

# WHAKATANE HIGH SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### School Directory

|                               |  |
|-------------------------------|--|
| <b>Ministry Number:</b>       | 144  |
| <b>Principal:</b>             | Chris Nielsen  |
| <b>School Address:</b>        | Goulstone Road, Whakatane  |
| <b>School Postal Address:</b> | Private Bag 1021, Whakatane 3120   |
| <b>School Phone:</b>          | 07 308 8251  |
| <b>School Email:</b>          | <a href="mailto:admin@whakatanehigh.school.nz">admin@whakatanehigh.school.nz</a> |

#### Members of the Board of Trustees

| <b>Name</b>     | <b>Position</b> | <b>How Position Gained</b> | <b>Term Expires</b> |
|-----------------|-----------------|----------------------------|---------------------|
| John Spring     | Chair Person    | Elected                    | June 2019           |
| Chris Nielsen   | Principal       | ex Officio                 |                     |
| Marewa Karetai  | Parent Rep      | Elected                    | June 2019           |
| Paul Julian     | Parent Rep      | Elected                    | June 2019           |
| Stephen Lamb    | Parent Rep      | Elected                    | June 2019           |
| Andrew Bluett   | Parent Rep      | Elected                    | June 2019           |
| Charlotte Kutia | Staff Rep       | Elected                    | Dec 2018            |
| Katie Reid      | Student Rep     | Elected                    | Sept 2019           |
| CJ Poole        | Student Rep     | Elected                    | Sept 2020           |

|                                       |                        |
|---------------------------------------|------------------------|
| <b>Accountant / Service Provider:</b> | School Support Limited |
|---------------------------------------|------------------------|

# WHAKATANE HIGH SCHOOL

Annual Report - For the year ended 31 December 2018

## Index

| Page | Statement |
|------|-----------|
|------|-----------|

|                             |  |
|-----------------------------|--|
| <b>Financial Statements</b> |  |
|-----------------------------|--|

|         |  |
|---------|--|
| 1       | Statement of Responsibility                    |
| 2       | Statement of Comprehensive Revenue and Expense |
| 3       | Statement of Changes in Net Assets/Equity      |
| 4       | Statement of Financial Position                |
| 5       | Statement of Cash Flows                        |
| 6 - 10  | Statement of Accounting Policies               |
| 11 - 18 | Notes to the Financial Statements              |
| 19 - 21 | Independent Auditor's Report                   |

|                          |  |
|--------------------------|--|
| <b>Other Information</b> |  |
|--------------------------|--|

|                      |  |
|----------------------|--|
| Analysis of Variance |  |
|----------------------|--|

|           |  |
|-----------|--|
| Kiwisport |  |
|-----------|--|

# Whakatane High 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.

John Leicester Spring

Full Name of Board Chairperson



Signature of Board Chairperson

30/5/19

Date:

Chris Nielsen

Full Name of Principal



Signature of Principal

30/5/2019

Date:

**Whakatane High School****Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2018

|   | Notes | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| <b>Revenue</b>  |       |                      |                                     |                      |
| Government Grants   | 2     | 8,674,270            | 8,418,802                           | 8,615,617            |
| Locally Raised Funds  | 3     | 899,795              | 746,880                             | 754,376              |
| Interest Earned   |       | 42,568               | 35,000                              | 42,232               |
| International Students                                      | 4     | 469,424              | 435,492                             | 502,036              |
|   |       | <u>10,086,057</u>    | <u>9,636,174</u>                    | <u>9,914,261</u>     |
| <b>Expenses</b>   |       |                      |                                     |                      |
| Locally Raised Funds  | 3     | 533,204              | 456,450                             | 522,952              |
| International Students                                      | 4     | 449,713              | 348,500                             | 376,584              |
| Learning Resources  | 5     | 6,770,489            | 6,406,877                           | 6,361,959            |
| Administration  | 6     | 452,395              | 464,900                             | 513,952              |
| Finance   |       | 4,333                | 3,000                               | 1,930                |
| Property  | 7     | 1,778,801            | 1,713,074                           | 1,776,589            |
| Depreciation  | 8     | 303,611              | 250,000                             | 256,128              |
| Loss on Disposal of Property, Plant and Equipment           |       | -                    | -                                   | 1,568                |
|   |       | <u>10,292,546</u>    | <u>9,642,801</u>                    | <u>9,811,662</u>     |
| <b>Net Surplus / (Deficit) for the year</b>                 |       | (206,489)            | (6,627)                             | 102,599              |
| Other Comprehensive Revenue and Expenses                    |       | -                    | -                                   | -                    |
| <b>Total Comprehensive Revenue and Expense for the Year</b> |       | <u>(206,489)</u>     | <u>(6,627)</u>                      | <u>102,599</u>       |

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

# Whakatane High School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

|  | Actual<br>2018<br>\$ | Budget<br>(Unaudited)<br>2018<br>\$ | Actual<br>2017<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| <b>Balance at 1 January</b>                          | <b>1,353,737</b>     | <b>1,223,013</b>                    | <b>1,223,013</b>     |
| Total comprehensive revenue and expense for the year | (206,489)            | (6,627)                             | 102,599              |
| Capital Contributions from the Ministry of Education |                      |                                     |                      |
| Contribution - Furniture and Equipment Grant         | 27,107               | 28,000                              | 28,125               |
| <b>Equity at 31 December</b>                         | <b>1,174,355</b>     | <b>1,244,386</b>                    | <b>1,353,737</b>     |
| Retained Earnings                                    | 1,106,412            | 1,244,386                           | 1,285,794            |
| Reserves   | 67,943               | -                                   | 67,943               |
| <b>Equity at 31 December</b>                         | <b>1,174,355</b>     | <b>1,244,386</b>                    | <b>1,353,737</b>     |

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

### Reserved Equity:

|   |               |          |               |
|---|---------------|----------|---------------|
| Opening Balance                         | 67,943        | -        | 67,943        |
| Transfers (to) / from Retained Earnings | -             | -        | -             |
| Closing Balance                         | <b>67,943</b> | <b>-</b> | <b>67,943</b> |

These funds arose from a bequest from D Belsham. They are held for use by the school for the benefit of the school. The school is not required to repay these funds.

