

TE AROHA COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number:	116
Principal:	Heather Gorrie
School Address:	106 Stanley Avenue, Te Aroha
School Postal Address:	P O Box 218, Te Aroha, 3342
School Phone:	07 884 8625
School Email:	sgwynne@tearohacollege.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Julie Sweeney	Chair Person	Elected	May 2019
Heather Gorrie	Principal	ex Officio	
M Spooner	Parent Rep	Elected	May 2019
Maria Admiraal	Parent Rep	Elected	Aug 2018
Mel Wilson	Parent Rep	Elected	May 2019
Graham Hallet	Parent Rep	Elected	May 2019
Victoria Oosthoek	Parent Rep	Elected	Aug 2018
Rachel Scott	Staff Rep	Elected	May 2019
Keara Costar	Student Rep	Elected	May 2019
Sven Aranui	Student Rep	Elected	Aug 2018
Sandy Gwynne	Other	Appointed	
Fiona Ryan	Other	Elected	May 2019

Accountant / Service Provider:	Education Services Ltd
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TE AROHA COLLEGE

Annual Report - For the year ended 31 December 2018

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Te Aroha College

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.

Julie Sweeney

Full Name of Board Chairperson

Heather Currie

Full Name of Principal



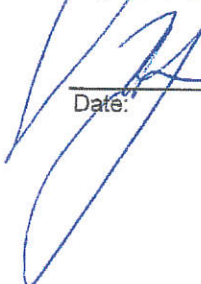
Signature of Board Chairperson



Signature of Principal

13/5/2019

Date:

 15/5/19

Date:

Te Aroha College**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	4,268,302	4,098,854	4,472,237
Locally Raised Funds	3	346,678	258,076	495,497
Interest Earned		45,663	35,000	47,093
International Students	4	166,323	263,672	236,097
		<u>4,826,966</u>	<u>4,655,602</u>	<u>5,250,924</u>
Expenses				
Locally Raised Funds	3	161,936	58,658	280,210
International Students	4	79,000	143,454	61,638
Learning Resources	5	3,101,125	2,974,097	3,110,361
Administration	6	384,338	336,833	383,692
Finance Costs		7,546	2,150	5,634
Property	7	1,214,847	1,076,436	1,077,462
Depreciation	8	155,624	148,751	148,088
Loss on Disposal of Property, Plant and Equipment		997	-	1,908
		<u>5,105,413</u>	<u>4,740,379</u>	<u>5,068,993</u>
Net Surplus / (Deficit)		<u>(278,447)</u>	<u>(84,777)</u>	<u>181,931</u>
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>(278,447)</u></u>	<u><u>(84,777)</u></u>	<u><u>181,931</u></u>

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



Te Aroha College**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	1,768,106	1,508,827	1,572,763
Total comprehensive revenue and expense for the year	(278,447)	(84,777)	181,931
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	32,334	-	13,412
Equity at 31 December	1,521,993	1,424,050	1,768,106
Retained Earnings	1,518,422	1,424,050	1,765,970
Reserves	2,138	-	2,136
Equity at 31 December	1,520,560	1,424,050	1,768,106

Reserved equity comprise funds that have been received by the school for a specific purpose. The school guarantees to hold sufficient monies to enable the funds to be used for their intended purpose at any time. These funds arose from a bequest from Daisy Robertson of \$2,000. These funds are held for use solely on school expenditures. The school is not required to repay those funds.

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



Te Aroha College
Statement of Financial Position
As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Current Assets				
Cash and Cash Equivalents	9	(3,771)	(224,405)	373,364
Accounts Receivable	10	186,583	180,985	227,645
GST Receivable		31,579	41,810	54,568
Prepayments		16,632	2,474	6,370
Inventories	11	6,860	-	7,210
Investments	12	1,076,284	1,301,754	1,290,254
Funds owed for Capital Works Projects	19	148,890	-	-
		1,463,057	1,302,618	1,959,411
Current Liabilities				
Accounts Payable	14	311,539	311,623	482,282
Revenue Received in Advance	15	174,340	205,351	172,932
Provision for Cyclical Maintenance	16	122,013	129,040	111,476
Finance Lease Liability - Current Portion	17	39,293	-	28,820
Funds held in Trust	18	(2,820)	-	31,308
Funds held for Capital Works Projects	19	-	-	26,710
		644,365	646,014	853,528
Working Capital Surplus/(Deficit)		818,692	656,604	1,105,883
Non-current Assets				
Investments (more than 12 months)	12	-	-	11,500
Property, Plant and Equipment	13	758,866	767,446	726,794
		758,866	767,446	738,294
Non-current Liabilities				
Provision for Cyclical Maintenance	16	19,236	-	55,400
Finance Lease Liability	17	36,329	-	20,671
		55,565	-	76,071
Net Assets		<u>1,521,993</u>	<u>1,424,050</u>	<u>1,768,106</u>
Equity		<u>1,521,993</u>	<u>1,424,050</u>	<u>1,768,106</u>

