# KATIKATI COLLEGE

## ANNUAL REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2019

**School Directory**

| | |
|---|---|
| **Ministry Number:** | 117 |
| **Principal:** | Carolyn Maree Pentecost |
| **School Address:** | Beach Road, Katikati |
| **School Postal Address:** | 33 Beach Road, Katikati 3129 |
| **School Phone:** | 07 549 0434 |
| **School Email:** | principal@katikaticollege.school.nz |

**Members of the Board of Trustees**

| Name | Position | How Position Gained | Occupation | Term Expired/ Expires |
|---|---|---|---|---|
| Bobbette Tanner | Chairperson | Elected | Teacher | 2022 |
| Peter McCormick | Chairperson | Elected | Business Owner | 20/03/2019 |
| John Schnackenberg | Chairperson | Elected | Orchardist | 20/02/2020 |
| Carolyn Pentecost | Principal ex Officio | | Principal | |
| John Schnackenberg | Parent Rep | Elected | Orchardist | 2022 |
| Racheal Jeffrey | Deputy Chair | Elected | Business Owner | 20/02/2020 |
| Racheal Jeffrey | Parent Rep | Elected | Business Owner | 2022 |
| Bianca Till | Staff Rep | Elected | Teacher | 1/08/2019 |
| Phil Cranston | Staff Rep | Elected | Teacher | 2022 |
| Liona Vailea | Student Rep | Elected | Student | 20/08/2019 |
| Rory Robertson | Student Rep | Elected | Student | 2022 |
| Mabel Wharekewara | Parent Rep | Elected | Business Owner | 30/05/2019 |
| Colette Lemon | Parent Rep | Elected | Librarian | 30/05/2019 |
| Mark Bryant | Parent Rep | Elected | Orchardist | 2022 |
| Wendy A'Bear | Parent Rep | Elected | Business Owner | 2022 |
| Christopher Jacob | Māori Rep | Co-opted | Manager | 2022 |

**Accountant:** Accumulus Limited

# KATIKATI COLLEGE

Annual Report - For the year ended 31 December 2019

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# Katikati College

## 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 2018 financial statements are authorised for issue by the Board.

Bobbette Tanner
Board Chairperson

Signature of Board Chairperson

19/5/2020
Date:

Carolyn Maree Pentecost
Principal

Signature of Principal

20.5.2020
Date:

## Katikati College
# 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 | 8,782,117 | 8,029,790 | 8,161,738 |
| Locally Raised Funds | 3 | 631,739 | 554,810 | 717,937 |
| Interest Earned | | 11,575 | 14,000 | 20,438 |
| International Students | 4 | 473,830 | 780,400 | 845,785 |
| Other Revenue | | | - | - |
| | | 9,899,261 | 9,379,000 | 9,745,897 |
| **Expenses** | | | | |
| Locally Raised Funds | 3 | 389,773 | 323,790 | 385,227 |
| International Students | 4 | 359,469 | 629,687 | 636,461 |
| Learning Resources | 5 | 6,170,267 | 5,539,036 | 5,703,029 |
| Administration | 6 | 543,338 | 507,422 | 540,890 |
| Property | 7 | 2,045,195 | 1,808,704 | 1,876,547 |
| Depreciation | 8 | 151,353 | 150,000 | 157,176 |
| Loss on Disposal of Property, Plant and Equipment | | 0 | - | - |
| Transport | | 364,033 | 420,000 | 418,096 |
| | | 10,023,428 | 9,378,639 | 9,717,425 |
| **Net Surplus / (Deficit)** | | (124,168) | 361 | 28,472 |
| Other Comprehensive Revenue and Expenses | | - | - | - |
| **Total Comprehensive Revenue and Expense for the Year** | | (124,168) | 361 | 28,472 |

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

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**Katikati College**

# Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

| | Actual<br>**2019**<br>**$** | Budget<br>(Unaudited)<br>**2019**<br>**$** | Actual<br>**2018**<br>**$** |
|---|---|---|---|
| **Balance at 1 January** | 1,579,846 | 1,579,846 | 1,530,590 |
| Total comprehensive revenue and expense for the year | (124,168) | 361 | 28,472 |
| Capital Contributions from the Ministry of Education | | | |
| Contribution - Furniture and Equipment Grant | 41,689 | - | 20,784 |
| **Equity at 31 December** | 1,497,367 | 1,580,207 | 1,579,846 |
| Retained Earnings | 1,497,367 | 1,580,207 | 1,579,846 |
| Reserves | - | - | - |
| **Equity at 31 December** | 1,497,367 | 1,580,207 | 1,579,846 |

