

INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF TAUMARUNUI HIGH SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Taumarunui High School (the School). The Auditor-General has appointed me, R K Owen, using the staff and resources of Owen McLeod & Co, 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 25, that comprise the statement of financial position as at 31 December 2019, 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 2019; 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 (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 17 December 2020. 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.

Emphasis of Matters

Financial difficulties

In forming our unmodified opinion, we draw your attention to note 33 which refers to the School's working capital deficit of \$459,074.

These financial statements have been prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed they will continue to provide the School with resources so that it may meet its obligations as they fall due.

COVID-19

Without further modifying our opinion, we draw attention to the disclosures in note 29 on page 24 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on page 26 for the Kiwi Sport Statement and pages 1 to 7 for the Analysis of Variance Report, but does not include the financial statements, and our auditor's report thereon.

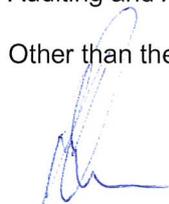
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



R K Owen
Owen McLeod & Co.
On behalf of the Auditor-General
Hamilton, New Zealand

TAUMARUNUI HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	169
Principal:	John Rautenbach
School Address:	202 Golf Road
School Postal Address:	P O Box 216, Taumarunui, 3946
School Phone:	07 895 7179
School Email:	kaye.erstich@taumarunuihighschool.co.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Nicholas Wood	Chairperson	Elected	Policeman	Jun 2019
Laal Bhullar	Chairperson	Elected	Lawyer	Jun 2022
Gavin Dempsey	Parent Rep	Elected	Self Employed	Jun 2019
Katy Bolten	Parent Rep	Elected	Chemist assistant	Jun 2019
Tania Graham	Parent Rep	Elected	Administrator	Jun 2019
Richard Bull	Parent Rep	Elected	Self Employed	Jun 2022
Inneke Cumming	Parent Rep	Elected		Jun 2022
Sharee Mills	Parent Rep	Elected	Teacher Aide	Jun 2022
Rowyne Yeatman	Parent Rep	Elected	Administrator	Jun 2022
Shelly Donovan	Parent Rep	Elected	Self Employed	Jun 2022
Shireen Ponen	Staff Rep	Elected	Teacher	May 2019
Ana Tamehana	Staff Rep	Elected	Teacher	Jun 2022
Aimee Graham	Student Rep	Elected	Student	Sep 2019
Ethan Tutemahuran	Student Rep	Elected	Student	Jun 2022

Accountant / Service Provider: Education Services Ltd

TAUMARUNUI HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

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Taumarunui High School

Statement of Responsibility

For the year ended 31 December 2019

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

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

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

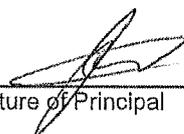
The School's 2019 financial statements are authorised for issue by the Board.

Laal Bhullor
Full Name of Board Chairperson


Signature of Board Chairperson

8/12/20
Date:

JOHN RAUTENBACH
Full Name of Principal


Signature of Principal

8/12/20
Date:

Taumarunui High School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	5,024,813	6,090,877	5,166,088
Locally Raised Funds	3	214,217	180,997	246,510
Interest income		826	-	987
Gain on Sale of Property, Plant and Equipment Hostel	4	-	-	1,348
International Students	5	43,450	98,700	94,880
Other Revenue		27,597	101,500	173,778
		1,428	-	-
		<u>5,312,331</u>	<u>6,472,074</u>	<u>5,683,591</u>
Expenses				
Locally Raised Funds	3	223,728	109,652	221,524
Hostel	4	104,842	154,900	151,546
International Students	5	86,435	113,250	94,644
Learning Resources	6	3,585,055	4,472,411	3,449,036
Administration	7	519,853	524,950	467,200
Finance		3,859	5,400	5,332
Property	8	1,123,857	1,044,278	1,077,054
Depreciation	9	160,486	147,548	162,788
Loss on Disposal of Property, Plant and Equipment		3,670	-	4,646
		<u>5,811,785</u>	<u>6,572,389</u>	<u>5,633,770</u>
Net Surplus / (Deficit) for the year		(499,454)	(100,315)	49,821
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(499,454)</u>	<u>(100,315)</u>	<u>49,821</u>

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



Taumarunui High School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>564,545</u>	<u>543,733</u>	<u>501,208</u>
Total comprehensive revenue and expense for the year		(499,454)	(100,315)	49,821
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	13,516
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	27	<u>65,091</u>	<u>443,418</u>	<u>564,545</u>
Retained Earnings		65,091	443,418	564,545
Equity at 31 December		<u>65,091</u>	<u>443,418</u>	<u>564,545</u>

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



Taumarunui High School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	10	15,369	143,294	321,464
Accounts Receivable	11	288,757	347,848	290,242
GST Receivable		17,757	4,758	22,249
Prepayments		4,076	6,864	29,475
Inventories	12	54,994	42,049	60,551
Investments	13	13,000	13,000	13,000
Funds owed for Capital Works Projects	20	14,337	-	18,326
		<u>408,290</u>	<u>557,813</u>	<u>755,307</u>
Current Liabilities				
Accounts Payable	15	520,975	384,103	337,392
Revenue Received in Advance	16	8,951	38,407	47,703
Provision for Cyclical Maintenance	17	169,604	40,950	95,364
Finance Lease Liability - Current Portion	18	22,790	22,389	25,348
Funds held in Trust	19	-	-	27,059
Funds for RTLB services	21	145,044	295,133	223,006
		<u>867,364</u>	<u>780,982</u>	<u>755,872</u>
Working Capital Surplus/(Deficit)		(459,074)	(223,169)	(565)
Non-current Assets				
Property, Plant and Equipment	14	593,155	705,453	692,021
		<u>593,155</u>	<u>705,453</u>	<u>692,021</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	17	50,841	38,866	109,336
Finance Lease Liability	18	18,149	-	17,575
		<u>68,990</u>	<u>38,866</u>	<u>126,911</u>
Net Assets		<u>65,091</u>	<u>443,418</u>	<u>564,545</u>
Equity		<u>65,091</u>	<u>443,418</u>	<u>564,545</u>

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



Taumarunui High School
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		2,013,050	2,076,808	2,195,471
Locally Raised Funds		202,252	181,097	264,383
Hostel		41,507	98,700	94,715
International Students		(7,755)	101,500	154,631
Goods and Services Tax (net)		4,492	-	(17,483)
Payments to Employees		(1,423,078)	(1,183,600)	(1,341,691)
Payments to Suppliers		(996,330)	(1,280,090)	(1,182,184)
Cyclical Maintenance Payments in the year		-	(85,000)	-
Interest Paid		(3,859)	(5,400)	(5,332)
Interest Received		826	-	1,080
Net cash from Operating Activities		(168,895)	(95,985)	163,590
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		435	1,000	2,551
Purchase of PPE (and Intangibles)		(33,438)	(148,900)	(123,026)
Net cash from Investing Activities		(33,003)	(147,900)	(120,475)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	13,516
Finance Lease Payments		(17,502)	(26,709)	(14,894)
Funds Administered on Behalf of Third Parties		(105,021)	-	(134,161)
Funds Held for Capital Works Projects		18,326	-	-
Net cash from Financing Activities		(104,197)	(26,709)	(135,539)
Net increase/(decrease) in cash and cash equivalents		(306,095)	(270,594)	(92,424)
Cash and cash equivalents at the beginning of the year	10	321,464	413,888	413,888
Cash and cash equivalents at the end of the year	10	15,369	143,294	321,464

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

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



Taumarunui High School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 31.

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

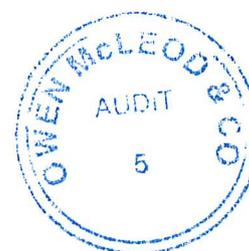
The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

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 14.