# Whakatane High School

## Statement of Financial Position

As at 31 December 2018

|   | Notes | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| <b>Current Assets</b>                                 |       |                      |                                     |                      |
| Cash and Cash Equivalents                             | 9     | 204,029              | 208,165                             | 368,731              |
| Accounts Receivable                                   | 10    | 395,123              | 357,000                             | 356,949              |
| GST Receivable  |       | 51,370               | -                                   | -                    |
| Prepayments   |       | -                    | 10,000                              | 19,500               |
| Investments   | 11    | 880,527              | 1,100,000                           | 1,071,983            |
| Funds held on behalf of Alternative Education Cluster | 12    | 22,937               | 5,000                               | 33,874               |
| Funds held for Capital Works Projects                 | 19    | 87,500               | 50,000                              | -                    |
|   |       | <u>1,641,486</u>     | <u>1,730,165</u>                    | <u>1,851,037</u>     |
| <b>Current Liabilities</b>                            |       |                      |                                     |                      |
| GST Payable   |       | -                    | 15,000                              | 14,176               |
| Accounts Payable                                      | 14    | 558,104              | 529,000                             | 526,491              |
| Revenue Received in Advance                           | 15    | 299,497              | 245,000                             | 241,489              |
| Provision for Cyclical Maintenance                    | 16    | 83,789               | 76,920                              | 38,499               |
| Finance Lease Liability - Current Portion             | 17    | 30,350               | 30,000                              | 13,231               |
| Funds held in Trust                                   | 18    | 245,873              | 185,000                             | 182,415              |
| Funds held for Capital Works Projects                 | 19    | -                    | -                                   | 279,623              |
|   |       | <u>1,217,613</u>     | <u>1,080,920</u>                    | <u>1,295,924</u>     |
| <b>Working Capital Surplus/(Deficit)</b>              |       | 423,873              | 649,245                             | 555,113              |
| <b>Non-current Assets</b>                             |       |                      |                                     |                      |
| Property, Plant and Equipment                         | 13    | 930,407              | 785,992                             | 972,599              |
|   |       | <u>930,407</u>       | <u>785,992</u>                      | <u>972,599</u>       |
| <b>Non-current Liabilities</b>                        |       |                      |                                     |                      |
| Provision for Cyclical Maintenance                    | 16    | 154,937              | 165,851                             | 165,851              |
| Finance Lease Liability                               | 17    | 24,988               | 25,000                              | 8,124                |
|   |       | <u>179,925</u>       | <u>190,851</u>                      | <u>173,975</u>       |
| <b>Net Assets</b>                                     |       | <u>1,174,355</u>     | <u>1,244,386</u>                    | <u>1,353,737</u>     |
| <b>Equity</b>   |       | <u>1,174,355</u>     | <u>1,244,386</u>                    | <u>1,353,737</u>     |

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

# Whakatane High School

## Statement of Cash Flows

For the year ended 31 December 2018

|   |      | 2018             | 2018                        | 2017             |
|---|------|------------------|-----------------------------|------------------|
|   | Note | Actual<br>\$     | Budget<br>(Unaudited)<br>\$ | Actual<br>\$     |
| <b>Cash flows from Operating Activities</b>                 |      |                  |                             |                  |
| Government Grants   |      | 2,371,900        | 2,118,154                   | 2,245,084        |
| Locally Raised Funds  |      | 686,942          | 688,077                     | 724,278          |
| International Students                                      |      | 540,759          | 655,492                     | 465,361          |
| Goods and Services Tax (net)                                |      | (65,546)         | 15,000                      | 23,750           |
| Payments to Employees                                       |      | (1,493,793)      | (1,174,209)                 | (1,279,560)      |
| Payments to Suppliers                                       |      | (1,942,271)      | (1,683,557)                 | (1,941,517)      |
| Interest Paid   |      | (4,333)          | (3,000)                     | -                |
| Interest Received   |      | 42,697           | 32,000                      | 45,345           |
| Net cash from / (to) the Operating Activities               |      | 136,355          | 647,957                     | 282,741          |
| <b>Cash flows from Investing Activities</b>                 |      |                  |                             |                  |
| Proceeds from Sale of PPE (and Intangibles)                 |      | -                | -                           | -                |
| Purchase of PPE (and Intangibles)                           |      | (205,226)        | 568,747                     | (229,266)        |
| Proceeds from Investments                                   |      | 191,456          | -                           | -                |
| Purchase of Investments                                     |      | -                | (1,100,000)                 | (531,966)        |
| Net cash from / (to) the Investing Activities               |      | (13,770)         | (531,253)                   | (761,232)        |
| <b>Cash flows from Financing Activities</b>                 |      |                  |                             |                  |
| Furniture and Equipment Grant                               |      | 27,107           | 28,000                      | 28,125           |
| Finance Lease Payments                                      |      | (21,666)         | 16,559                      | (9,140)          |
| Funds Administered on Behalf of Third Parties               |      | 74,395           | 180,000                     | (116,489)        |
| Funds Held for Capital Works Projects                       |      | (367,123)        | (50,000)                    | 187,601          |
| Net cash from Financing Activities                          |      | (287,287)        | 174,559                     | 90,097           |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>(164,702)</b> | <b>291,263</b>              | <b>(388,394)</b> |
| Cash and cash equivalents at the beginning of the year      | 9    | 368,731          | (83,098)                    | 757,125          |
| <b>Cash and cash equivalents at the end of the year</b>     | 9    | <b>204,029</b>   | <b>208,165</b>              | <b>368,731</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 excluded.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