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

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## Katikati College
# Statement of Financial Position
As at 31 December 2019

| | Notes | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|---|
| **Current Assets** | | | | |
| Cash and Cash Equivalents | 9 | 174,359 | 457,786 | 457,425 |
| Accounts Receivable | 10 | 485,398 | 413,845 | 413,846 |
| GST Receivable | | 29,438 | 13,677 | 13,677 |
| Katikati Transport Group | 20 | 279,023 | 165,116 | 165,116 |
| Inventories | 11 | 8,468 | 2,048 | 2,048 |
| Investments | 9 | 300,000 | 350,000 | 350,000 |
| | | 1,276,686 | 1,402,471 | 1,402,111 |
| **Current Liabilities** | | | | |
| Accounts Payable | 13 | 526,513 | 421,365 | 421,365 |
| Revenue Received in Advance | 14 | 142,076 | 302,472 | 302,472 |
| Provision for Cyclical Maintenance | 15 | 87,500 | 87,500 | 87,500 |
| Finance Lease Liability - Current Portion | 17 | 24,000 | 14,503 | 14,503 |
| Funds held in Trust | 18 | 108,234 | 148,574 | 148,574 |
| Funds held for Capital Works Projects | 19 | (2,707) | 57,694 | 57,694 |
| Funds held on behalf of the Katikati Transport Group | 20 | 303,924 | 145,676 | 145,676 |
| | | 1,189,541 | 1,177,783 | 1,177,783 |
| **Working Capital Surplus/(Deficit)** | | 87,145 | 224,688 | 224,328 |
| **Non-current Assets** | | | | |
| Property, Plant and Equipment | 12 | 1,563,447 | 1,452,977 | 1,452,977 |
| | | 1,563,447 | 1,452,977 | 1,452,977 |
| **Non-current Liabilities** | | | | |
| Provision for Cyclical Maintenance | 15 | 85,791 | 85,791 | 85,791 |
| Finance Lease Liability | 17 | 67,433 | 11,667 | 11,667 |
| | | 153,224 | 97,458 | 97,458 |
| **Net Assets** | | 1,497,367 | 1,580,207 | 1,579,846 |
| **Equity** | | 1,497,367 | 1,580,207 | 1,579,846 |

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

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## Katikati College
# Statement of Cash Flows
For the year ended 31 December 2019

| | Note | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|---|
| **Cash flows from Operating Activities** | | | | |
| Government Grants | | 2,485,147 | 2,257,298 | 2,190,821 |
| Locally Raised Funds | | 695,264 | 554,810 | 682,022 |
| International Students | | 309,796 | 780,400 | 888,203 |
| Goods and Services Tax (net) | | (30,157) | 18,979 | 18,979 |
| Payments to Employees | | (1,583,292) | (1,304,015) | (1,458,704) |
| Payments to Suppliers | | (2,070,643) | (2,129,189) | (2,174,097) |
| Interest Received | | 11,575 | 14,000 | 20,438 |
| Net cash from / (to) the Operating Activities | | (182,310) | 192,283 | 167,661 |
| **Cash flows from Investing Activities** | | | | |
| Proceeds from Sale of PPE (and Intangibles) | | (0) | - | 1,852 |
| Purchase of PPE (and Intangibles) | | (178,063) | - | (62,270) |
| Net cash from / (to) the Investing Activities | | (178,063) | - | (60,418) |
| **Cash flows from Financing Activities** | | | | |
| Furniture and Equipment Grant | | 41,689 | 20,784 | 20,784 |
| Finance Lease Payments | | (15,954) | (13,481) | (13,481) |
| Painting contract payments | | - | - | (38,871) |
| Funds Administered on Behalf of Third Parties | | 1,573 | (199,224) | (199,224) |
| Net cash from Financing Activities | | 27,307 | (191,921) | (230,792) |
| **Net increase/(decrease) in cash and cash equivalents** | | (333,065) | 362 | (123,549) |
| Cash and cash equivalents at the beginning of the year | 9 | 807,425 | 807,425 | 930,973 |
| **Cash and cash equivalents at the end of the year** | 9 | 474,359 | 807,786 | 807,425 |

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

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## Katikati College

## Notes to the Financial Statements

# 1. Statement of Accounting Policies

For the year ended 31 December 2019

**a) Reporting Entity**

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

**b) Basis of Preparation**

***Reporting Period***

The financial reports have been prepared for the period 1 January 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”.

