

RAGLAN AREA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	125
Principal:	Louisa Barham
School Address:	42 Norrie Avenue
School Postal Address:	P O Box 80, Raglan, 3265
School Phone:	07 825 8140
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Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Lisa Thomson	Chairperson	Elected	Raglan Ward councillor	2022
Chris Banks	Chairperson	Elected		2019
Louisa Barham	Principal	ex Officio		
Joe Hassell	Parent Rep	Elected	Sales Manager	2022
Tara Wrigley	Parent Rep	Elected	Manager-Software	2022
Fraser Pease	Parent Rep	Elected	Solicitor	2022
Anita Lucas	Parent Rep	Elected	Parent	2022
Tui Kaa	Parent Rep	Elected	Consultant	2022
Mel Brydon	Parent Rep	Elected		2019
Rhys Ellison	Parent Rep	Elected		2019
Cindy Tedeschi	Parent Rep	Elected		2019
Makere Ranga	Parent Rep	Co-opted		2019
Liam Coulden-Lavers	Staff Rep	Elected	Teacher	2022
Peter Maloney	Staff Rep	Elected	Teacher	2019
Amiria Drysdale	Student Rep	Elected	Student	2020
Charlie Irvin	Student Rep	Elected	Student	2019

Accountant / Service Provider: Education Services Ltd

RAGLAN AREA SCHOOL

Annual Report - For the year ended 31 December 2019

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Raglan Area School

Statement of Responsibility

For the year ended 31 December 2019

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

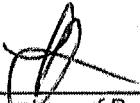
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

Lisa Rose Thomson

Full Name of Board Chairperson



Signature of Board Chairperson

11 September 2020

Date:

Louisa Barham

Full Name of Principal



Signature of Principal

11-09-2020

Date:

Raglan Area School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	6,335,256	6,186,080	5,612,792
Locally Raised Funds	3	229,988	84,246	216,909
Interest income		4,158	300	412
Gain on Sale of Property, Plant and Equipment		19,308	-	1,522
		<u>6,588,710</u>	<u>6,270,626</u>	<u>5,831,635</u>
Expenses				
Locally Raised Funds	3	124,466	49,000	95,364
Learning Resources	4	4,101,471	4,182,322	3,655,627
Administration	5	250,660	259,845	281,247
Finance		14,615	-	12,542
Property	6	1,694,352	1,638,751	1,501,465
Depreciation	7	116,946	81,000	120,331
		<u>6,302,510</u>	<u>6,210,918</u>	<u>5,666,576</u>
Net Surplus / (Deficit) for the year		286,200	59,708	165,059
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>286,200</u></u>	<u><u>59,708</u></u>	<u><u>165,059</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.



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

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>725,670</u>	<u>725,670</u>	<u>544,658</u>
Total comprehensive revenue and expense for the year		286,200	59,708	165,059
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	15,953
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	22	<u>1,011,870</u>	<u>785,378</u>	<u>725,670</u>
Retained Earnings		1,011,870	785,378	725,670
Equity at 31 December		<u>1,011,870</u>	<u>785,378</u>	<u>725,670</u>

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



Raglan Area School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	421,330	233,018	157,836
Accounts Receivable	9	307,334	217,380	217,380
GST Receivable		4,202	10,276	10,276
Prepayments		1,884	3,984	3,984
Inventories	10	1,705	3,547	3,547
Funds owed for Capital Works Projects	16	50,749	-	21,979
		<u>787,204</u>	<u>468,205</u>	<u>415,002</u>
Current Liabilities				
Accounts Payable	12	324,217	248,709	248,709
Revenue Received in Advance	13	5,633	-	-
Provision for Cyclical Maintenance	14	63,709	-	-
Finance Lease Liability - Current Portion	15	42,168	45,072	45,072
		<u>435,727</u>	<u>293,781</u>	<u>293,781</u>
Working Capital Surplus/(Deficit)		351,477	174,424	121,221
Non-current Assets				
Property, Plant and Equipment	11	804,450	731,623	754,023
		<u>804,450</u>	<u>731,623</u>	<u>754,023</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	46,591	96,173	83,768
Finance Lease Liability	15	97,466	24,496	65,806
		<u>144,057</u>	<u>120,669</u>	<u>149,574</u>
Net Assets		<u>1,011,870</u>	<u>785,378</u>	<u>725,670</u>
Equity		<u>1,011,870</u>	<u>785,378</u>	<u>725,670</u>