# **Whakatane High School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2018**

#### **1. Statement of Accounting Policies**

##### **a) Reporting Entity**

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

##### **b) Basis of Preparation**

###### ***Reporting Period***

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

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

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

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

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

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

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

###### ***Measurement Base***

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

###### ***Presentation Currency***

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

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

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

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

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

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

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 13.



**Critical Judgements in applying accounting policies**

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

**Classification of leases**

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

**Recognition of grants**

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

**c) Revenue Recognition****Government Grants**

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

**Other Grants**

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

**Donations, Gifts and Bequests**

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

**Interest Revenue**

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

**d) Use of Land and Buildings Expense**

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**i) 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.

**j) 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 | 50 years                |
| Furniture and equipment                     | 3-20 years              |
| Information and communication technology    | 3-5 years               |
| Motor vehicles                              | 5 years                 |
| Textbooks                                   | 12.5% Diminishing value |
| Leased assets held under a Finance Lease    | 3-5 years               |
| Library resources                           | 12.5% Diminishing value |

### **k) 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.

### **l) 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.

### **m) 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.

### **n) Revenue Received in Advance**

Revenue received in advance relates to fees received from international 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.

### **o) Funds Held in Trust**

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

**p) 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).

**q) 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.

**r) 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.

**s) Budget Figures**

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

**t) 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                              | 1,524,902        | 1,476,677        | 1,442,911        |
| Teachers' salaries grants                       | 5,045,896        | 5,045,895        | 4,959,562        |
| Use of Land and Buildings grants                | 1,254,753        | 1,254,753        | 1,253,649        |
| Resource teachers learning and behaviour grants | 8,959            | 20,000           | 19,068           |
| Other MoE Grants                                | 730,563          | 621,477          | 758,555          |
| Teen Parent Unit                                | 109,197          | -                | 181,872          |
|   | <b>8,674,270</b> | <b>8,418,802</b> | <b>8,615,617</b> |

## 3. Locally Raised Funds

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

|   | 2018           | 2018           | 2017           |
|---|----------------|----------------|----------------|
|   | Actual         | Budget         | Actual         |
|   | \$             | (Unaudited)    | \$             |
| <b>Revenue</b>  |                |                |                |
| Donations   | 52,343         | 51,000         | 52,831         |
| Bequests & Grants   | 70,707         | 80,000         | 16,514         |
| Activities  | 435,514        | 330,000        | 347,835        |
| Trading   | 121,808        | 121,000        | 119,163        |
| Fundraising   | 966            | -              | 1,014          |
| House Rentals   | 11,780         | 9,880          | 8,593          |
| Curriculum Recoveries                                       | 206,677        | 155,000        | 208,426        |
|   | <b>899,795</b> | <b>746,880</b> | <b>754,376</b> |
| <b>Expenses</b>   |                |                |                |
| Activities  | 425,276        | 302,950        | 387,666        |
| Trading   | 111,192        | 105,000        | 126,655        |
| Fundraising costs   | 5,058          | 15,000         | 9,393          |
| Transport (local)   | (10,172)       | 31,500         | (2,028)        |
| House Expenses  | 1,850          | 2,000          | 1,266          |
|   | <b>533,204</b> | <b>456,450</b> | <b>522,952</b> |
| <i>Surplus/ (Deficit) for the year Locally raised funds</i> | <b>366,591</b> | <b>290,430</b> | <b>231,424</b> |

## 4. International Student Revenue and Expenses

|  | 2018           | 2018           | 2017           |
|--|----------------|----------------|----------------|
|  | Actual         | Budget         | Actual         |
|  | Number         | (Unaudited)    | Number         |
| International Student Roll                                     | 30             | 28             | 33             |
|  | <b>2018</b>    | <b>2018</b>    | <b>2017</b>    |
|  | Actual         | Budget         | Actual         |
|  | \$             | (Unaudited)    | \$             |
| <b>Revenue</b>   |                |                |                |
| International student fees                                     | 469,424        | 435,492        | 502,036        |
| <b>Expenses</b>  |                |                |                |
| General Expenses   | 30,082         | 12,000         | 13,029         |
| Commissions  | 75,272         | 58,000         | 62,079         |
| Recruitment  | 957            | -              | 7,112          |
| International student levy                                     | 33,301         | 35,000         | 35,922         |
| Employee Benefit - Salaries                                    | 219,551        | 184,000        | 195,607        |
| Other Expenses   | 90,550         | 59,500         | 62,835         |
|  | <b>449,713</b> | <b>348,500</b> | <b>376,584</b> |
| <i>Surplus/ (Deficit) for the year International Students'</i> | <b>19,711</b>  | <b>86,992</b>  | <b>125,452</b> |