***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.

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

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

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

*Recognition of grants*
The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carry forward 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.

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

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

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

**i) Inventories**
Inventories are consumable items held for sale and comprise of stationery and canteen items. 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.

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

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

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

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

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

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

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

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The estimated useful lives of the assets are:

| | |
|---|---|
| Building improvements – Crown | 40 years |
| Furniture and equipment | 3-10 years |
| Information and communication technology | 2-4 years |
| Textbooks | 2-4 years |
| Library resources | 5 years or 12.5% Diminishing value |

**l) Intangible Assets**

*Software costs*

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

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

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

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

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

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

*Non cash generating assets*

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

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

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

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

**n) Accounts Payable**

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

**o) Employee Entitlements**

*Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.
These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

**p) Revenue Received in Advance**

Revenue received in advance relates to fees received from international students and grants re[illegible]e are unfulfilled

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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. 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 participating schools within a cluster of schools. 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.

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

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

**v) Goods and Services Tax (GST)**
The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

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

Commitments and contingencies are disclosed exclusive of GST.

**w) Budget Figures**
The budget figures are extracted from the School budget that was approved by the Board at the start of the year.

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

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## 2. Government Grants

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Operational grants | 1,689,110 | 1,727,520 | 1,646,350 |
| Teachers' salaries grants | 4,810,067 | 4,472,496 | 4,521,577 |
| Use of Land and Buildings grants | 1,562,857 | 1,299,996 | 1,449,340 |
| Other MoE Grants | 242,144 | 109,778 | 176,522 |
| Transport grants | 477,939 | 420,000 | 367,949 |
| | 8,782,117 | 8,029,790 | 8,161,738 |

## 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 | 27,880 | 27,000 | 27,771 |
| Fundraising | 37,759 | 15,500 | 27,761 |
| Other revenue | 107,103 | 138,365 | 180,372 |
| Trading | 137,510 | 143,940 | 133,055 |
| Activities | 321,489 | 230,005 | 348,978 |
| | 631,739 | 554,810 | 717,937 |
| ***Expenses*** | | | |
| Activities | 247,032 | 183,830 | 248,333 |
| Trading | 133,165 | 135,960 | 128,973 |
| Fundraising (costs of raising funds) | 9,576 | 4,000 | 7,920 |
| | 389,773 | 323,790 | 385,227 |
| *Surplus for the year Locally raised funds* | 241,966 | 231,020 | 332,710 |

## 4. International Student Revenue and Expenses

| | 2019 Actual Number | 2019 Budget (Unaudited) Number | 2018 Actual Number |
|---|---|---|---|
| International Student Roll | 16 | 24 | 24 |

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| ***Revenue*** | | | |
| International student fees | 473,830 | 780,400 | 845,785 |
| ***Expenses*** | | | |
| Advertising | 12,188 | 68,000 | 44,605 |
| Commissions | 25,581 | 46,000 | 51,633 |
| Recruitment | | | |
| International student levy | 5,679 | - | 3,654 |
| Employee Benefit - Salaries | 113,643 | 106,600 | 106,508 |
| Other Expenses | 202,379 | 409,087 | 430,060 |
| | 359,469 | 629,687 | 636,461 |
| *Surplus for the year International Students'* | 114,360 | 150,713 | 209,324 |

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## 5. Learning Resources

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Curricular | 304,951 | 335,783 | 320,361 |
| Library resources | 4,549 | 5,900 | 5,698 |
| Employee benefits - salaries | 5,807,738 | 5,137,353 | 5,351,105 |
| Staff development | 53,030 | 60,000 | 25,865 |
| | 6,170,267 | 5,539,036 | 5,703,029 |

