



# Glenorchy School

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number:	3955
Principal:	Paula Miller
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# GLENORCHY SCHOOL

Annual Report - For the year ended 31 December 2019

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# Glenorchy School

## Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

*Mike Kingan*

Full Name of Board Chairperson

*Paula Miller*

Full Name of Principal

*MB*

Signature of Board Chairperson

*PJ Miller*

Signature of Principal

*31/05/20*

Date:

*31/05/20*

Date:

# Glenorchy School

## Members of the Board of Trustees

For the year ended 31 December 2019

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Jenny Davies	Chairperson	Elected Member	May 2022
Paula Miller	Principal	ex Officio	
Andy Aitkens	Parent Rep	Elected Member	May 2019
Mike Kingan	Parent Rep	Elected Member	Dec 2020
Lisa Reid	Parent Rep	Elected Member	Dec 2020
Therese Kundig	Parent Rep	Elected Member	May 2019
Sonya Porteous	Parent Rep	Elected Member	May 2022
Andrew Soutar	Staff Rep	Selected Member	April 2019
Nicole Kellett	Staff Rep	Selected Member	May 2020

**Glenorchy School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	566,730	487,596	548,715
Locally Raised Funds	3	30,250	34,885	28,229
Interest Income		3,464	1,000	2,001
		<u>600,444</u>	<u>523,481</u>	<u>578,945</u>
<b>Expenses</b>				
Locally Raised Funds	3	11,105	10,700	8,295
Learning Resources	4	232,730	261,258	251,008
Administration	5	43,039	44,680	54,109
Finance Costs		229	-	368
Property	6	188,772	128,825	208,150
Depreciation	7	19,123	21,820	14,495
Loss on Disposal of Property, Plant and Equipment		227	-	555
Transport		32,595	33,800	43,409
		<u>527,820</u>	<u>501,083</u>	<u>580,389</u>
<b>Net Surplus / (Deficit)</b>		72,624	22,398	(1,444)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>72,624</u></u>	<u><u>22,398</u></u>	<u><u>(1,444)</u></u>

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

# Glenorchy School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Balance at 1 January</b>	390,018	390,018	389,565
Total comprehensive revenue and expense for the year	72,624	22,398	(1,444)
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	1,897
<b>Equity at 31 December</b>	462,642	412,416	390,018
Retained Earnings	462,642	412,416	390,018
<b>Equity at 31 December</b>	462,642	412,416	390,018

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

# Glenorchy School

## Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	151,399	191,104	146,886
Accounts Receivable	9	17,008	13,933	13,933
GST Receivable		4,316	4,031	4,031
Prepayments		4,075	4,987	4,987
Investments	10	95,161	42,853	42,853
		<u>271,959</u>	<u>256,908</u>	<u>212,690</u>
<b>Current Liabilities</b>				
Accounts Payable	12	20,217	17,966	17,966
Finance Lease Liability - Current Portion	14	6,650	6,782	6,782
		<u>26,867</u>	<u>24,748</u>	<u>24,748</u>
<b>Working Capital Surplus/(Deficit)</b>		245,092	232,160	187,942
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	258,789	226,431	248,251
		<u>258,789</u>	<u>226,431</u>	<u>248,251</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	26,432	24,718	24,718
Finance Lease Liability	14	14,807	21,457	21,457
		<u>41,239</u>	<u>46,175</u>	<u>46,175</u>
<b>Net Assets</b>		<u>462,642</u>	<u>412,416</u>	<u>390,018</u>
<b>Equity</b>		<u>462,642</u>	<u>412,416</u>	<u>390,018</u>