## 5. Learning Resources

|  | 2018             | 2018             | 2017             |
|--|------------------|------------------|------------------|
|  | Actual           | Budget           | Actual           |
|  | \$               | (Unaudited)      | \$               |
| Curricular                               | 769,717          | 617,923          | 666,588          |
| Equipment repairs                        | 1,389            | 1,500            | 10,396           |
| Information and communication technology | 9,622            | 10,000           | 16,992           |
| Library resources                        | 4,434            | 5,600            | 6,687            |
| Employee benefits - salaries             | 5,982,012        | 5,770,904        | 5,651,124        |
| Staff development                        | 3,315            | 950              | 10,172           |
|  | <u>6,770,489</u> | <u>6,406,877</u> | <u>6,361,959</u> |

## 6. Administration

|  | 2018           | 2018           | 2017           |
|--|----------------|----------------|----------------|
|  | Actual         | Budget         | Actual         |
|  | \$             | (Unaudited)    | \$             |
| Audit Fee                                      | 10,296         | 8,000          | 7,950          |
| Board of Trustees Fees                         | 3,000          | 5,400          | 2,767          |
| Board of Trustees Expenses                     | 4,073          | 3,300          | 11,073         |
| Communication                                  | 21,073         | 15,000         | 17,924         |
| Consumables                                    | 63,556         | 70,000         | 75,924         |
| Operating Lease                                | 40,662         | 41,000         | 37,416         |
| Other  | 42,845         | 37,050         | 52,599         |
| Employee Benefits - Salaries                   | 230,936        | 248,200        | 271,527        |
| Insurance                                      | 17,383         | 18,950         | 17,898         |
| Service Providers, Contractors and Consultancy | 18,571         | 18,000         | 18,874         |
|  | <u>452,395</u> | <u>464,900</u> | <u>513,952</u> |

## 7. Property

|                                     | 2018             | 2018             | 2017             |
|-------------------------------------|------------------|------------------|------------------|
|                                     | Actual           | Budget           | Actual           |
|                                     | \$               | (Unaudited)      | \$               |
| Caretaking and Cleaning Consumables | 154,607          | 141,600          | 146,812          |
| Consultancy and Contract Services   | -                | -                | -                |
| Cyclical Maintenance Expense        | 34,376           | 38,421           | 35,185           |
| Grounds                             | 36,665           | 16,300           | 15,485           |
| Heat, Light and Water               | 89,243           | 85,000           | 89,989           |
| Rates                               | 32,276           | 20,000           | 19,462           |
| Repairs and Maintenance             | 83,991           | 51,000           | 56,078           |
| Use of Land and Buildings           | 1,254,753        | 1,274,753        | 1,253,649        |
| Security                            | 10,153           | 8,000            | 10,248           |
| Employee Benefits - Salaries        | 82,737           | 78,000           | 149,681          |
|                                     | <u>1,778,801</u> | <u>1,713,074</u> | <u>1,776,589</u> |

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

## 8. Depreciation

|  | 2018           | 2018           | 2017           |
|--|----------------|----------------|----------------|
|  | Actual         | Budget         | Actual         |
|  | \$             | (Unaudited)    | \$             |
| Building Improvements                    | 8,028          | 8,000          | 8,028          |
| Furniture and Equipment                  | 108,178        | 106,000        | 38,606         |
| Information and Communication Technology | 137,619        | 110,000        | 181,210        |
| Motor Vehicles                           | 15,505         | 10,000         | 10,975         |
| Textbooks                                | 4,171          | 3,000          | 3,676          |
| Leased Assets                            | 26,319         | 10,000         | 10,128         |
| Library Resources                        | 3,791          | 3,000          | 3,505          |
|  | <u>303,611</u> | <u>250,000</u> | <u>256,128</u> |

## 9. Cash and Cash Equivalents

|   | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|---|----------------------|-------------------------------------|----------------------|
| Cash on Hand                                      | 959                  | 959                                 | 959                  |
| Bank Current Account                              | 50,581               | 3,500                               | 3,204                |
| Bank Call Account                                 | 152,489              | 203,706                             | 364,568              |
| Cash and cash equivalents for Cash Flow Statement | 204,029              | 208,165                             | 368,731              |

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

## 10. Accounts Receivable

|  | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| Receivables                                | 30,463               | 38,000                              | 37,614               |
| Interest Receivable                        | 2,937                | 3,000                               | 3,066                |
| Teacher Salaries Grant Receivable          | 361,723              | 316,000                             | 316,269              |
|  | 395,123              | 357,000                             | 356,949              |
| Receivables from Exchange Transactions     | 33,400               | 41,000                              | 40,680               |
| Receivables from Non-Exchange Transactions | 361,723              | 316,000                             | 316,269              |
|  | 395,123              | 357,000                             | 356,949              |

## 11. Investments

The School's investment activities are classified as follows:

|                          | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset            |                      |                                     |                      |
| Short-term Bank Deposits | 880,527              | 1,100,000                           | 1,071,983            |

## 12. Funds Held on Behalf of the Alternative Education Cluster

Whakatane High School is the lead school and holds funds on behalf of the Alternative Education cluster, a group of schools funded by the Ministry.

|                                      | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|--------------------------------------|----------------------|-------------------------------------|----------------------|
| Funds Held at Beginning of the Year  | (33,874)             | (33,874)                            | (7,217)              |
| Funds Received from MoE              | 242,443              | 260,874                             | 210,820              |
| Funds Spent on Behalf of the Cluster | (231,506)            | (232,000)                           | (237,477)            |
| Funds Held at Year End               | (22,937)             | (5,000)                             | (33,874)             |