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



Raglan Area School
Statement of Cash Flows
For the year ended 31 December 2019

	2019	2019	2018
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	1,358,234	1,254,152	1,276,210
Locally Raised Funds	238,894	84,246	320,800
Goods and Services Tax (net)	6,074	-	(1,498)
Payments to Employees	(626,204)	(733,196)	(788,336)
Payments to Suppliers	(563,594)	(452,569)	(573,256)
Interest Paid	(14,615)	-	(12,542)
Interest Received	4,158	300	412
Net cash from Operating Activities	<u>402,947</u>	<u>152,933</u>	<u>221,790</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	365	-	-
Purchase of PPE (and Intangibles)	(61,298)	(58,600)	(72,159)
Net cash from Investing Activities	<u>(60,933)</u>	<u>(58,600)</u>	<u>(72,159)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	-	-	15,953
Finance Lease Payments	(49,750)	(41,130)	(36,741)
Funds Administered on Behalf of Third Parties	-	21,979	-
Funds Held for Capital Works Projects	(28,770)	-	35,309
Net cash from Financing Activities	<u>(78,520)</u>	<u>(19,151)</u>	<u>14,521</u>
Net increase/(decrease) in cash and cash equivalents	<u><u>263,494</u></u>	<u><u>75,182</u></u>	<u><u>164,152</u></u>
Cash and cash equivalents at the beginning of the year	8 157,836	157,836	(6,316)
Cash and cash equivalents at the end of the year	8 <u><u>421,330</u></u>	<u><u>233,018</u></u>	<u><u>157,836</u></u>

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

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



Raglan Area School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

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 Provision

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 14.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

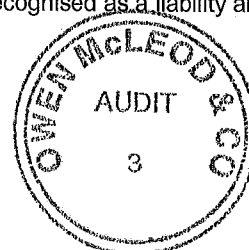
Operational grants are recorded as revenue when the School has the rights to the funding, which is in the year that the funding is received.

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

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

Other Grants

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



Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

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

i) Inventories

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



j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

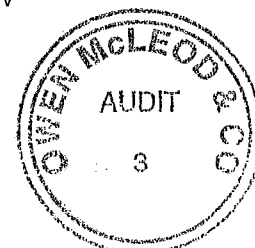
A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	40 Years
Building Improvements	2.5-20 Years
Furniture and Equipment	1-20 Years
Information and Communication	2.5-10 Years
Motor Vehicles	5 Years
Textbooks	3 - 4 Years
Library Resources	12.5% DV
Leased assets are depreciated over the life of the lease.	



l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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



o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial Assets and Liabilities

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

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

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



u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

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

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,142,906	1,070,525	1,025,031
Teachers' Salaries Grants	3,602,985	3,583,197	3,021,411
Use of Land and Buildings Grants	1,348,731	1,348,731	1,305,007
Resource Teachers Learning and Behaviour Grants	6,432	3,000	4,870
Secondary Tertiary Alignment Resource Grants	34,547	32,612	32,341
Other MoE Grants	163,175	106,535	191,053
Other Government Grants	36,480	41,480	33,079
	6,335,256	6,186,080	5,612,792

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	27,440	8,000	11,981
Bequests & Grants	23,937	-	38,908
Activities	103,337	18,376	110,543
Trading	8,242	10,000	5,871
Fundraising	22,544	35,000	9,081
Other Revenue	35,330	-	27,655
School House	9,158	12,870	12,870
	229,988	84,246	216,909
Expenses			
Activities	90,342	14,000	82,154
Trading	11,678	10,000	5,534
Fundraising (Costs of Raising Funds)	21,709	-	4,356
School House	737	25,000	3,320
	124,466	49,000	95,364
<i>Surplus for the year Locally raised funds</i>	105,522	35,246	121,545

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	151,805	149,175	148,259
Library Resources	944	1,425	312
Employee Benefits - Salaries	3,913,660	3,987,022	3,485,101
Staff Development	35,062	44,700	21,955
	4,101,471	4,182,322	3,655,627



5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	14,000	5,500	5,200
Board of Trustees Fees	5,474	7,000	4,250
Board of Trustees Expenses	4,238	-	-
Intervention Costs & Expenses	4,276	-	-
Communication	11,169	10,355	10,149
Consumables	2,756	8,000	25,754
Operating Lease	-	5,100	-
Other	47,237	37,890	60,991
Employee Benefits - Salaries	148,153	170,000	170,035
Insurance	3,417	4,000	3,417
Service Providers, Contractors and Consultancy	9,940	12,000	1,451
	<u>250,660</u>	<u>259,845</u>	<u>281,247</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	7,184	9,000	7,450
Cyclical Maintenance Expense	26,532	25,000	(52,178)
Grounds	19,768	11,500	12,512
Heat, Light and Water	71,828	63,257	64,463
Rates	5,571	4,500	6,727
Repairs and Maintenance	49,236	28,242	7,771
Use of Land and Buildings	1,348,731	1,348,731	1,305,007
Security	14,151	-	-
Employee Benefits - Salaries	151,351	148,521	149,713
	<u>1,694,352</u>	<u>1,638,751</u>	<u>1,501,465</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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings	7,916	5,329	7,916
Building Improvements	4,269	2,827	4,199
Furniture and Equipment	21,218	12,824	19,052
Information and Communication Technology	28,991	18,054	26,820
Motor Vehicles	4,111	2,767	4,111
Textbooks	678	12,151	18,051
Leased Assets	45,295	23,721	35,239
Library Resources	4,468	3,327	4,943
	<u>116,946</u>	<u>81,000</u>	<u>120,331</u>