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

**Glenorchy School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		204,601	189,224	176,597
Locally Raised Funds		30,233	34,885	28,274
Goods and Services Tax (net)		(285)	-	14
Payments to Employees		(32,659)	(39,150)	(48,901)
Payments to Suppliers		(111,898)	(95,491)	(136,907)
Interest Received		3,728	1,000	865
Net cash from the Operating Activities		93,720	90,468	19,942
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(227)	-	-
Purchase of PPE (and Intangibles)		(29,661)	(46,250)	(11,692)
Purchase of Investments		(52,308)	-	12,257
Net cash from the Investing Activities		(82,196)	(46,250)	565
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	1,897
Finance Lease Payments		(7,011)	-	(2,656)
Funds Administered on Behalf of Third Parties		-	-	(29,743)
Net cash from Financing Activities		(7,011)	-	(30,502)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,513</b>	<b>44,218</b>	<b>(9,995)</b>
Cash and cash equivalents at the beginning of the year	8	146,886	146,886	156,881
<b>Cash and cash equivalents at the end of the year</b>	8	<b>151,399</b>	<b>191,104</b>	<b>146,886</b>

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 omitted.

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



# Glenorchy School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2019

#### 1.1. Reporting Entity

Glenorchy 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.

#### 1.2. Basis of Preparation

##### **Reporting Period**

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

##### **Basis of Preparation**

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

##### **Financial Reporting Standards Applied**

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

##### **Standard early adopted**

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 24.

##### **PBE Accounting Standards Reduced Disclosure Regime**

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

##### **Specific Accounting Policies**

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

##### **Critical Accounting Estimates And Assumptions**

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

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

##### **Useful lives of property, plant and equipment**

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

## **1.3. 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.

## **1.4. 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.

## **1.5. 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.

## 1.6. 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.

## 1.7. Accounts Receivable

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

### **Prior Year Policy**

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

## 1.8. Investments

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

### **Prior Year Policy**

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

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

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

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

## 1.9. Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

### **Finance Leases**

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

### **Depreciation**

Property, plant and equipment 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	15-50 years
Furniture and equipment	3-20 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

### **1.10. 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.

### **1.11. 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.

### **1.12. Employment 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.

### **1.13. 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).

#### **1.14. 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, and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

#### **1.15. 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.

#### **1.16. Budget Figures**

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

#### **1.17. Services received in-kind**

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

## 2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	100,471	100,552	98,502
Teachers' salaries grants	202,560	210,000	212,607
Use of Land and Buildings grants	159,569	88,372	159,511
Other MoE Grants	26,877	26,672	6,342
Transport grants	75,514	60,000	71,753
Other government grants	1,739	2,000	-
	<u>566,730</u>	<u>487,596</u>	<u>548,715</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	13,698	19,545	13,935
Other revenue	11,406	10,400	11,123
Trading	565	740	311
Activities	4,581	4,200	2,860
	<u>30,250</u>	<u>34,885</u>	<u>28,229</u>
<b>Expenses</b>			
Activities	10,361	10,000	7,592
Trading	744	700	703
	<u>11,105</u>	<u>10,700</u>	<u>8,295</u>
<i>Deficit for the year Locally raised funds</i>	<u>19,145</u>	<u>24,185</u>	<u>19,934</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	5,723	11,258	3,990
Equipment repairs	-	1,000	627
Information and communication technology	30	2,000	1,635
Employee benefits - salaries	218,706	234,000	240,557
Staff development	8,271	13,000	4,199
	<u>232,730</u>	<u>261,258</u>	<u>251,008</u>

## 5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,116	3,025	3,025
Board of Trustees Fees	3,425	5,000	3,920
Board of Trustees Expenses	894	1,115	893
Communication	1,910	1,700	1,754
Consumables	1,085	2,500	3,997
Operating Lease	-	-	3,252
Other	11,721	11,870	12,015
Employee Benefits - Salaries	16,512	15,150	20,690
Insurance	1,356	1,100	1,658
Service Providers, Contractors and Consultancy	3,020	3,220	2,905
	<u>43,039</u>	<u>44,680</u>	<u>54,109</u>