### 13. Property, Plant and Equipment

|   | Opening<br>Balance (NBV) | Additions      | Disposals | Impairment | Depreciation     | Total (NBV)    |
|---|--------------------------|----------------|-----------|------------|------------------|----------------|
| 2018  | \$                       | \$             | \$        | \$         | \$               | \$             |
| Building Improvements                       | 323,040                  | -              | -         | -          | (8,028)          | 315,012        |
| Furniture and Equipment                     | 351,750                  | 107,071        | -         | -          | (108,178)        | 350,643        |
| Information and Communication<br>Technology | 180,091                  | 54,636         | -         | -          | (137,619)        | 97,108         |
| Motor Vehicles                              | 48,630                   | 30,461         | -         | -          | (15,505)         | 63,586         |
| Textbooks                                   | 25,732                   | 7,637          | -         | -          | (4,171)          | 29,198         |
| Leased Assets                               | 18,453                   | 55,649         | -         | -          | (26,319)         | 47,783         |
| Library Resources                           | 24,903                   | 5,421          | -         | -          | (3,791)          | 26,533         |
| <b>Balance at 31 December 2018</b>          | <b>972,599</b>           | <b>260,875</b> | <b>-</b>  | <b>-</b>   | <b>(303,611)</b> | <b>929,863</b> |

|   | Cost or<br>Valuation | Accumulated<br>Depreciation | Net Book<br>Value |
|---|----------------------|-----------------------------|-------------------|
| 2018  | \$                   | \$                          | \$                |
| Building Improvements                       | 401,376              | (86,364)                    | 315,012           |
| Furniture and Equipment                     | 1,434,113            | (1,082,925)                 | 351,188           |
| Information and Communication<br>Technology | 1,157,993            | (1,060,886)                 | 97,107            |
| Motor Vehicles                              | 136,352              | (72,766)                    | 63,586            |
| Textbooks                                   | 294,570              | (265,372)                   | 29,198            |
| Leased Assets                               | 88,759               | (40,976)                    | 47,783            |
| Library Resources                           | 91,866               | (65,333)                    | 26,533            |
| <b>Balance at 31 December 2018</b>          | <b>3,605,029</b>     | <b>(2,674,622)</b>          | <b>930,407</b>    |

|   | Opening<br>Balance (NBV) | Additions      | Disposals      | Impairment | Depreciation     | Total (NBV)    |
|---|--------------------------|----------------|----------------|------------|------------------|----------------|
| 2017  | \$                       | \$             | \$             | \$         | \$               | \$             |
| Building Improvements                       | 331,068                  | -              | -              | -          | (8,028)          | 323,040        |
| Furniture and Equipment                     | 331,612                  | 127,815        | -              | -          | (107,677)        | 351,750        |
| Information and Communication<br>Technology | 223,392                  | 68,838         | -              | -          | (112,139)        | 180,091        |
| Motor Vehicles                              | 32,344                   | 27,261         | -              | -          | (10,975)         | 48,630         |
| Textbooks                                   | 28,650                   | 758            | -              | -          | (3,676)          | 25,732         |
| Leased Assets                               | 18,862                   | 9,719          | -              | -          | (10,128)         | 18,453         |
| Library Resources                           | 25,382                   | 4,594          | (1,568)        | -          | (3,505)          | 24,903         |
| <b>Balance at 31 December 2017</b>          | <b>991,310</b>           | <b>238,985</b> | <b>(1,568)</b> | <b>-</b>   | <b>(256,128)</b> | <b>972,599</b> |

|  | Cost or<br>Valuation | Accumulated<br>Depreciation | Net Book<br>Value |
|--|----------------------|-----------------------------|-------------------|
| 2017                                     | \$                   | \$                          | \$                |
| Building Improvements                    | 401,376              | (78,336)                    | 323,040           |
| Furniture and Equipment                  | 1,326,494            | (974,744)                   | 351,750           |
| Information and Communication Technology | 1,103,358            | (923,267)                   | 180,091           |
| Motor Vehicles                           | 105,891              | (57,261)                    | 48,630            |
| Textbooks                                | 286,933              | (261,201)                   | 25,732            |
| Leased Assets                            | 33,110               | (14,657)                    | 18,453            |
| Library Resources                        | 86,445               | (61,542)                    | 24,903            |
| <b>Balance at 31 December 2017</b>       | <b>3,343,607</b>     | <b>(2,371,008)</b>          | <b>972,599</b>    |



**14. Accounts Payable**

|   | 2018           | 2018           | 2017           |
|---|----------------|----------------|----------------|
|   | Actual         | Budget         | Actual         |
|   | \$             | (Unaudited)    | \$             |
| Operating creditors   | 157,019        | 140,000        | 142,202        |
| Accruals  | 8,296          | 12,000         | 10,780         |
| Banking staffing overuse  | 7,000          | 2,000          | 1,721          |
| Employee Entitlements - salaries  | 342,116        | 320,000        | 318,211        |
| Employee Entitlements - leave accrual                                   | 43,673         | 55,000         | 53,577         |
|   | <u>558,104</u> | <u>529,000</u> | <u>526,491</u> |
| Payables for Exchange Transactions                                      | 558,104        | 529,000        | 526,491        |
| Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates) | -              | -              | -              |
| Payables for Non-exchange Transactions - Other                          | -              | -              | -              |
|   | <u>558,104</u> | <u>529,000</u> | <u>526,491</u> |

The carrying value of payables approximates their fair value.