## 6. Administration

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Audit Fee | 6,887 | 7,500 | 7,024 |
| Board of Trustees Fees | 4,173 | 5,000 | 4,727 |
| Board of Trustees Expenses | 6,149 | 7,000 | 2,595 |
| Communication | 5,937 | 13,100 | 22,137 |
| Consumables | 7,289 | 9,500 | 8,366 |
| Operating Lease | 33,420 | 56,972 | 53,819 |
| Legal Fees | 18,390 | 1,000 | - |
| Other | 131,360 | 116,800 | 120,925 |
| Employee Benefits - Salaries | 301,108 | 260,550 | 287,003 |
| Insurance | 19,279 | 20,000 | 24,719 |
| Service Providers, Contractors and Consultancy | 9,347 | 10,000 | 9,574 |
| | 543,338 | 507,422 | 540,890 |

## 7. Property

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Caretaking and Cleaning Consumables | 26,473 | 21,000 | 22,377 |
| Cyclical Maintenance Provision | - | - | (32,508) |
| Grounds | 17,785 | 18,200 | 17,958 |
| Heat, Light and Water | 95,452 | 79,000 | 79,923 |
| Rates | 32,086 | 32,000 | 27,217 |
| Repairs and Maintenance | 43,166 | 71,500 | 65,083 |
| Use of Land and Buildings | 1,562,857 | 1,299,996 | 1,449,340 |
| Security | 19,299 | 15,000 | 13,580 |
| Employee Benefits - Salaries | 248,077 | 272,008 | 233,578 |
| | 2,045,195 | 1,808,704 | 1,876,547 |

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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.

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## 8. Depreciation of Property, Plant and Equipment

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Buildings - School | 2,634 | | 2,634 |
| Building Improvements - Crown | 31,271 | | 31,271 |
| Furniture and Equipment | 72,394 | | 68,239 |
| Information and Communication Technology | 37,047 | | 45,904 |
| Textbooks | 2,638 | | 4,014 |
| Library Resources | 5,369 | | 5,114 |
| | 151,353 | 150,000 | 157,176 |

## 9. Cash, Cash Equivalent & Current Investments

9 (a) Cash and Cash Equivalent

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Cash on Hand | 448 | 448 | 448 |
| Bank Current Account | 54,953 | 160,546 | 160,185 |
| Bank Call Account | 118,959 | 296,791 | 296,791 |
| Total Cash & Cash Equivalent | 174,359 | 457,786 | 457,425 |

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

9 (b) Investments

The school's investment activities are classified as follows:

| | | | |
|---|---|---|---|
| Current asset: Short term bank deposits | 300,000 | 350,000 | 350,000 |
| Total Cash, Cash Equivalent & Current Investments | 474,359 | 807,786 | 807,424 |

## 10. Accounts Receivable

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Receivables | 29,278 | 105,502 | 105,502 |
| MoE Receivable Sick Pay | 32,753 | - | - |
| MoE Receivable Transport | 93,857 | - | - |
| Teacher Salaries Grant Receivable | 329,509 | 308,343 | 308,343 |
| | 485,398 | 413,845 | 413,846 |
| Receivables from Exchange Transactions | 29,278 | 105,502 | 105,502 |
| Receivables from Non-Exchange Transactions | 456,120 | 308,343 | 308,344 |
| | 485,398 | 413,845 | 413,846 |

## 11. Inventories

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Stationery | 4,124 | 1,894 | 1,894 |
| School Uniforms | 4,000 | - | - |
| Canteen | 344 | 154 | 154 |
| | 8,468 | 2,048 | 2,048 |

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## 12. Property, Plant and Equipment

| 2019 | Opening Balance (NBV) $ | Additions $ | Disposals $ | Impairment $ | Depreciation $ | Total (NBV) $ |
|---|---|---|---|---|---|---|
| Buildings | 957,394 | | | | (33,905) | **923,489** |
| Furniture and Equipment | 368,271 | 123,196 | | | (72,394) | **419,072** |
| Information and Communication | 51,550 | 47,272 | | | (21,835) | **76,987** |
| Textbooks | 11,657 | 1,260 | | | (2,638) | **10,279** |
| Leased Assets | 27,094 | 10,482 | | | (15,212) | **22,364** |
| Library Resources | 37,011 | 6,335 | | | (5,369) | **37,976** |
| **Balance at 31 December 2019** | 1,452,976 | 188,545 | - | - | (151,353) | **1,490,169** |