8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Accounts	175,080	116,391	41,209
Bank Call Account	246,250	116,627	116,627
Cash equivalents for Cash Flow Statement	<u>421,330</u>	<u>233,018</u>	<u>157,836</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	24,058	21,849	21,849
Banking Staffing Underuse	19,788	-	-
Teacher Salaries Grant Receivable	263,488	195,531	195,531
	<u>307,334</u>	<u>217,380</u>	<u>217,380</u>
Receivables from Exchange Transactions	24,058	21,849	21,849
Receivables from Non-Exchange Transactions	283,276	195,531	195,531
	<u>307,334</u>	<u>217,380</u>	<u>217,380</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery Trading Account	1,705	3,547	3,547
	<u>1,705</u>	<u>3,547</u>	<u>3,547</u>

11. Property, Plant and Equipment

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	172,280	-	-	-	-	172,280
Buildings	241,743	-	-	-	(7,916)	233,827
Building Improvements	32,542	41,443	-	-	(4,269)	69,716
Furniture and Equipment	112,904	14,403	-	-	(21,218)	106,090
Information and Communication Tech	60,297	17,418	-	-	(28,991)	48,724
Motor Vehicles	9,192	-	-	-	(4,111)	5,081
Textbooks	691	68	-	-	(678)	81
Leased Assets	89,666	154,417	(61,427)	-	(45,295)	137,361
Library Resources	34,708	1,051	-	-	(4,468)	31,290
Balance at 31 December 2019	<u>754,023</u>	<u>228,800</u>	<u>(61,427)</u>	<u>-</u>	<u>(116,946)</u>	<u>804,450</u>



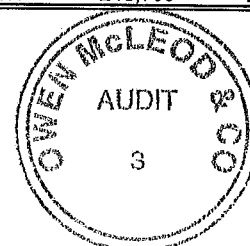
	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Land	172,280	-	172,280
Buildings	316,652	(82,825)	233,827
Building Improvements	267,500	(197,784)	69,716
Furniture and Equipment	672,590	(566,500)	106,090
Information and Communication	203,726	(155,002)	48,724
Motor Vehicles	94,980	(89,899)	5,081
Textbooks	165,148	(165,067)	81
Leased Assets	203,837	(66,476)	137,361
Library Resources	110,199	(78,909)	31,290
Balance at 31 December 2019	2,206,912	(1,402,462)	804,450

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land	172,280	-	-	-	-	172,280
Buildings	249,659	-	-	-	(7,916)	241,743
Building Improvements	36,741	-	-	-	(4,199)	32,542
Furniture and Equipment	84,189	47,767	-	-	(19,052)	112,904
Information and Communication Technology	69,133	17,983	-	-	(26,820)	60,297
Motor Vehicles	13,303	-	-	-	(4,111)	9,192
Textbooks	18,741	-	-	-	(18,051)	691
Leased Assets	107,989	16,916	-	-	(35,239)	89,666
Library Resources	33,243	6,408	-	-	(4,943)	34,708
Balance at 31 December 2018	785,278	89,074	-	-	(120,331)	754,023

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	172,280	-	172,280
Buildings	316,652	(74,909)	241,743
Building Improvements	226,058	(193,516)	32,542
Furniture and Equipment	658,186	(545,282)	112,904
Information and Communication Technology	186,307	(126,010)	60,297
Motor Vehicles	94,980	(85,788)	9,192
Textbooks	165,080	(164,389)	691
Leased Assets	154,725	(65,059)	89,666
Library Resources	109,148	(74,440)	34,708
Balance at 31 December 2018	2,083,416	(1,329,393)	754,023

12. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating Creditors	11,079	22,574	22,574
Accruals	19,200	5,200	5,200
Capital Accruals for PPE items	13,086	-	-
Banking Staffing Overuse	-	10,395	10,395
Employee Entitlements - Salaries	263,488	195,531	195,531
Employee Entitlements - Leave Accrual	17,364	15,009	15,009
	324,217	248,709	248,709



Payables for Exchange Transactions	324,217	248,709	248,709
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>324,217</u>	<u>248,709</u>	<u>248,709</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds in advance	2,298	-	-
Other Funds in Advance	3,335	-	-
	<u>5,633</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	83,768	71,173	135,946
Increase to the Provision During the Year	26,532	25,000	-
Adjustment to the Provision	-	-	(52,178)
Provision at the End of the Year	<u>110,300</u>	<u>96,173</u>	<u>83,768</u>
Cyclical Maintenance - Current	63,709	-	-
Cyclical Maintenance - Term	46,591	96,173	83,768
	<u>110,300</u>	<u>96,173</u>	<u>83,768</u>

15. 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	53,665	45,072	45,072
Later than One Year and no Later than Five Years	113,946	24,496	80,192
	<u>167,611</u>	<u>69,568</u>	<u>125,264</u>



16. Funds Owed (Held) for Capital Works Projects

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

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
AV Room Grants	<i>in progress</i>	1,819	-	(4,035)	-	5,854
Dental Clinic Grants	<i>in progress</i>	20,160	-	-	-	20,160
Block B Roof Project	<i>completed</i>	-	31,377	(32,390)	1,013	-
Site Gutters Treework	<i>in progress</i>	-	-	(1,792)	-	1,792
Heatpumps	<i>in progress</i>	-	-	(22,943)	-	22,943
Totals		21,979	31,377	(61,160)	1,013	50,749

Represented by:

Funds Held on Behalf of the Ministry of Education

-

Funds Due from the Ministry of Education

50,749

50,749

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
AV Room Grants	<i>in progress</i>	1,819	-	-	-	1,819
Dental Clinic Grants	<i>in progress</i>	20,160	-	-	-	20,160
Boiler Upgrade Grants	<i>completed</i>	612	614	-	(2)	-
New Entrants REfurb Grants	<i>completed</i>	(65,647)	-	(50,879)	(14,768)	-
Totals		(43,056)	614	(50,879)	(14,770)	21,979

17. 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.



18. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,474	4,250
Full-time equivalent members	0.19	1.38
<i>Leadership Team</i>		
Remuneration	773,294	1,417,117
Full-time equivalent members	7.00	16.00
Total key management personnel remuneration	778,768	1,421,367
Total full-time equivalent personnel	7.19	17.38

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 - 210	100 - 110
Benefits and Other Emoluments	4 - 5	-
Termination Benefits	-	-

Other Employees

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

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

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

19. 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	-	-



20. 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.

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2019 (Capital commitments at 31 December 2018: nil).

(b) Operating Commitments

There are no operating commitments as at 31 December 2019 (Operating commitments at 31 December 2018: nil).

22. 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.

23. Financial Instruments

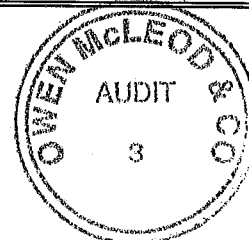
The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	421,330	233,018	157,836
Receivables	307,334	217,380	217,380
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	<u>728,664</u>	<u>450,398</u>	<u>375,216</u>

Financial liabilities measured at amortised cost

Payables	324,217	248,709	248,709
Borrowings - Loans	-	-	-
Finance Leases	139,634	69,568	110,878
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>463,851</u>	<u>318,277</u>	<u>359,587</u>



24. Events After Balance Date

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

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, 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.

25. Comparatives

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

26. 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.

- Cash and Cash Equivalents:

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.

27. Breach of Law - Failure to meet Statutory Reporting Deadline

The Board of Trustees did not comply with section 87A(1) of the Education Act 1989 in that it did not submit its annual financial statements for audit by the 31 March 2020. On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4, and a nationwide lockdown commenced which has caused time delays and resulted in a breach of Section 87A(1) of the Education Act. As this situation is out of the Board of Trustees' control no audit qualification has been issued for breach of Section 87A (1) of the Education Act.

In 2018 the school also failed to meet the deadline.

28. Breach of Law - Failure to meet Statutory Reporting Deadline

Section 87(c) of the Education Act states that "A Board must provide its audited annual financial statements to the Secretary no later than 31 May in the year after the previous financial year".

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its COVID-19 alert level to level 4, and a nationwide lockdown commenced which has caused time delays and resulted in a breach of Section 87A(1) of the Education Act. As this situation is out of the Board of Trustees' control no audit qualification has been issued for breach of Section 87(c) of the Education Act.

In 2018 the school also failed to meet the deadline.



Kiwisport:

Kiwisport is a Government funding initiative to support the student's participation in organised sport. In 2019 Raglan Area School received a total of \$9,455 (excluding GST) in total of Kiwisport funding. The funding was spent on sporting endeavours.