## 6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	887	650	540
Consultancy and Contract Services	10,842	10,800	9,828
Cyclical Maintenance Provision	5,484	5,484	5,484
Adjustment to the Provision	(3,770)	-	-
Grounds	4,405	6,300	4,252
Heat, Light and Water	4,825	5,019	4,605
Rates	890	1,200	965
Repairs and Maintenance	5,256	10,000	22,581
Use of Land and Buildings	159,569	88,372	159,511
Security	384	1,000	384
	<u>188,772</u>	<u>128,825</u>	<u>208,150</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 of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	4,609	4,820	4,375
Furniture and Equipment	1,476	5,000	6,932
Information and Communication Technology	2,086	1,000	-
Leased Assets	10,247	10,000	2,463
Library Resources	705	1,000	725
	<u>19,123</u>	<u>21,820</u>	<u>14,495</u>

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	50	-	50
Bank Current Account	55,430	191,104	25,245
Bank Call Account	95,919	-	121,591
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>151,399</u>	<u>191,104</u>	<u>146,886</u>

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

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	122	105	105
Interest Receivable	1,794	2,058	2,058
Teacher Salaries Grant Receivable	15,092	11,770	11,770
	<u>17,008</u>	<u>13,933</u>	<u>13,933</u>
Receivables from Exchange Transactions	1,916	2,163	2,163
Receivables from Non-Exchange Transactions	15,092	11,770	11,770
	<u>17,008</u>	<u>13,933</u>	<u>13,933</u>

## 10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	95,161	42,853	42,853
Total Investments	95,161	42,853	42,853

## 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2019</b>						
Land	80,000	-	-	-	-	<b>80,000</b>
Building Improvements	110,852	18,454	-	-	(4,609)	<b>124,697</b>
Furniture and Equipment	2,775	9,131	(227)	-	(1,476)	<b>10,203</b>
Information and Communication	12,208	1,744	-	-	(2,086)	<b>11,866</b>
Leased Assets	28,119	-	-	-	(10,247)	<b>17,872</b>
Library Resources	5,078	559	-	-	(705)	<b>4,932</b>
Work in Progress	9,219	-	-	-	-	<b>9,219</b>
<b>Balance at 31 December 2019</b>	<b>248,251</b>	<b>29,888</b>	<b>(227)</b>	<b>-</b>	<b>(19,123)</b>	<b>258,789</b>

Note: Opening Balances have been adjusted to correctly categorise ICT equipment.

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2019</b>			
Land	80,000	-	<b>80,000</b>
Building Improvements	203,444	(78,747)	<b>124,697</b>
Furniture and Equipment	67,434	(57,231)	<b>10,203</b>
Information and Communication	64,968	(53,102)	<b>11,866</b>
Leased Assets	30,743	(12,871)	<b>17,872</b>
Library Resources	24,404	(19,472)	<b>4,932</b>
Work in Progress	9,219	-	<b>9,219</b>
<b>Balance at 31 December 2019</b>	<b>480,212</b>	<b>(221,423)</b>	<b>258,789</b>

The net carrying value of equipment held under a finance lease is \$17,872 (2018: \$28,119)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2018</b>						
Land	80,000	-	-	-	-	<b>80,000</b>
Building Improvements	116,600	-	-	-	(4,375)	<b>112,225</b>
Furniture and Equipment	19,234	1,864	(556)	-	(6,932)	<b>13,610</b>
Leased Assets	2,788	27,794	-	-	(2,463)	<b>28,119</b>
Library Resources	5,193	610	-	-	(725)	<b>5,078</b>
Work in Progress	-	9,219	-	-	-	<b>9,219</b>
<b>Balance at 31 December 2018</b>	<b>223,815</b>	<b>39,487</b>	<b>(556)</b>	<b>-</b>	<b>(14,495)</b>	<b>248,251</b>

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
<b>2018</b>			
Land	80,000	-	<b>80,000</b>
Building Improvements	186,706	(74,481)	<b>112,225</b>
Furniture and Equipment	120,313	(106,703)	<b>13,610</b>
Leased Assets	30,743	(2,624)	<b>28,119</b>
Library Resources	23,845	(18,767)	<b>5,078</b>
Work in Progress	9,219	-	<b>9,219</b>
<b>Balance at 31 December 2018</b>	<b>450,826</b>	<b>(202,575)</b>	<b>248,251</b>



## 12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	2,357	3,497	3,497
Accruals	2,514	2,444	2,444
Employee Entitlements - salaries	15,092	11,770	11,770
Employee Entitlements - leave accrual	254	255	255
	20,217	17,966	17,966
 Payables for Exchange Transactions	 20,217	 17,966	 17,966
	20,217	17,966	17,966

The carrying value of payables approximates their fair value.