**15. Revenue Received in Advance**

|                            | 2018           | 2018           | 2017           |
|----------------------------|----------------|----------------|----------------|
|                            | Actual         | Budget         | Actual         |
|                            | \$             | (Unaudited)    | \$             |
| International Student Fees | 287,985        | 220,000        | 216,650        |
| Other                      | 11,512         | 25,000         | 24,839         |
|                            | <u>299,497</u> | <u>245,000</u> | <u>241,489</u> |

**16. Provision for Cyclical Maintenance**

|   | 2018           | 2018           | 2017           |
|---|----------------|----------------|----------------|
|   | Actual         | Budget         | Actual         |
|   | \$             | (Unaudited)    | \$             |
| Provision at the Start of the Year                    | 204,350        | 204,350        | 169,165        |
| Increase/ (decrease) to the Provision During the Year | 34,376         | 38,421         | 35,185         |
| Use of the Provision During the Year                  | -              | -              | -              |
| Provision at the End of the Year                      | <u>238,726</u> | <u>242,771</u> | <u>204,350</u> |
| Cyclical Maintenance - Current                        | 83,789         | 76,920         | 38,499         |
| Cyclical Maintenance - Term                           | 154,937        | 165,851        | 165,851        |
|   | <u>238,726</u> | <u>242,771</u> | <u>204,350</u> |

**17. Finance Lease Liability**

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

|  | 2018          | 2018          | 2017          |
|--|---------------|---------------|---------------|
|  | Actual        | Budget        | Actual        |
|  | \$            | (Unaudited)   | \$            |
| No Later than One Year                           | 30,347        | 33,906        | 33,906        |
| Later than One Year and no Later than Five Years | 30,459        | 9,977         | 9,977         |
| Later than Five Years                            | -             | -             | -             |
|  | <u>60,806</u> | <u>43,883</u> | <u>43,883</u> |

## 18. Funds held in Trust

|  | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|--|----------------------|-------------------------------------|----------------------|
| Funds Held in Trust on Behalf of Third Parties - Current     | 245,873              | 185,000                             | 182,415              |
| Funds Held in Trust on Behalf of Third Parties - Non-current | -                    | -                                   | -                    |
|  | <u>245,873</u>       | <u>185,000</u>                      | <u>182,415</u>       |

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 19. 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<br>Balances<br>\$ | Receipts<br>from MoE<br>\$ | Payments<br>\$   | BOT<br>Contributions | Closing<br>Balances<br>\$ |
|---|------|---------------------------|----------------------------|------------------|----------------------|---------------------------|
| Science Block <i>in progress</i>        |      | 279,983                   | 912,264                    | 1,250,027        | -                    | (57,780)                  |
| Autex Walls and Carpet <i>completed</i> |      | (360)                     | -                          | -                | 360                  | -                         |
| Art Block <i>in progress</i>            |      | -                         | -                          | 29,720           | -                    | (29,720)                  |
| Totals                                  |      | <u>279,623</u>            | <u>912,264</u>             | <u>1,279,747</u> | <u>360</u>           | <u>(87,500)</u>           |

### Represented by:

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

|                 |
|-----------------|
| -               |
| <u>87,500</u>   |
| <u>(87,500)</u> |

|   | 2017 | Opening<br>Balances<br>\$ | Receipts<br>from MoE<br>\$ | Payments<br>\$ | BOT<br>Contributions | Closing<br>Balances<br>\$ |
|---|------|---------------------------|----------------------------|----------------|----------------------|---------------------------|
| Science Block <i>in progress</i>          |      | 92,022                    | 300,000                    | 112,039        | -                    | 279,983                   |
| Autex Walls and Carpet <i>in progress</i> |      | -                         | 44,693                     | 45,053         | -                    | (360)                     |
| Totals                                    |      | <u>92,022</u>             | <u>344,693</u>             | <u>157,092</u> | <u>-</u>             | <u>279,623</u>            |

## 20. Funds Held for Teen Parent Unit

The school's Teen Parent Unit is a separate business unit of the school in accordance with the agreement with the Ministry of Education. The revenue and expenditure is included in the school's Statement of Revenue and Expense. During the year the funds were spent on employee benefit expenses, administration and property management expenses.

## 21. 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.

## 22. 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<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---|----------------------|----------------------|
| <i>Board Members</i>                        |                      |                      |
| Remuneration                                | 3,000                | 2,767                |
| Full-time equivalent members                | 0.09                 | 0.07                 |
| <i>Leadership Team</i>                      |                      |                      |
| Remuneration                                | 577,750              | 417,731              |
| Full-time equivalent members                | 4.63                 | 3.00                 |
| Total key management personnel remuneration | 580,750              | 420,498              |
| Total full-time equivalent personnel        | 4.72                 | 3.07                 |

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<br>Actual<br>\$000 | 2017<br>Actual<br>\$000 |
|--|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: |                         |                         |
| Salary and Other Payments                        | 190 - 200               | 190 - 200               |
| Benefits and Other Emoluments                    | 4 - 5                   | 4 - 5                   |
| Termination Benefits                             | -                       | -                       |

### Other Employees

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

| Remuneration<br>\$000 | 2018<br>FTE Number | 2017<br>FTE Number |
|-----------------------|--------------------|--------------------|
| 100 - 110             | 0                  | 1                  |
| 120 - 130             | 1                  | 1                  |
|                       | 1                  | 2                  |

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

## 23. 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<br>Actual | 2017<br>Actual |
|------------------|----------------|----------------|
| Total            | \$0            | \$0            |
| Number of People | 0              | 0              |

## 24. 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.

## 25. Commitments

### (a) Capital Commitments

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

- (a) Contract to have the science block upgraded which has been completed in 2018, which will be fully funded by the Ministry of Education. \$1,212,264 has been received of which \$1,270,044 has been spent on the project to date; and
- (b) Contract to have the art block upgraded as agent for the Ministry of Education. This project is fully funded by the Ministry. No funds have been received at balance date. \$29,720 has been spent on the project to balance date. This project has been approved by the Ministry.

### (b) Operating Commitments

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

- (a) operating leases of teacher laptops, photocopier and EFTPOS terminals;

|  | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|--|----------------------|----------------------|
| No later than One Year                           | -                    | 16,863               |
| Later than One Year and No Later than Five Years | -                    | -                    |
| Later than Five Years                            | -                    | -                    |
|  | -                    | 16,863               |

## 26. 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.

## 27. Financial Instruments

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

### Loans and receivables

|                             | 2018<br>Actual<br>\$ | 2018<br>Budget<br>(Unaudited)<br>\$ | 2017<br>Actual<br>\$ |
|-----------------------------|----------------------|-------------------------------------|----------------------|
| Cash and Cash Equivalents   | 204,029              | 208,165                             | 368,731              |
| Receivables                 | 395,123              | 357,000                             | 356,949              |
| Investments - Term Deposits | 880,527              | 1,100,000                           | 1,071,983            |
| Total Loans and Receivables | 1,479,679            | 1,665,165                           | 1,797,663            |

### Financial liabilities measured at amortised cost

|  |         |         |         |
|--|---------|---------|---------|
| Payables   | 558,104 | 529,000 | 526,491 |
| Borrowings - Loans                                     | -       | -       | -       |
| Finance Leases   | 55,338  | 55,000  | 21,355  |
| Painting Contract Liability                            | -       | -       | -       |
| Total Financial Liabilities Measured at Amortised Cost | 613,442 | 584,000 | 547,846 |

## 28. Events After Balance Date

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

## 29. Comparatives

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

## Independent Auditor's Report

# To the Readers of Whakatane High School's Financial Statements

## For the Year Ended 31 December 2018

The Auditor-General is the auditor of Whakatane High 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.

### Qualified Opinion

We have audited the financial statements of the School on pages 2 to 18, 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.

Prior to being recorded, control over the receipt of Canteen Sales is limited. Canteen Sales of \$118,077 is disclosed as part of Trading Revenue of \$121,808 in note 3 of the financial statements on page 11. There are no satisfactory audit procedures that we could adopt to confirm independently that the revenue from Canteen Sales had been properly recorded.

In our opinion, except for the effects of the matter outlined above, 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 30 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 22 to 26, 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

## Whakatane High School 2018 Analysis of Variance

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2018 marked considerable roll growth at Whakatane High School. The March 1 Returns showed an increase of 64 students, with the school growing from 833 in 2017 to 897 in 2018. While the school continues to enrol about 20% of its intake from out-of-zone, the increase also represents a significant growth in the proportion of in-zone students choosing Whakatane High School. While the school was able to fill its staffing requirements to cover this roll growth, this was not a simple task given the current shortage of teachers.

A significant property development was completed in 2018 with the refurbishment of three science laboratories. At a cost of \$1.4m, this upgrade has provided excellent teaching and learning spaces that have been really appreciated by staff and students alike.

Whakatane High School continues as a member of the local Kahui Ako (Community of Learning). The Whakatane High School Principal was appointed to lead this Kahui Ako for a further two years. It has been pleasing to see the growing levels of collaboration across the Community of Learning, particularly in the key areas of learning support, transitions and data moderation and assessment.

In summary, Whakatane High School continues to perform strongly across all areas.

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### 2018 Annual Goal 1

*"Whakatane High School will provide a learning environment that challenges and enables all students to develop their potential."*

#### Target for 2018 – Linked to Strategic Goal 1

**Goal 1:** *To increase the level of literacy and numeracy by at least one curriculum level*

The focus this year were on 21 students who had reading ages of 11-years-old or below. The emphasis was on reading. The comparison between the beginning of the year and end of year results showed that seven students gained by one curriculum level or more. A further seven showed significant improvement but did not gain a whole curriculum level, while a further seven made small or no increases.

**Goal 2:** *To increase the number of students taking stem subjects in Year 13.*

With the 2018 Year 13 cohort being significantly smaller than preceding years, the number taking stem subjects were down. However, with the continued growth of Marine Studies, the proportion of students involved in stem subjects did show an increase.

### 2018 Annual Target

*School leavers with NCEA level 2 or better*

*Maori 76%*

*All 78%*

These figures are drawn from the Education Counts website, which provides an independent measure of our progress in this area. To date, this website has not been updated. However, given that we have seen improved pass-rates in the NCEA Level 2 statistics, it's fair to assume that the school will have met this target.



A growing number of staff show an improved understanding of Teaching as Inquiry through their reflections and work in the appraisal connector. In Term 4, staff were able to attend Professional Learning Group sessions on Teaching as Inquiry and this helped staff who were feeling challenged to up-skill in this area.

Through Annual Reviews staff review courses within curriculum areas. Through the department reviews there is an alignment of goals. During this process however, it became evident there was some variance in this process, and this is now being formalised through the HODs. The Junior and Senior Tutor continue to monitor grades throughout the year to ensure student progress is tracked.

Kia Eke Panuku has been renamed Eke Tangaroa which reflects the greater ownership the school now has of this programme. Rongohia te hau was completed in Term 4 to gain a snapshot of culture and relation of pedagogy within our school. This reflected a positive outcome and gave a starting point for future work. All teachers must complete two Eke Tangaroa observations during their appraisal cycle.

Academic Counselling continued with participation rates above 75%. Subject Selection was successfully included in the second Academic Counselling session. This meant that a significantly larger number of parents were involved in the selection of courses. There is still some work to be done on streamlining this process, particularly around the entry of information into the school student management system. This will be addressed in 2019.

The E-Learning trial with two Year 9 classes was carried out in 2018. This trial was well received by the students involved who were positive about the approach. It also highlighted areas of need that we are able to focus on for Professional Development for teachers.

The school continues to offer a wide range of courses to meet the needs of our students. The school continues to offer Trades Academy, Gateway and Noho Marae opportunities but needs to continue to increase the range of opportunities for the growing number of students returning to school and who are looking for options of a more vocational nature. A range of Professional Development was offered by Jo Nichol of Cyclone Computing Limited. These, along with opportunities from the professional learning groups, have seen staff in particular growing in confidence in the use of Google Classroom, Blogger and Sites with the expectation that staff would be able to utilise these in their programs in 2019 with all Year 9s bringing devices. Data management and analysis, particularly at senior level, was not completed to the standard required. New senior tutoring systems have been put in place for 2019.

The focus in the junior school was around the target group and literacy, particularly reading, as outlined in response to the goal above.

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## **2018 Annual Goal 2**

*"To ensure there is effective communication between the school and its community."*

### **Target for 2018 – Linked to Strategic Goal 4**

**Goal 1:** *To further engage families and whanau to enhance student achievement and wellbeing.*

### **2018 Annual Target**

*To collect whanau feedback and to have a participation rate of over 70% at Academic Counselling.*

Academic Counselling has continued to see whanau engagement above 75%. The greatest gain to be made with the participation of Maori parents and this year Subject Selection was included in this process to provide a greater parental input into Subject Selection decisions.

The school seeks to engage whanau and gather their aspirations for their children on a continuing basis. This process begins with the new student powhiri and family BBQs for Year 9 families at the beginning of the year. This provides an opportunity to informally gather information from families, but also to involve families in school life. There continues to be significant whanau engagement through Te Aka Matua and these strong links are nurtured between school and home. The school maintains strong contact through the school website, Facebook, Twitter and a message app. The continued growth of the use of the parent portal is also significant in communicating with families.

There has been considerable communication across our community in preparation for the introduction of Bring Your Own Chromebook (BYOC) in 2019. This has included trialling two classes with chromebooks supplied in 2018.

Whakatane High School has worked in conjunction with our neighbours Trident High School, who are also introducing BYOC for Year 9 in 2019, to inform our community of this change in the reason for it. Whanau hui have been held and were well received.

In addition, teaching staff have had access to a wide range of Professional Development to prepare them for this change in 2019. In 2018 the Centenary Committee continued to operate, however, this will need to be raised to a further level as the centenary reunion approaches in Easter 2020.

Whakatane High School staff continue to represent the school in a wide range of organisation, from Marae committee, iwi groups and educational organisations. The school is represented on all related educational and health organisations. The Principal represents the school on:

- Sport BOP
  - Student Information Sharing Initiative National Reference Group
  - Community of Learning leaders groups, and
  - some Ministry of Education appointment panels
-

### **2018 Annual Goal 3**

*"To provide a healthy, safe and caring environment that focuses on students' responsibilities and rights."*

#### **Target for 2018 – Linked to Strategic Goal 3**

**Goal 1:** *Continue improvement in the key indicators of student welfare and engagement.*

#### **2018 Annual Target**

*Attendance: Year 12 – 82%*

*Year 13 – 81%*

*Stand downs: 40*

*Sport participation: 53%*

*RJ referrals: 200*

*Suspensions: 1*

Pleasingly, both attendance targets were exceeded. Stand downs stood at 67, higher than the target of 40. Most of these were related to physical assaults where it was important to remove the combatants from the school while the issues were resolved, and so that a calm and safe return to school was available to students. There were no suspensions in 2018. It is pleasing to note that sport participation rose to 55%. RJ referrals in 2018 were at 215, slightly above the target of 200. However, given the significant roll growth in the school, this does not necessarily represent an upward trend.

RJ referrals increased significantly in Term 2 and as a result of this, work was done with staff members on the teacher only day to re-establish the procedures and practices for restoring relationships with students. The administration system was also fine-tuned, and as a result RJ referrals dropped for the remainder of the year.

Catch-up weeks for Academic Counselling were timetabled and provided some success. There is still more work to be done on monitoring senior achievement and this will be more clearly evident in the Senior Tutors role, particularly in 2019.

PB4L (Positive Behaviour for Learning) lessons were taught during extended form times. These were effective, particularly in reducing incidences of inappropriate use of devices.

Attendance rates continue to improve overall. It is to be noted that a significant proportion of the poor attendance rates sits with a relatively small group of students. It has been difficult to make significant changes in the attendance patterns of some of these students.

Staff are encouraged to use the student voice through collaboration to create a continuum of culturally responsive and relational principles. Walk-through observations were done in Term 4 in the junior school, with promising results across this continuum. On the 1 to 5 scale, with 5 being high, 22 observations recorded a 3, 4 or 5 rating while only two were in the 1 or 2 range.



# Whakatane High School

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## Kiwisport 2018

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2018, Whakatane High School received total Kiwisport funding of \$15569.71 excl GST. The funding was spent on the appointment of a Sport Coordinator whose primary aim is to make the fullest possible professional contribution towards meeting the sporting needs of students at Whakatane High School.

The appointment to the role has been invaluable and participation, achievement and the building of capability have been key indicators in measuring the success of the programs as do the physical results.

C L Nielsen  
Principal