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



Te Aroha College
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		985,234	965,739	1,223,461
Locally Raised Funds		384,033	62,645	443,959
International Students		151,034	263,672	260,085
Goods and Services Tax (net)		22,989	-	(12,758)
Payments to Employees		(580,357)	(467,273)	(567,526)
Payments to Suppliers		(1,084,898)	(1,098,626)	(1,076,160)
Cyclical Maintenance Payments in the year		(48,856)	-	(45,138)
Interest Paid		(7,546)	(650)	(5,634)
Interest Received		63,409	35,000	50,842
Net cash from / (to) the Operating Activities		(114,958)	(239,493)	271,131
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(117,934)	-	(168,548)
Proceeds from Sale of Investments		225,470	-	-
Net cash from / (to) the Investing Activities		107,536	-	(168,548)
Cash flows from Financing Activities				
Furniture and Equipment Grant		32,334	-	13,412
Finance Lease Payments		(41,342)	(66,057)	(25,464)
Funds Administered on Behalf of Third Parties		(28,528)	-	652
Funds Held for Capital Works Projects		(332,177)	-	201,036
Net cash from Financing Activities		(369,713)	(66,057)	189,636
Net increase/(decrease) in cash and cash equivalents		(377,135)	(305,550)	292,219
Cash and cash equivalents at the beginning of the year	9	373,364	81,145	81,145
Cash and cash equivalents at the end of the year	9	(3,771)	(224,405)	373,364

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.



Te Aroha College

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

Te Aroha College (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 13.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

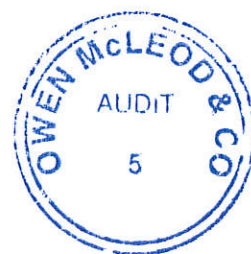
Government Grants

The school receives funding from the Ministry of Education. The following are the main types of funding 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 uncollectability) 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 \$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.

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:

Buildings	75 Years
Furniture and Equipment	5-15 Years
Information and Communication	4 Years
Motor Vehicles	5 Years
Textbooks	5 Years
Leased Assets	5 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. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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



t) Financial Assets and Liabilities

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

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

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

u) Borrowings

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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



2. Government Grants

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational grants	847,254	892,264	1,041,024
Teachers' salaries grants	2,492,493	2,423,130	2,481,323
Use of Land and Buildings grants	781,334	707,086	754,766
Resource teachers learning and behaviour grants	5,425	-	4,783
Other MoE Grants	141,796	76,374	190,341
	<u>4,268,302</u>	<u>4,098,854</u>	<u>4,472,237</u>

3. Locally Raised Funds

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

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	4,013	23,500	9,551
Bequests & Grants	45,000	-	30,090
Activities	161,951	61,133	327,604
Trading	715	-	296
Fundraising	-	8,000	-
Other Revenue	99,727	133,523	97,726
Ct House Rental	13,210	10,920	12,138
30 Hanna St Rental	15,600	11,000	10,620
School Van	6,462	10,000	7,472
	<u>346,678</u>	<u>258,076</u>	<u>495,497</u>
Expenses			
Activities	151,993	31,658	275,903
Trading	652	-	(6,968)
Fundraising costs	-	18,000	-
Other Expenses	-	-	-
Ct House Rental	1,844	2,500	(40)
30 Hanna St Rental	3,363	1,000	6,119
School Van	4,084	5,500	5,196
	<u>161,936</u>	<u>58,658</u>	<u>280,210</u>
<i>Surplus for the year Locally raised funds</i>	<u>184,742</u>	<u>199,418</u>	<u>215,287</u>



4. International Student Revenue and Expenses

	2018 Actual Number 3	2018 Budget (Unaudited) Number 18	2017 Actual Number 7
International Student Roll			
Revenue			
International student fees	\$ 166,323	\$ 263,672	\$ 236,097
Expenses			
Advertising	18,315	20,000	15,536
Commissions	3,391	3,454	3,455
International student levy	-	-	287
Employee Benefit - Salaries	8,652	9,000	7,458
Other Expenses	48,642	111,000	34,902
	79,000	143,454	61,638
<i>Surplus for the year International Students'</i>	87,323	120,218	174,459

5. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	357,645	374,604	397,504
Library resources	3,691	8,090	3,143
Employee benefits - salaries	2,706,652	2,571,403	2,694,567
Staff development	33,137	20,000	15,147
	3,101,125	2,974,097	3,110,361

6. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	5,000	4,600	4,600
Board of Trustees Fees	5,465	5,200	5,975
Board of Trustees Expenses	2,504	2,500	9,629
Communication	19,423	15,000	12,481
Consumables	80,610	82,776	82,445
Operating Lease	17,054	-	28,336
Legal Fees	4,032	2,000	-
Other	42,987	41,757	43,310
Employee Benefits - Salaries	183,466	165,000	175,931
Insurance	4,113	-	3,009
Service Providers, Contractors and Consultancy	19,684	18,000	17,976
	384,338	336,833	383,692



7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	9,684	10,050	10,496
Cyclical Maintenance Expense	23,229	50,000	7,474
Grounds	26,060	12,300	22,340
Heat, Light and Water	53,159	52,000	55,081
Rates	10,432	11,000	10,494
Repairs and Maintenance	138,120	80,000	49,391
Use of Land and Buildings	781,334	707,086	754,766
Employee Benefits - Salaries	167,664	154,000	167,420
Consultancy Fees	5,165	-	-
	<u>1,214,847</u>	<u>1,076,436</u>	<u>1,077,462</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.

8. Depreciation

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	4,200	4,219	4,200
Building Improvements	1,438	811	807
Furniture and Equipment	41,335	32,991	32,844
Information and Communication Technology	51,271	64,838	64,549
Motor Vehicles	9,911	9,955	9,911
Textbooks	3,941	4,086	4,068
Leased Assets	38,659	27,511	27,388
Library Resources	4,869	4,340	4,321
	<u>155,624</u>	<u>148,751</u>	<u>148,088</u>

9. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	-	100
BNZ General Cheque Account	(6,009)	(284,602)	371,128
BNZ Autocall Account	-	58,065	-
BNZ Prizegiving 001	2,138	2,132	2,136
Cash equivalents for Cash Flow Statement	<u>(3,771)</u>	<u>(224,405)</u>	<u>373,364</u>

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



10. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	4,192	4,850	24,850
Interest Receivable	4,255	25,750	22,001
Teacher Salaries Grant Receivable	178,136	150,385	180,794
	<u>186,583</u>	<u>180,985</u>	<u>227,645</u>
Receivables from Exchange Transactions	8,447	30,600	46,851
Receivables from Non-Exchange Transactions	178,136	150,385	180,794
	<u>186,583</u>	<u>180,985</u>	<u>227,645</u>

11. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Uniforms	6,860	-	7,210
	<u>6,860</u>	<u>-</u>	<u>7,210</u>

12. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	1,076,284	1,301,754	1,290,254
Non-current Asset			
Long-term Bank Deposits	-	-	11,500



13. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	62,000	-	-	-	-	62,000
Buildings	133,589	-	-	-	(4,200)	129,389
Building Improvements	20,653	-	-	-	(1,438)	19,215
Furniture and Equipment	297,148	70,352	(997)	-	(41,335)	325,168
Information and Communication Tech	97,896	39,483	-	-	(51,271)	86,108
Motor Vehicles	35,518	8,086	-	-	(9,911)	33,692
Textbooks	12,789	-	-	-	(3,941)	8,848
Leased Assets	43,438	65,882	-	-	(38,659)	70,661
Library Resources	23,763	4,891	-	-	(4,869)	23,785
Balance at 31 December 2018	726,794	188,694	(997)	-	(155,624)	758,866

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land	62,000	-	62,000
Buildings	168,000	(38,611)	129,389
Building Improvements	21,461	(2,246)	19,215
Furniture and Equipment	909,485	(584,317)	325,168
Information and Communication	511,865	(425,757)	86,108
Motor Vehicles	79,239	(45,547)	33,692
Textbooks	178,852	(170,004)	8,848
Leased Assets	165,239	(94,578)	70,661
Library Resources	113,148	(89,363)	23,785
Balance at 31 December 2018	2,209,289	(1,450,423)	758,866



2017	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	62,000	-	-	-	-	62,000
Buildings	137,789	-	-	-	(4,200)	133,589
Building Improvements	-	21,461	-	-	(807)	20,653
Furniture and Equipment	205,764	124,228	-	-	(32,844)	297,148
Information and Communication Technology	141,067	23,286	(1,908)	-	(64,549)	97,896
Motor Vehicles	45,429	-	-	-	(9,911)	35,518
Textbooks	16,856	-	-	-	(4,068)	12,789
Leased Assets	67,110	3,715	-	-	(27,388)	43,438
Library Resources	24,089	3,994	-	-	(4,321)	23,763
Balance at 31 December 2017	700,104	176,684	(1,908)	-	(148,088)	726,794

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	62,000	-	62,000
Buildings	168,000	(34,411)	133,589
Building Improvements	21,461	(808)	20,653
Furniture and Equipment	858,589	(561,441)	297,148
Information and Communication Technology	554,425	(456,529)	97,896
Motor Vehicles	71,153	(35,635)	35,518
Textbooks	178,852	(166,063)	12,789
Leased Assets	99,357	(55,919)	43,438
Library Resources	108,257	(84,494)	23,763
Balance at 31 December 2017	2,122,094	(1,395,300)	726,794



14. Accounts Payable

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating creditors	79,654	122,730	253,174
Accruals	5,685	5,175	5,275
Capital accruals for PPE items	9,299	-	5,084
Banking staffing overuse	-	660	-
Employee Entitlements - salaries	178,136	150,385	180,794
Employee Entitlements - leave accrual	38,765	32,673	37,955
	<u>311,539</u>	<u>311,623</u>	<u>482,282</u>
Payables for Exchange Transactions	311,539	310,963	482,282
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	660	-
	<u>311,539</u>	<u>311,623</u>	<u>482,282</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue Received in Advance	-	98,797	155
Student Fees Received in Advance	19,150	10,436	11,024
International Students in Advance	58,261	-	73,550
Funds & Reserves	96,929	96,118	88,203
	<u>174,340</u>	<u>205,351</u>	<u>172,932</u>

16. Provision for Cyclical Maintenance

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	166,876	79,040	204,540
Increase to the Provision During the Year	23,229	50,000	7,474
Use of the Provision During the Year	(48,856)	-	(45,138)
Provision at the End of the Year	<u>141,249</u>	<u>129,040</u>	<u>166,876</u>
Cyclical Maintenance - Current	122,013	129,040	111,476
Cyclical Maintenance - Term	19,236	-	55,400
	<u>141,249</u>	<u>129,040</u>	<u>166,876</u>



17. 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	41,700	-	32,969
Later than One Year and no Later than Five Years	37,811	-	21,833
	<u>79,511</u>	<u>-</u>	<u>54,802</u>

18. Funds held in Trust

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	(2,820)	-	31,308
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>(2,820)</u>	<u>-</u>	<u>31,308</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.



19. 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:

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Gym Upgrade	<i>in progress</i>	31,755	950,000	1,060,299	-	142,054
Rationalisation	<i>in progress</i>	(58,465)	-	65,301	-	6,836
Totals		(26,710)	950,000	1,125,600	-	148,890

Represented by:

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

-
148,890

148,890

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Heating Pipes	<i>completed</i>	37,987	57,728	19,741	-	-
Gym Upgrade	<i>in progress</i>	15,749	300,000	316,006	-	31,755
Rationalisation	<i>in progress</i>	-	112,500	54,035	-	(58,465)
Totals		53,736	470,228	389,782	-	(26,710)

20. 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.



21. 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	5,465	5,975
Full-time equivalent members	0.09	0.09
<i>Leadership Team</i>		
Remuneration	1,049,254	1,220,397
Full-time equivalent members	12.00	13.00
Total key management personnel remuneration	1,054,719	1,226,372
Total full-time equivalent personnel	12.09	13.09

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	140 - 150	140 - 150
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	2018 FTE Number	2017 FTE Number
100 - 110	2.00	2.00
	2.00	2.00

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



22. 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	-	-

23. 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.

24. Commitments

(a) Capital Commitments

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

- a) Gym Upgrade Contract to be completed in 2019, which will be funded by the Ministry of Education. \$1,250,000 has been received of which \$1,392,054 has been spent on the project to date; and
- b) Contract for rationalisation project to be completed in 2019, which will be funded by the Ministry of Education. \$112,500 has been received of which \$119,336 has been spent on the project to date.

(Capital Commitments as at 31 December 2017: Gym Upgrade and Rationalisation Project)



(b) Operating Commitments

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

(a) operating lease of laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	1,417
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>1,417</u>

25. 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.

26. 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	(3,771)	(224,405)	373,364
Receivables	186,583	180,985	227,645
Investments - Term Deposits	1,076,284	1,301,754	1,301,754
Total Loans and Receivables	<u>1,259,096</u>	<u>1,258,334</u>	<u>1,902,763</u>

Financial liabilities measured at amortised cost

Payables	311,539	311,623	482,282
Borrowings - Loans	-	-	-
Finance Leases	75,622	-	49,491
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>387,161</u>	<u>311,623</u>	<u>531,773</u>

27. Events After Balance Date

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

28. Comparatives

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



Te Aroha College

Kiwi Sport statement

KiwiSport is a Government funded initiative to support students' participation in organised sport. In 2018 the school received \$7,751.46 through quarterly grants (excluding GST). The money was spent on coaching and managing courses, developing minority sports by providing gear and equipment in touch, badminton, soccer and hockey plus administration. The number of students who participated in some form of organised sport remain high and the performance of teams and individuals is dependent on receiving this funding.