Cyclical Maintenance Provision

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 17.

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

Prior Year Policy

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

i) Inventories

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



j) Investments

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

Prior Year Policy

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

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

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

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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Depreciation

Property, plant and equipment 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:

Land	Nil
Building Improvements	25-50 Years
Furniture and Equipment	5-15 Years
Information and Communication	2.5-5 Years
Motor Vehicles	5 Years
Textbooks	4 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. 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 on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. 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 balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,456,838	1,221,920	1,494,806
Teachers' Salaries Grants	2,308,945	3,404,811	2,400,170
Use of Land and Buildings Grants	677,531	596,773	599,853
Resource Teachers Learning and Behaviour Grants	7,490	-	7,918
Secondary tertiary alignment resource grants	34,353	34,624	35,085
Other MoE Grants	446,373	759,749	594,608
Transport grants	7,975	13,000	425
Other Government Grants	85,308	60,000	33,223
	<u>5,024,813</u>	<u>6,090,877</u>	<u>5,166,088</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	5,024	100	1,792
Activities	148,114	146,547	181,477
Trading	30,385	30,000	31,694
Fundraising	2,583	4,350	13,449
Other Revenue	28,111	-	18,098
	<u>214,217</u>	<u>180,997</u>	<u>246,510</u>
Expenses			
Activities	174,509	94,652	210,389
Trading	49,219	15,000	9,949
Fundraising (Costs of Raising Funds)	-	-	1,186
	<u>223,728</u>	<u>109,652</u>	<u>221,524</u>
<i>Surplus/(Deficit) for the year Locally raised funds</i>	<u>(9,511)</u>	<u>71,345</u>	<u>24,986</u>



4. Hostel Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
Hostel Financial Performance			
Hostel Full Boarders	3	8	9
Hostel Weekly Boarders	6		8
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Hostel Fees	32,436	90,000	71,868
Other Revenue	6,255	8,700	7,120
Student Contributions	4,759	-	15,892
	<hr/>	<hr/>	<hr/>
	43,450	98,700	94,880
Expenses			
Kitchen	20,797	26,000	27,377
Extra Curricular/Activities	-	200	146
Administration	1,003	11,700	1,283
Property	19,945	25,500	35,559
Employee Benefit - Salaries	63,097	91,500	87,181
	<hr/>	<hr/>	<hr/>
	104,842	154,900	151,546
	<hr/>	<hr/>	<hr/>
<i>(Deficit) for the year Hostel</i>	(61,392)	(56,200)	(56,666)

5. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	9	9	19
	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	27,597	101,500	173,778
Expenses			
International student levy	1,358	-	1,272
Employee Benefit - Salaries	42,249	43,000	21,570
Other Expenses	42,828	70,250	71,802
	<hr/>	<hr/>	<hr/>
	86,435	113,250	94,644
	<hr/>	<hr/>	<hr/>
<i>Surplus for the year International Students'</i>	(58,838)	(11,750)	79,134



6. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	251,710	260,000	228,217
Library Resources	865	2,200	1,041
Employee Benefits - Salaries	3,292,467	4,153,411	3,186,581
Staff Development	16,869	12,000	9,227
Alternative Education	1,655	2,000	-
Extra Curricular Activities	18,323	17,200	15,958
Star	3,166	25,600	8,012
	<u>3,585,055</u>	<u>4,472,411</u>	<u>3,449,036</u>

7. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	6,000	5,800	5,600
Board of Trustees Fees	6,420	6,200	5,156
Board of Trustees Expenses	1,600	3,800	2,748
Communication	8,644	9,200	8,759
Consumables	39,842	39,200	38,863
Operating Lease	-	8,600	10,052
Legal Fees	3,000	3,000	-
Other	85,811	99,650	64,126
Employee Benefits - Salaries	278,132	240,000	233,662
Insurance	30,843	29,500	29,332
Service Providers, Contractors and Consultancy	23,497	30,000	26,368
Computer Networking	36,064	50,000	42,534
	<u>519,853</u>	<u>524,950</u>	<u>467,200</u>

8. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	13,416	12,000	14,532
Cyclical Maintenance Provision	15,745	20,855	21,268
Grounds	14,229	14,700	19,385
Heat, Light and Water	99,341	104,100	123,146
Rates	11,018	13,600	13,493
Repairs and Maintenance	99,224	81,250	87,304
Use of Land and Buildings	677,531	596,773	599,853
Security	7,035	6,000	6,228
Employee Benefits - Salaries	186,318	195,000	191,845
	<u>1,123,857</u>	<u>1,044,278</u>	<u>1,077,054</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.



9. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings	10,680	9,680	10,680
Building Improvements	8,085	7,328	8,085
Furniture and Equipment	60,367	57,279	63,195
Information and Communication Technology	38,992	33,872	37,371
Motor Vehicles	11,135	11,464	12,648
Textbooks	181	59	65
Leased Assets	27,587	24,357	26,873
Library Resources	3,459	3,509	3,871
	<u>160,486</u>	<u>147,548</u>	<u>162,788</u>

10. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	350	-	-
Bank Current Account	(2,879)	8,907	61,611
Bank Call Account	17,898	134,387	259,853
Cash equivalents for Cash Flow Statement	<u>15,369</u>	<u>143,294</u>	<u>321,464</u>

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

11. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	9,979	21,064	3,269
Receivables from the Ministry of Education	-	-	19,426
Banking Staffing Underuse	-	52,661	27,585
Interest Receivable	-	93	-
Teacher Salaries Grant Receivable	278,778	274,030	239,962
	<u>288,757</u>	<u>347,848</u>	<u>290,242</u>
Receivables from Exchange Transactions	9,979	21,157	3,269
Receivables from Non-Exchange Transactions	278,778	326,691	286,973
	<u>288,757</u>	<u>347,848</u>	<u>290,242</u>

12. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Uniforms	54,994	42,049	60,551
	<u>54,994</u>	<u>42,049</u>	<u>60,551</u>



13. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	13,000	13,000	13,000
Total Investments	13,000	13,000	13,000

14. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	213,628	-	-	-	(10,680)	202,948
Building Improvements	101,486	-	-	-	(8,085)	93,401
Furniture and Equipment	201,480	30,112	(4,104)	-	(60,367)	167,121
Information and Communication Tech	100,066	8,669	-	-	(38,992)	69,744
Motor Vehicles	25,656	-	-	-	(11,135)	14,521
Textbooks	677	-	-	-	(181)	496
Leased Assets	35,311	25,929	-	-	(27,587)	33,652
Library Resources	13,717	1,014	-	-	(3,459)	11,272
Balance at 31 December 2019	692,021	65,724	(4,104)	-	(160,486)	593,155

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings	534,000	(331,052)	202,948
Building Improvements	300,024	(206,623)	93,401
Furniture and Equipment	1,602,779	(1,435,658)	167,121
Information and Communication	1,068,365	(998,621)	69,744
Motor Vehicles	207,850	(193,329)	14,521
Textbooks	90,557	(90,061)	496
Leased Assets	82,992	(49,340)	33,652
Library Resources	99,507	(88,235)	11,272
Balance at 31 December 2019	3,986,074	(3,392,919)	593,155



2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	224,308	-	-	-	(10,680)	213,628
Building Improvements	109,571	-	-	-	(8,085)	101,486
Furniture and Equipment	210,247	57,333	(2,905)	-	(63,195)	201,480
Information and Communication Tech	88,673	50,695	(1,931)	-	(37,371)	100,066
Motor Vehicles	26,093	13,223	(1,012)	-	(12,648)	25,656
Textbooks	18	724	-	-	(65)	677
Leased Assets	41,048	21,136	-	-	(26,873)	35,311
Library Resources	15,894	1,694	-	-	(3,871)	13,717
Balance at 31 December 2018	715,852	144,805	(5,848)	-	(162,788)	692,021

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	534,000	(320,372)	213,628
Building Improvements	300,024	(198,538)	101,486
Furniture and Equipment	1,578,579	(1,377,099)	201,480
Information and Communication	1,059,696	(959,630)	100,066
Motor Vehicles	207,850	(182,194)	25,656
Textbooks	90,557	(89,880)	677
Leased Assets	88,808	(53,497)	35,311
Library Resources	98,493	(84,776)	13,717
Balance at 31 December 2018	3,958,007	(3,265,986)	692,021

15. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	118,562	83,529	58,081
Accruals	17,200	5,600	11,200
Capital Accruals for PPE items	6,999	-	642
Banking Staffing Overuse	53,985	-	-
Employee Entitlements - Salaries	278,778	274,030	239,962
Employee Entitlements - Leave Accrual	45,451	20,944	27,507
	520,975	384,103	337,392
Payables for Exchange Transactions	520,975	384,103	337,394
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	520,975	384,103	337,394

The carrying value of payables approximates their fair value.



16. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Income In Advance	3,311	4,900	6,711
International Students In Advance	-	27,945	35,352
Other	5,640	5,562	5,640
	<u>8,951</u>	<u>38,407</u>	<u>47,703</u>

17. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	204,700	58,961	183,432
Increase to the Provision During the Year	15,745	20,855	21,268
Provision at the End of the Year	<u>220,445</u>	<u>79,816</u>	<u>204,700</u>
Cyclical Maintenance - Current	169,604	40,950	95,364
Cyclical Maintenance - Term	50,841	38,866	109,336
	<u>220,445</u>	<u>79,816</u>	<u>204,700</u>

18. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	23,025	22,389	26,710
Later than One Year and no Later than Five Years	18,149	-	17,810
	<u>41,174</u>	<u>22,389</u>	<u>44,520</u>

19. Funds held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	-	27,059
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>-</u>	<u>-</u>	<u>27,059</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.



20. Funds Owed (Held) for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Fire Safety Upgrade	<i>completed</i>	18,326	-	-	(18,326)	-
Asbestos	<i>in progress</i>	-	-	(6,337)	-	6,337
Heatpumps All Classrooms 218656	<i>in progress</i>	-	-	(4,000)	-	4,000
Learning Support Centre	<i>in progress</i>	-	-	(4,000)	-	4,000
Totals		18,326	-	(14,337)	(18,326)	14,337

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

-
14,337
14,337

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Fire Safety Upgrade	<i>in progress</i>	18,326	-	-	-	18,326
Totals		18,326	-	-	-	18,326



21. Funds for RTLB Services

Taumarunui High School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

The Ministry of Education provides funds to Taumarunui High School School to provide Resource Teachers of Learning and Behaviour (RTLB) services to the schools listed in 'Schedule A' of the cluster's Funding and Service Agreement (please attach 'Schedule A').

The cluster employs specially trained RTLB teachers who itinerate between the schools in the cluster to support the learning needs of individual students, groups of students and schools. The cluster also provides resources including funding to support students with additional learning needs on an as-needs basis.

This note sets out the income and expenditure of the RTLB cluster for the year.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds held at beginning of the year	223,006	348,255	285,131
<i>Revenue</i>			
Teachers' Salary Grant	1,297,151	-	1,132,342
Administration Grant	51,254	51,253	51,254
Learning Support Funding	104,039	104,039	104,039
Travel Grant	99,844	99,844	98,354
Establishment Grant	9,076	-	49,534
Other Revenue	6,209	(6,208)	5,695
	<u>1,567,573</u>	<u>248,928</u>	<u>1,441,218</u>
Total funds available	<u>1,790,579</u>	<u>597,183</u>	<u>1,726,349</u>
<i>Expenses</i>			
Employee Benefits - Salaries	1,297,151	-	1,132,317
Administration	118,340	95,550	151,732
Learning Support	80,326	90,000	99,768
Year 11-13	-	-	5,087
Travel	96,417	116,500	102,104
	<u>1,592,234</u>	<u>302,050</u>	<u>1,491,008</u>
Purchase of Assets	956	-	12,335
Repayment of Surplus Funds to MOE	52,345	-	-
Funds Held at Year End	<u><u>145,044</u></u>	<u><u>295,133</u></u>	<u><u>223,006</u></u>

In addition, as at the 31 December 2019 the RTLB cluster had the following assets and liabilities:

Liabilities

\$33,371 of lease payments due for leased cars.



22. 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.

23. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	6,420	5,156
Full-time equivalent members	0.09	0.16
<i>Leadership Team</i>		
Remuneration	511,952	418,980
Full-time equivalent members	4.00	3.00
Total key management personnel remuneration	518,372	424,136
Total full-time equivalent personnel	4.09	3.16

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 - 210	200 - 210
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
120 - 130	1.00	-
100 - 110	2.00	-
	3.00	0.00

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



24. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	\$2,500	-
Number of People	1	-

25. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

26. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contact agreement for capital work as follows:

(a) Contract for asbestos, heat pumps projects and learning support centre, which will be fully funded by the Ministry of Education. \$14,337 has been spent on the project. (Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

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

(a) operating lease of photocopiers;

	2019 Actual \$	2018 Actual \$
No later than One Year	33,371	33,371
Later than One Year and No Later than Five Years	19,464	52,835
Later than Five Years	-	-
	<u>52,835</u>	<u>86,206</u>

27. 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.



28. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	15,369	143,294	321,464
Receivables	288,757	347,848	290,242
Investments - Term Deposits	13,000	13,000	13,000
Total Financial assets measured at amortised cost	<u>317,126</u>	<u>504,142</u>	<u>624,706</u>

Financial liabilities measured at amortised cost

Payables	520,975	384,103	337,392
Borrowings - Loans	-	-	-
Finance Leases	40,939	22,389	42,923
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>561,914</u>	<u>406,492</u>	<u>380,315</u>

29. Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- A reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.
- Additional costs incurred developing alternative methods of delivering curriculum to students, so that they can learn remotely.
- A reduction in revenue from student fees & charges from International students and/or Board of Trustee operated boarding facilities, including the potential loss of current and prospective students due to the disruption and/or pressures created by COVID-19.

Because of the matters noted above, the school has experienced a significant reduction in expected revenue and has not been able to reduce its costs as quickly (or experienced significant additional costs not budgeted for). As a result the school is experiencing financial difficulties. As explained in Note 33 to the financial statements, the Ministry of Education has provided the school with a letter of support to ensure it can meet its obligations as they fall due.

30. Comparatives

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



31. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 11 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 13 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.

32. Breach of Law - Statutory Reporting

The Board of Trustees has failed to comply with section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

33. Going Concern

The School is experiencing financial difficulties. At balance date, the School has a working capital deficit for \$459,074 (2018: \$565). The financial difficulties have arisen mainly because the School has incurred several deficits over recent years. The School is managing this by tighter budgetary control to reduce future deficits.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the school with resources, so it may meet its obligations as they fall due.

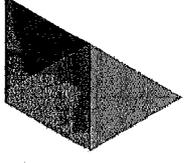


Taumarunui High school

For the year 31 December 2019

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of **\$5071.67** (excluding GST). The funding was spent on sporting endeavours.



Analysis of Variance Reporting

2019

School Name:	Taumarunui High School
School Number:	169

Strategic Aim:

Student Learning

Annual Aim:

- 1.1 - Accelerate progress of students, particularly those performing below expectations.
- 1.2 - Improve outcomes for all students, particularly Priority Learners
- 1.3 - Improve outcomes for all students, particularly Priority Learners

Target:

- 1.1 - To accelerate literacy and numeracy achievement for all Year 9 and 10 students, particularly those students who are below the minimum expected standards of 3b at year 9 and 4p in year 10.
- 1.2 85% of students achieving NCEA Level 2 prior to leaving.
- 1.3 Increase the number of leavers with meaningful qualifications or further learning destinations

Baseline Data:

2019 Yr. 9 Cohort – Entry Data

Reading	Reading			Mathematics			Expected
	Score	No.	%	Score	No.	%	
<2b	5	9%		<2b	3	6%	
2b	0	0%		2b	0	0%	Well Below
2p	1	2%		2p	8	15%	
2a	9	17%		2a	5	9%	
3b	4	7%		3b	5	9%	
3p	4	7%		3p	3	6%	
3a	7	13%		3a	6	11%	Below
4b	5	9%		4b	12	22%	
4p	6	11%		4p	5	9%	At
4a	12	22%		4a	2	4%	
5b	1	2%		5b	2	4%	Above
5p	0	0%		5p	3	6%	

Year 12 Achievement in NCEA Level 2

	Achieving NCEA L2	Merit Endorsement L2	Excellence Endorsement L2
Target	75%	15%	8%
2016	82%	6%	6%
2017	62%	3%	0%
2018	54%	4%	0%

Year 13 Leaver Destinations 2018

Destination	Return to School	International	Work	Work & Tertiary	Tertiary	Travel & Gap Year
No.	3	3	4	7	13	4

Actions
What did we do?

At risk students are identified and individual learning plan actions are developed

All staff aware of needs and how to adapt programmes to support

Specific needs identified and individual learning action plans are developed

Key focus areas for each term

Increased literacy content in projects.

Outcomes
What happened?

Yr. 9 Reading Term 1 2018	Yr. 9 Reading Term 4 2018	Yr. 10 Reading Term 2 2019	Yr. 10 Reading Term 4 2019	Yr. 9 Term 1 %	Yr. 9 Term 4 %	Yr. 10 Term 2 %	Yr. 10 Term 4 %
5	0	35%	3	4%	4%	4%	4%

2019 Year 9 Data

	Term 1 Reading	Term 3 Reading	Term 1 Reading %	Term 3 Reading %	Term 1 Maths	Term 3 Maths	Term 1 Maths %	Term 3 Maths %
<2b	5	5			3	2		
2b	0	0			1	3		
2p	1	0			6	4		
2a	10	2			4	6		
3b	4	3	35%	18%	6	4	35%	33%
3p	5	2			5	4		
3a	8	8			6	7		
4b	3	8	28%	32%	15	12	46%	40%
4p	6	7			4	4		
4a	13	12	33%	33%	2	5	11%	16%
5b	2	7			2	1		
5p	0	2			3	4		
5a	0	1			0	1		
6b	0	0			0	0		
6p	0	0			0	0		
6a	0	0	4%	18%	0	0	9%	11%

The Yr. 9 Literacy and Numeracy testing results show a clear pattern of improvement in Literacy achievement, including some significant acceleration. The numeracy data shows improvement, however a lack of evidence of acceleration.

Evaluation
Where to next?

Reasons for the variance
Why did it happen?

	Yr. 9 Maths Term 1 2018		Yr. 9 Maths Term 4 2018		Yr. 10 Maths Term 2 2019		Yr. 10 Maths Term 4 2019		Yr. 9 Term 1 %		Yr. 9 Term 4 %		Yr. 10 Term 2 %		Yr. 10 Term 4 %	
<2b	3	1	1	2	1	1	2									
2b	0	0	0	0	0	0	0									
2p	3	1	1	0	0	0	0									
2a	1	4	4	0	0	0	0									
3b	8	7	7	2	2	2	0		24%	21%	5%	3%				
3p	20	9	9	13	13	11										
3a	10	8	8	14	14	8			48%	27%	43%	30%				
4b	9	8	8	9	9	13										
4p	6	8	8	2	2	2			24%	25%	17%	24%				
4a	1	6	6	9	9	10										
5b	1	4	4	10	10	12										
5p	1	6	6	3	3	5										
5a	0	1	1	0	0	0										
6b	0	0	0	0	0	0										
6p	0	0	0	0	0	0										
6a	0	0	0	0	0	0		5%	27%	35%	43%					

The Yr. 10 Numeracy data over the two year period, shows a very strong upward trend with 67% of students now at the at or above range, where 72% were in the below and well below range on entry. There are clear indications of acceleration of learning by students in this cohort.

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>																								
<p>All Yr. 12 students are involved in a meaningful learning programme that will result in qualifications.</p> <p>Individual student progress is monitored, personal goals refined.</p> <p>All students have a meaningful learning programme in place, which is evident from their exhibition of learning.</p>	<table border="1" data-bbox="375 750 774 1713"> <thead> <tr> <th></th> <th>Achieving NCEA L2</th> <th>Merit Endorsement L2</th> <th>Excellence Endorsement L2</th> </tr> </thead> <tbody> <tr> <td>Target</td> <td>75%</td> <td>15%</td> <td>8%</td> </tr> <tr> <td>2016</td> <td>82%</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>2017</td> <td>62%</td> <td>3%</td> <td>0%</td> </tr> <tr> <td>2018</td> <td>54%</td> <td>4%</td> <td>0%</td> </tr> <tr> <td>2019</td> <td>35.2%</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>		Achieving NCEA L2	Merit Endorsement L2	Excellence Endorsement L2	Target	75%	15%	8%	2016	82%	6%	6%	2017	62%	3%	0%	2018	54%	4%	0%	2019	35.2%	0%	0%	<p>Of the 65 students enrolled in Yr. 12 during the year, 35% of achieved their NCEA Level 2 (19 students). No students achieved merit or excellence endorsement.</p> <p>Of the 65% who did not achieve, 5 were international students attending less than a full year, 14 were early leavers, who did not complete at least 6 months in school. 24 of the students who have not yet completed their NCEA Level 2 have returned to school.</p> <p>The overall result is extremely disappointing and while many of those who did not achieve by the end of the year will complete their NCEA Level 2 early this year, I believe the results should have been far better.</p>	
	Achieving NCEA L2	Merit Endorsement L2	Excellence Endorsement L2																								
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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>														
<p>All students are involved in a meaningful learning programme that will result in qualifications.</p> <p>All students have a meaningful learning programme in place, which is evident from their exhibition of learning.</p> <p>Students actively encouraged to remain engaged.</p>	<p>Year 13 Destination 2019</p> <table border="1" data-bbox="389 902 563 1704"> <thead> <tr> <th>Destination</th> <th>Return to School</th> <th>No Plan</th> <th>Work</th> <th>Work & Tertiary</th> <th>Tertiary</th> <th>Travel & Gap Year</th> </tr> </thead> <tbody> <tr> <td>No.</td> <td>2</td> <td>3</td> <td>6</td> <td>12</td> <td>11</td> <td>5</td> </tr> </tbody> </table>	Destination	Return to School	No Plan	Work	Work & Tertiary	Tertiary	Travel & Gap Year	No.	2	3	6	12	11	5	<p>The Year 13 Leaver data shows some excellent outcomes for students, with good numbers having a pathway into further learning. More concerning is the 14 Yr. 12, early leavers who left school before even completing half a year of Yr. 12 and left without achieving NCEA Level 2. Often this is to go to temporary work opportunities which provides a real risk of less desirable life outcomes. Advisors, Senior Staff and Counsellors actively advise students and whanau of the importance of gaining NCEA Level 2 prior to leaving, however this advice is not always taken.</p>	
Destination	Return to School	No Plan	Work	Work & Tertiary	Tertiary	Travel & Gap Year											
No.	2	3	6	12	11	5											
<p>Planning for next year</p>																	