	-	43,728	-	-	43,728
Totals		<u>-</u>	<u>151,564</u>	<u>26,882</u>	<u>-</u>	<u>124,682</u>

18. 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.



19. 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	4,950	5,913
Full-time equivalent members	0.18	0.23
<i>Leadership Team</i>		
Remuneration	504,881	419,498
Full-time equivalent members	5.04	4.00
Total key management personnel remuneration	509,831	425,411
Total full-time equivalent personnel	5.22	4.23

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	130 - 140	130-140
Benefits and Other Emoluments	3 - 4	3-4
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.

20. 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	-	-



21. 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.

22. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (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	-	3,627
Later than One Year and No Later than Five Years	-	2,123
Later than Five Years	-	-
	-	5,750

(b) The School has entered into an agreement with Programmed Maintenance Services Ltd for painting of the School's buildings. The amount committed on the contract is:

	2018 Actual \$	2017 Actual \$
No later than One Year	4,110	4,110
Later than One Year and No Later than Five Years	-	4,110
Later than Five Years	-	-
	4,110	8,220

23. 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.



24. 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	82,865	104,138	208,699
Receivables	104,447	93,207	93,207
Investments - Term Deposits	-	-	-
Total Loans and Receivables	187,312	197,345	301,906

Financial liabilities measured at amortised cost

Payables	173,643	118,497	118,497
Borrowings - Loans	-	-	-
Finance Leases	10,642	10,738	11,706
Painting Contract Liability	6,115	6,115	19,472
Total Financial Liabilities Measured at Amortised Cost	190,400	135,350	149,675

25. Events After Balance Date

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

26. Comparatives

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





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INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Awakeri School (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 31 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.

PARTNERS: Fraser Lellman CA Kenneth Brown CA Janine Hellyer CA Jenny Lee CA
Donna Kemp CA Paul Manning CA

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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 Analysis of Variance, Board of Trustees Listing and Kiwisport Report, 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.



Fraser Lellman
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand