

MAUNGATAPU SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 1821

Principal: Sue Horne

School Address: 164 Maungatapu Road, Tauranga

School Postal Address: PO Box 7041, Maungatapu

School Phone: 07 554 0858

School Email: office@maungatapu.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Chris Gascoyne	Chair Person	Re-Elected May 2016	May 2019
Sue Horne	Principal	ex Officio	
Kylie Brown	Parent Rep	Elected May 2016	May 2019
Danielle Reeves	Parent Rep	Elected May 2016	May 2019
Tanzi Hume	Parent Rep	Elected May 2016	May 2019
Marama Reweti-Martin	Parent Rep	Elected May 2016	May 2019
Rhondell Reihana	Parent Rep	Co-Opted September 2017	May 2019
Cindy Mawson	Staff Rep	Re-Elected May 2016	May 2019

Accountant / Service Provider: Manning Warner Browne Ltd

MAUNGATAPU SCHOOL

Annual Report - For the year ended 31 December 2018

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Maungatapu School

Statement of Responsibility

For the year ended 31 December 2018

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


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

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

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

Christopher Gascoyne

Full Name of Board Chairperson



Signature of Board Chairperson

31/05/2019.

Date:

Tane Bennett

Full Name of Principal



Signature of Principal

31.05.2019

Date:

Maungatapu School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	4,051,250	3,746,697	3,965,195
Locally Raised Funds	3	156,009	73,000	111,578
Use of Land and Buildings Integrated		-	-	-
Interest Earned		17,573	10,000	15,817
Gain on Sale of Property, Plant and Equipment		-	-	-
		<hr/>	<hr/>	<hr/>
		4,224,832	3,829,697	4,092,590
Expenses				
Locally Raised Funds	3	73,382	-	63,758
Learning Resources	4	2,830,290	2,804,456	2,832,433
Administration	5	178,568	211,136	200,179
Finance		10,430	-	2,717
Property	6	924,127	725,300	810,537
Depreciation	7	112,484	109,000	99,212
Loss on Disposal of Property, Plant and Equipment		8,388	-	6,475
Loss on Uncollectable Accounts Receivable		564	-	-
		<hr/>	<hr/>	<hr/>
		4,138,234	3,849,892	4,015,311
Net Surplus / (Deficit) for the year		86,598	(20,195)	77,279
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		86,598	(20,195)	77,279

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

Maungatapu School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	<u>906,979</u>	<u>906,979</u>	<u>785,977</u>
Total comprehensive revenue and expense for the year	86,598	(20,195)	77,279
Capital Contributions from the Ministry of Education	2,018	-	43,723
Equity at 31 December	<u>995,595</u>	<u>886,784</u>	<u>906,979</u>
Retained Earnings	995,595	886,784	906,979
Reserves	-	-	-
Equity at 31 December	<u>995,595</u>	<u>886,784</u>	<u>906,979</u>

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

Maungatapu School

Statement of Financial Position

As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	265,809	142,893	289,264
Accounts Receivable	9	183,198	162,492	162,442
GST Receivable		5,643	4,000	4,074
Prepayments		1,309	510	509
Inventories	10	3,428	2,550	2,592
Investments	11	438,395	437,750	433,471
		<hr/>	<hr/>	<hr/>
		897,782	750,195	892,352
Current Liabilities				
Accounts Payable	13	207,234	233,300	233,206
Revenue Received in Advance	14	9,577	500	17,072
Provision for Cyclical Maintenance	15	38,700	32,887	35,386
Finance Lease Liability - Current Portion	16	24,129	13,000	12,874
Funds held for Capital Works Projects	17	37,763	-	65,230
		<hr/>	<hr/>	<hr/>
		317,404	279,687	363,768
Working Capital Surplus/(Deficit)		580,378	470,508	528,584
Non-current Assets				
Property, Plant and Equipment	12	513,434	491,919	453,919
		<hr/>	<hr/>	<hr/>
		513,434	491,919	453,919
Non-current Liabilities				
Provision for Cyclical Maintenance	15	69,868	63,643	63,643
Finance Lease Liability	16	28,350	12,000	11,881
		<hr/>	<hr/>	<hr/>
		98,218	75,643	75,524
Net Assets		<hr/>	<hr/>	<hr/>
		995,595	886,784	906,979
Equity		<hr/>	<hr/>	<hr/>
		995,595	886,784	906,979

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

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

	2018	2018	2017
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	1,003,522	951,698	1,016,198
Locally Raised Funds	135,296	56,385	126,696
Goods and Services Tax (net)	(1,569)	74	3,121
Payments to Employees	(584,541)	(589,663)	(589,119)
Payments to Suppliers	(395,566)	(335,802)	(329,474)
Cyclical Maintenance Payments in the year	(2,410)	(22,800)	(35,863)
Interest Paid	(10,430)	-	(2,717)
Interest Received	15,279	10,000	15,539
Net cash from / (to) the Operating Activities	159,582	69,892	204,381
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	-	-	439
Purchase of PPE (and Intangibles)	(124,953)	(147,000)	(119,787)
Purchase of Investments	(4,924)	(437,750)	(27,026)
Proceeds from Sale of Investments	-	-	-
Net cash from / (to) the Investing Activities	(129,877)	(584,750)	(146,374)
Cash flows from Financing Activities			
Furniture and Equipment Grant	2,018	-	43,723
Finance Lease Payments	(27,712)	245	(19,464)
Funds Held for Capital Works Projects	(27,467)	(65,230)	65,230
Net cash from Financing Activities	(53,161)	(64,985)	89,489
Net increase/(decrease) in cash and cash equivalents	(23,455)	(579,843)	147,496
Cash and cash equivalents at the beginning of the year	8 289,264	722,735	141,768
Cash and cash equivalents at the end of the year	8 265,809	142,892	289,264

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.

Maungatapu School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 16.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

For Non-integrated schools only:

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

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

i) Inventories

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

j) Investments

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

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

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

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

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

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.

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.

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	838,017	823,837	817,000
Teachers' salaries grants	2,354,675	2,315,000	2,340,058
Use of Land and Buildings grants	674,477	480,000	592,649
Resource teachers learning and behaviour grants	4,250	5,500	6,373
Other MoE Grants	179,831	122,360	209,115
	<u>4,051,250</u>	<u>3,746,697</u>	<u>3,965,195</u>

3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	49,574	70,000	34,025
Activities	99,547	2,000	69,389
Trading	6,888	1,000	8,164
	<u>156,009</u>	<u>73,000</u>	<u>111,578</u>
Expenses			
Activities	71,087	-	61,026
Trading	2,295	-	2,732
	<u>73,382</u>	<u>-</u>	<u>63,758</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>82,627</u>	<u>73,000</u>	<u>47,820</u>

4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	38,512	51,485	35,702
Equipment repairs	2,743	1,000	2,275
Information and communication technology	30,088	40,500	34,891
Extra-curricular activities	1,025	700	448
Library resources	1,957	2,500	1,764
Employee benefits - salaries	2,735,103	2,688,771	2,743,472
Staff development	20,862	19,500	13,881
	<u>2,830,290</u>	<u>2,804,456</u>	<u>2,832,433</u>

5. Administration

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	4,800	4,645	4,645
Board of Trustees Fees	4,710	5,000	4,840
Board of Trustees Expenses	3,361	9,400	1,145
Communication	4,874	5,000	5,721
Consumables	1,609	3,500	2,527
Operating Lease	(13,115)	21,500	3,454
Other	30,420	32,950	30,923
Employee Benefits - Salaries	128,079	114,000	120,308
Insurance	5,995	7,341	8,535
Service Providers, Contractors and Consultancy	7,836	7,800	18,081
	<u>178,568</u>	<u>211,136</u>	<u>200,179</u>

6. Property

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	15,309	16,000	13,887
Consultancy and Contract Services	-	-	-
Cyclical Maintenance Expense	11,949	20,300	3,179
Grounds	15,521	18,500	14,044
Heat, Light and Water	41,218	39,000	39,124
Rates	9,982	-	7,969
Repairs and Maintenance	57,333	49,500	57,136
Use of Land and Buildings	674,477	480,000	592,649
Security	-	-	-
Employee Benefits - Salaries	98,338	102,000	82,549
	<u>924,127</u>	<u>725,300</u>	<u>810,537</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Depreciation

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Buildings	2,759	2,759	2,759
Furniture and Equipment	31,196	27,641	27,686
Information and Communication Technology	59,181	55,000	45,256
Leased Assets	14,230	19,000	18,853
Library Resources	5,118	4,600	4,658
	<u>112,484</u>	<u>109,000</u>	<u>99,212</u>

8. Cash and Cash Equivalents

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	100	100	100
Bank Current Account	265,709	142,793	289,164
Cash and cash equivalents for Cash Flow Statement	<u>265,809</u>	<u>142,893</u>	<u>289,264</u>

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

Of the \$265,809 Cash and Cash Equivalents, \$37,763 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	18,410	5,800	5,757
Receivables from the Ministry of Education	19,207	630	631
Interest Receivable	6,076	3,782	3,782
Teacher Salaries Grant Receivable	139,505	152,280	152,272
	<u>183,198</u>	<u>162,492</u>	<u>162,442</u>
Receivables from Exchange Transactions	24,486	9,582	9,539
Receivables from Non-Exchange Transactions	158,712	152,910	152,903
	<u>183,198</u>	<u>162,492</u>	<u>162,442</u>

10. Inventories

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	2,595	1,700	1,727
School Uniforms	834	850	865
	<u>3,428</u>	<u>2,550</u>	<u>2,592</u>

11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	438,395	437,750	433,471

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	84,776				(2,759)	82,017
Furniture and Equipment	182,151	39,044			(31,196)	189,999
Information and Communication Technology	132,335	77,976	(13,319)		(59,181)	137,811
Leased Assets	22,049	60,777			(14,230)	68,596
Library Resources	32,608	7,932	(411)		(5,118)	35,011
Balance at 31 December 2018	453,919	185,729	(13,730)	-	(112,484)	513,434

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Buildings	137,981	(55,964)	82,017
Furniture and Equipment	787,411	(554,824)	232,587
Information and Communication Technology	357,285	(206,288)	150,997
Leased Assets	32,062	(19,343)	12,719
Library Resources	146,480	(111,366)	35,114
Balance at 31 December 2018	1,461,219	(947,785)	513,434

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2017						
Buildings	87,535				(2,759)	84,776
Furniture and Equipment	131,586	78,251			(27,686)	182,151
Information and Communication Technology	151,344	33,161	(6,914)		(45,256)	132,335
Leased Assets	27,573	13,329			(18,853)	22,049
Library Resources	30,235	8,375	(1,344)		(4,658)	32,608
Balance at 31 December 2017	428,273	133,116	(8,258)	-	(99,212)	453,919

2017	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	137,981	(53,205)	84,776
Furniture and Equipment	691,447	(509,296)	182,151
Information and Communication Technology	329,325	(196,990)	132,335
Leased Assets	75,113	(53,064)	22,049
Library Resources	140,317	(107,709)	32,608
Balance at 31 December 2017	1,374,183	(920,264)	453,919

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	26,815	62,300	62,322
Employee Entitlements - salaries	163,606	156,000	156,024
Employee Entitlements - leave accrual	16,814	15,000	14,860
	207,234	233,300	233,206
Payables for Exchange Transactions	207,234	233,300	233,206
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	207,234	233,300	233,206

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	9,577	500	17,072
	9,577	500	17,072

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	99,029	99,029	131,714
Increase/ (decrease) to the Provision During the Year	42,422	20,300	3,179
Use of the Provision During the Year	(32,883)		(35,863)
Adjustment to Provision	-		
Provision at the End of the Year	108,568	119,329	99,030
Cyclical Maintenance - Current	38,700	32,887	35,386
Cyclical Maintenance - Term	69,868	63,643	63,643
	108,568	96,530	99,029

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	28,624	-	12,874
Later than One Year and no Later than Five Years	30,674	-	11,881
Later than Five Years	-	-	-
	<u>59,298</u>	<u>-</u>	<u>24,755</u>

17. Funds Held for Capital Works Projects

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Carpet Room 4-11	<i>Completed</i>	65,230	2,901	(68,131)		-
Block A & B - ILE Upgrade	<i>In Progress</i>	-	53,187	(15,423)		37,763
Security & Smoke Alarm Upgrade	<i>Completed</i>	-	24,613	(24,613)		-
Pickup Zone Footpath Modification	<i>Completed</i>	-	16,400	(16,400)		-
Totals		<u>65,230</u>	<u>97,101</u>	<u>(124,567)</u>	<u>-</u>	<u>37,763</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	37,763
Funds Due from the Ministry of Education	-
	<u>37,763</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Carpet Room 4-11	<i>In Progress</i>		65,300	(70)	-	65,230
Totals		<u>-</u>	<u>65,300</u>	<u>(70)</u>	<u>-</u>	<u>65,230</u>

18. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

19. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	4,710	4,840
Full-time equivalent members	0.41	0.18
<i>Leadership Team</i>		
Remuneration	246,773	248,054
Full-time equivalent members	2	2
Total key management personnel remuneration	251,483	252,894
Total full-time equivalent personnel	2.41	2.18

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	1-10	1-10
Termination Benefits	-	

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100-110	0.00	1.00
	0.00	1.00

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

20. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	\$0	\$4,000
Number of People	0	1

21. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

As at 31 December 2018 there were no Capital Commitments.

(Capital commitments at 31 December 2017: nil)

(b) Operating Commitments

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

(a) operating lease of a Laptop Computers & Copiers:

	2018 Actual \$	2017 Actual \$
No later than One Year	-	2,041
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>2,041</u>

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

24. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	265,809	142,893	289,264
Receivables	183,198	162,492	6,388
Investments - Term Deposits	438,395	437,750	433,471
Total Loans and Receivables	<u>887,402</u>	<u>743,135</u>	<u>729,123</u>

Financial liabilities measured at amortised cost

Payables	207,234	233,300	233,206
Borrowings - Loans	-	-	-
Finance Leases	52,479	25,000	24,755
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>259,713</u>	<u>258,300</u>	<u>257,961</u>

25. Events After Balance Date

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

Independent Auditor's Report

To the Readers of Maungatapu School's Financial Statements

For the Year Ended 31 December 2018

The Auditor-General is the auditor of Maungatapu School (the School). The Auditor-General has appointed me, Richard Dey, using the staff and resources of William Buck Audit (NZ) Limited, 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 19, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 31 May 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

CHARTERED ACCOUNTANTS & ADVISORS

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William Buck Audit (NZ) Limited

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 1 and on pages 23 to 28, 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.



Richard Dey
William Buck Audit (NZ) Limited
On behalf of the Auditor-General
Tauranga, New Zealand

Analysis of Variance Reporting



School Name:	Maungatapu Primary School	School Number:	1821
Strategic Aim:	All students are able to access either; the New Zealand Curriculum or Te Matauranga o Aotearoa in relation to achieving curriculum level expectations.		
Annual Aim:	To increase the number of students achieving at or above expectation in reading and writing.		
Target:	<p>Auraki/Mainstream All year 6 students who are achieving below expectation will make at least 2 years progress to meet expectation. All year 6 students who are achieving at or above expectation will make at least 1 years progress. All year 2 boys achieving below expectation will make accelerated progress of more than 1 year. To increase the teachers' knowledge and skills for teaching writing.</p> <p>Rumaki/Maori Immersion Three year 3-4 students who are achieving at Manawa Taki will make accelerated progress towards Manawa Aki (Panui) Two students in year 3 who are achieving at Manawa Aki will make accelerated progress towards Manawa Toa (Panui) Fourteen students between years 2-5 who are achieving at Manawa Ora will make progress towards Manawa Toa (Panui)</p>		
Baseline Data:	<p>Auraki/Mainstream Reading: Analysis of school wide reading data shows that during the last two years, we are beginning to see a trend where year 5 and year 6 cohorts plateau or drop and this progress is not continuing as expected. Writing Year 2: In 2017 56% of students achieved at or above expectation. 41% of Year 1 boys were achieving below expectation. Analysis of data proves that surface features is an area we will need to focus on during the first two years of school.</p>		

Analysis of the data indicates:

- 60% of target students achieving below or well below in reading met expectation.
- 42% of students achieving at expectation in reading remained the same.
- 45% of students achieving at expectation in reading moved from at expectation to above expectation
- 83% of students achieving above expectation in reading remained above expectation
- 16% of students achieving above expectation in reading dropped to achieving at expectation.
- 27% of year 2 boys achieving below expectation continue to achieve below expectation in writing.
- 10% of year 2 boys achieving below expectation in writing are now achieving above expectation.

Rumaki/Maori Immersion

Panui: Analysis of school wide reading data shows that 84% of students in Rumaki reached the expected achievement level of Manawa Ora

- 68% were boys
- 32% were girls
- 21% of students moved up 5 levels
- 21% of students moved up 4 levels
- 15% of students moved up 3 levels
- 10% of students moved up 2 levels
- 10% of students moved up 1 level
- 10% students stayed the same

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>Regular IEP meetings</p> <p>ESOL Targeted class teaching</p> <p>Reviewed by RTLit</p> <p>More regular guided reading lessons</p> <ul style="list-style-type: none"> - Utilising journal resources - Up to date - NZ material - Relevant to our children <p>Subscription to Resource Cupboard teaching resource</p> <p>Silent Reading</p> <p>Reading Aloud</p>	<p>Both boys made steady progress through IEP goals</p> <p>Supported specific language needs</p> <p>Increase in comprehension of texts through discussion.</p> <p>Helps teachers plan structured lessons Provides specific plans for guided reading Allows self-management for students Children get a variety of texts and activities Reduces workload for teachers Curriculum links with IT</p> <p>Increased mileage</p> <p>Fluency, expression, recognising punctuation</p>	<p>Upskilled teacher knowledge and pedagogy</p> <p>Special programme required for children enrolled with English as a second language</p> <p>Children were able to discuss, conference, collaborate within small target groups with teacher</p>	<p>Based on the outcomes in Auraki/Mainstream, a continued focus will be towards progressing and accelerating reading levels in Year 5/6</p> <p>Year 5 Maori boys will have deliberate acts of teaching implemented as a priority cohort.</p> <p>Current teaching practices in reading will be supplemented with PAT reading assessment for years 3 to 6.</p> <p>Analysis of data using PAT will be used to inform teacher planning.</p> <p>Cross curricular integration (Science) will be planned within the reading approach.</p> <p>Planning will be focussed on boys learning needs across the classroom programme with an emphasis on Year 5/6</p> <p>Plan a digital technology programme based on 21st Century teaching and learning, with a focus on STEM and Boys learning styles.</p>

Rumaki/Maori Immersion	Rumaki/Maori Immersion	Rumaki/Maori Immersion	Rumaki/Maori Immersion
Assistance in Panui was delivered in term one for the pouako by Heeni Maangi, Resource Teacher of Maori.	Development of teaching competence in panui	Consistent administration of panui assessment was an expectation	Involve whanau more in goal setting, reporting and celebrating success. Interviews on enrolment.
Consistent administration of panui assessment	Development of teacher capacity in teaching panui	The pouako attended PLD around Te Reo Matatini and Putaiao.	Current teacher practice is differentiated towards learners needs.
The pouako attended PLD around Te Reo Matatini and Putaiao.	Pouako were able to interconnect Putaiao and Panui.	Current teacher practice is differentiated towards learners needs.	Learners who are excelling will be extended. Science funding for resourcing in Rumaki

Planning for next year:

Introduce, collaborate and monitor deliberate acts of teaching to support the progress of Maori boys and Gifted Learners

Raise levels of achievement for all Maori boys in reading, writing and mathematics

Ensure levels of achievement in Reading for Year 4 and Year 6 are progressive from mid-year to end of year.

Ensure that Maungatapu School is able to meet the needs of 21st Century education. **NAG 4**

Include alignment with the new Pupil Graduate Profile in reporting to parents

The Maungatapu School Board of Trustees has elected to utilize Kiwi Sport funding to employ a Sports Co-ordinator to work within school hours to promote physical activity across the school and local community.

The key objectives for this position are:

- To support the school's charter, goals and policies
- To promote the ethos of being an active school
- To support the efficient operation of the school.
- To attend professional meetings associated with sport.
- To provide regular opportunities for all students to participate in physical activity and sports during the school day.
- To enhance fitness and sporting activities within the school.
- To promote a fun element to physical activity and sports events.
- To liaise with school budget holders to upgrade and replace sports equipment for school use.
- To liaise with sports coaches, parents, and whanau.

Key tasks.

Supervision

- When working with the children, take responsibility for the physical safety of the students and others they are in contact with.

Communication

- Liaise between sporting bodies, community agencies, and other schools.
- Provide regular information to parents and whanau through newsletters, website notices and assembly / community presentations.
- Inform staff of upcoming sports events
- Celebrate pupils achievements at assemblies
- Report to the Board of Trustees on sports and physical activity events and pupil participation.

Organisation.

- Create a sports event calendar for the year.
- Assist in the training of Dynamos for student led physical activities
- Timetable use of field, courts, pool, and indoor facilities to promote specific physical activities.
- Organise coaches and managers for school representative sports teams.
- Establish and implement systems for uniform provision for school representative sports.
- Assist teachers with the organisation of sports days and school and community events.
- Keep records of all events, teams and awards.
- Organise the recognition of contribution and participation in sports and physical activity by pupils, coaches and managers.

In 2014 the Board of Trustees continued the extended hours of this position from 15 to 20 hours per week. This has continued throughout 2018. Kiwi Sport funding was supplemented by board funding to support this position including the extended hours.