## 13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	24,718	24,718	19,234
Increase/ (decrease) to the Provision During the Year	5,484	-	5,484
Adjustment to the Provision	(3,770)	-	-
Provision at the End of the Year	26,432	24,718	24,718
 Cyclical Maintenance - Term	 26,432	 24,718	 24,718
	26,432	24,718	24,718

## 14. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	6,726	7,011	7,011
Later than One Year and no Later than Five Years	14,807	21,533	21,533
	21,533	28,544	28,544

## 15. Funds Held for Capital Works

During 2018 the School received and applied funding from the Ministry of Education for the following capital works project. There were no capital work projects in 2019.

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Toilet Block Replacement	Completed	29,743	-	29,743	-	-
Totals		29,743	-	29,743	-	-

## 16. Related Party Transactions

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

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

## 17. Remuneration

### Key management personnel compensation

Key management personnel of the School include all trustees of the Board, and the Principal.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,425	3,920
Full-time equivalent members	0.08	0.27
<i>Leadership Team</i>		
Remuneration	100,058	92,140
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	103,483	96,060
Total full-time equivalent personnel	1.08	1.27

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

### Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	90 - 100	80 - 90
Benefits and Other Emoluments	2 - 3	2 - 3
Termination Benefits	0 - 0	0 - 0

### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 -110	-	-
110 -120	-	-
120 - 130	-	-
	-	-

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

## 18. Compensation and Other Benefits Upon Leaving

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

	2019 Actual		2018 Actual
Total	\$	-	\$ -
Number of People		-	-

## 19. Contingencies

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

### Holidays Act Compliance – schools payroll

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

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

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

## 20. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

### (b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts:

## 21. Managing Capital

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

## 22. Financial Instruments

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

### Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	151,399	191,104	146,886
Receivables	17,008	13,933	13,933
Investments - Term Deposits	95,161	42,853	42,853
Total Financial assets measured at amortised cost	<u>263,568</u>	<u>247,890</u>	<u>203,672</u>

### Financial liabilities measured at amortised cost

Payables	20,217	17,966	17,966
Finance Leases	21,457	28,239	28,239
Total Financial liabilities measured at amortised Cost	<u>41,674</u>	<u>46,205</u>	<u>46,205</u>

## 23. Events After Balance Date

### Impact from COVID-19

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

## 24. Adoption of PBE IFRS 9 Financial Instruments

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

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

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

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

# Analysis of Variance Reporting



<b>School Name:</b>	Glenorchy School	<b>School Number:</b>	3955
<b>Strategic Aim:</b>	To foster lifelong learning and an inquiring mind.		
<b>Annual Aim:</b>	To progress the achievement levels for the identified target students.		
<b>Target:</b>	These students will gain 1.5 years in reading, writing and maths.		
<b>Baseline Data:</b>	44% of the 2018 Year 5 – Year 8 students are below the expected level in Writing. 37% of the 2018 Year 5 – Year 8 students are below the expected level in Mathematics.		

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>																		
<p>Referrals to RTLB</p> <p>Individual and group programmes for priority learners put in place and implemented by <b>qualified teacher</b>.</p> <p>Implemented the STEPS Web Programme school wide as part of the literacy programme.</p> <p>Consulted with the Speech Language Therapist for student diagnosis, support and professional development.</p> <p>Classroom teacher Professional Development in literacy.</p> <p>Encouraged the use of Assistive Technology to support student learning.</p> <p>Engaged whanau support, including regular meetings to discuss progress and next steps.</p> <p>Scheduled Maths Professional Development each term that included co-teaching with a Maths expert.</p> <p>Employed extra staffing for the school year so that we had two full</p>	<p>Writing data</p> <table border="1" data-bbox="651 323 1106 632"> <thead> <tr> <th>Year</th> <th>Target Group</th> <th>% of students below expected level</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>Year 5 - Year 8</td> <td>44%</td> </tr> <tr> <td>2019</td> <td>Year 5 – Year 8</td> <td>37.5%</td> </tr> </tbody> </table> <p>Maths data</p> <table border="1" data-bbox="651 699 1106 1007"> <thead> <tr> <th>Year</th> <th>Target Group</th> <th>% of students below expected level</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>Year 5 – Year 8</td> <td>37%</td> </tr> <tr> <td>2019</td> <td>Year 5 – Year 8</td> <td>19%</td> </tr> </tbody> </table> <p>Students motivated and engaged in the STEPS Web programme.</p> <p>Worked closely with RTLB to set manageable goals for priority students.</p> <p>Teachers curriculum content knowledge increased, and teaching became more targeted towards learning goals.</p>	Year	Target Group	% of students below expected level	2018	Year 5 - Year 8	44%	2019	Year 5 – Year 8	37.5%	Year	Target Group	% of students below expected level	2018	Year 5 – Year 8	37%	2019	Year 5 – Year 8	19%	<p>The data showed that some students who were just below the expected level for their age are now achieving at the expected level. For students further below the expected level for their age, progress was made against the specific learning outcomes we were working towards but not yet enough to meet the expected levels for their ages.</p> <p>The priority student programmes aligned with the classroom programme and the specialist teacher provided support within the classroom as well as individualised support.</p> <p>The improved results in Mathematics can be attributed to focused Professional Development / support from Maths experts.</p> <p>A renewed focus on teaching strategies that align with the NZC and therefore better results on the GLOSS Testing.</p>	<p>Keep the staffing structure the same, so that the most experienced, qualified staff members are working with the priority students wherever possible.</p> <p>Build capacity /leadership in teaching staff.</p> <p>Continue to explore the ways that assistive technology can be used to create a more inclusive classroom setting.</p> <p>Continue to promote / build self – directed learning principles</p> <p>Have a consistent approach to teaching spelling across the school.</p> <p>Maths – Continue with external support with Maths teaching.</p>
Year	Target Group	% of students below expected level																			
2018	Year 5 - Year 8	44%																			
2019	Year 5 – Year 8	37.5%																			
Year	Target Group	% of students below expected level																			
2018	Year 5 – Year 8	37%																			
2019	Year 5 – Year 8	19%																			

time teachers allowing the Principal to work more intensively with our priority students.

Assistive Technology in use in the classroom to help students access curriculum.

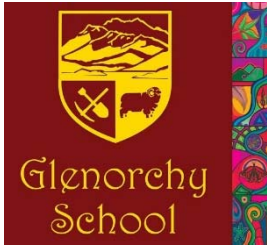
Student audio books inclusive in programme.

Specific targeted actions in real life contexts.

Improved results in Maths Year 5 – Year 8 due to using data to inform teaching based on Gloss testing.

**Planning for next year:**

The Board continues to be committed to funding the necessary staffing to ensure the Principal can work with our priority students. This will also include ensuring adequate time is made available to continue to provide leadership to build capacity in our teaching staff.



## **GLENORCHY SCHOOL KIWISPORT 2019**

Students participated in organised sport. In 2019 the school received Kiwisport funding of \$461.52 (2018 \$441.05).

The funding was spent on sports coaching of teams and providing Cricket, Hockey & Touch rugby Programs for the Juniors and Seniors.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF GLENORCHY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Glenorchy School (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe, 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 3 to 18, that comprise the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2019; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 31 May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the possible effects of COVID-19. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

#### Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 23 on page 18 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic

#### Basis of opinion

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

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

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

### **Responsibilities of the Board of Trustees for the financial statements**

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

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

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

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included Board of Trustees schedule, Analysis of Variance and Kiwisport Statement, 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.



Michael Lee  
Crowe New Zealand Audit Partnership  
On behalf of the Auditor-General  
Invercargill, New Zealand