| 2019 | Cost or Valuation $ | Accumulated Depreciation $ | Net Book Value $ |
|---|---|---|---|
| Buildings | 1,418,183 | (494,695) | **923,489** |
| Furniture and Equipment | 1,893,022 | (1,473,949) | **419,072** |
| Information and Communication | 1,880,533 | (1,803,544) | **76,989** |
| Textbooks | 214,284 | (204,006) | **10,279** |
| Leased Assets | 134,365 | (38,723) | **95,642** |
| Library Resources | 118,100 | (80,123) | **37,976** |
| **Balance at 31 December 2019** | 5,658,487 | (4,095,041) | **1,563,447** |

| 2018 | Opening Balance (NBV) $ | Additions $ | Disposals $ | Impairment $ | Depreciation $ | Total (NBV) $ |
|---|---|---|---|---|---|---|
| Buildings | 991,298 | - | | | (33,905) | **957,394** |
| Furniture and Equipment | 403,365 | 33,145 | | | (68,239) | **368,271** |
| Information and Communication | 64,046 | 20,083 | | | (32,579) | **51,550** |
| Textbooks | 12,882 | 2,789 | | | (4,014) | **11,658** |
| Leased Assets | 21,934 | 18,485 | | | (13,325) | **27,094** |
| Library Resources | 35,873 | 6,252 | | | (5,114) | **37,011** |
| **Balance at 31 December 2018** | 1,529,397 | 80,754 | - | - | (157,176) | **1,452,977** |

| 2018 | Cost or Valuation $ | Accumulated Depreciation $ | Net Book Value $ |
|---|---|---|---|
| Land | - | - | **-** |
| Buildings | 1,418,183 | (460,791) | **957,394** |
| Furniture and Equipment | 1,769,827 | (1,401,555) | **368,271** |
| Information and Communication Technology | 1,833,259 | (1,781,710) | **51,549** |
| Textbooks | 213,024 | (201,367) | **11,657** |
| Leased Assets | 50,605 | (23,511) | **27,095** |
| Library Resources | 111,766 | (74,754) | **37,011** |
| **Balance at 31 December 2018** | 5,396,664 | (3,943,688) | **1,452,977** |

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## 13. Accounts Payable

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Operating creditors | 74,995 | 68,220 | 68,220 |
| Accruals | 56,523 | - | 5,330 |
| Staff Banking Overuse | 21,415 | - | - |
| Employee Entitlements - salaries | 329,509 | 353,143 | 308,440 |
| Employee Entitlements - leave accrual | 44,070 | - | 39,374 |
| | 526,513 | 421,364 | 421,365 |

The carrying value of payables approximates their fair value.

## 14. Revenue Received in Advance

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| International Student Fees | 142,076 | 302,472 | 302,472 |
| | 142,076 | 302,472 | 302,472 |

## 15. Provision for Cyclical Maintenance

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Provision at the Start of the Year | 173,291 | | 198,707 |
| Increase to the Provision During the Year | | | |
| Adjustment to the Provision | | | (25,416) |
| Provision at the End of the Year | 173,291 | - | 173,291 |
| Cyclical Maintenance - Current | 87,500 | 87,500 | 87,500 |
| Cyclical Maintenance - Term | 85,791 | 85,791 | 85,791 |
| | 173,291 | 173,291 | 173,291 |

## 16. Painting Contract Liability

The school does not currently have any liability under a painting contract.

## 17. Finance Lease Liability

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

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| No Later than One Year | 24,000 | 14,503 | 14,503 |
| Later than One Year and no Later than Five Years | 67,433 | 11,667 | 11,667 |
| Later than Five Years | - | | |
| | 91,433 | 26,170 | 26,170 |

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## 18. Funds held in Trust

| | 2019 Actual | 2019 Budget (Unaudited) | 2018 Actual |
|---|---|---|---|
| | $ | $ | $ |
| Funds Held in Trust on Behalf of Third Parties - Current | 108,234 | 148,574 | 148,574 |
| Funds Held in Trust on Behalf of Third Parties - Non-current | - | | |
| | 108,234 | 148,574 | 148,574 |

These funds are held in trust for international students' homestay families, sports teams and activity groups.

## 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:

| 2019 | | Opening Balances $ | Receipts from MoE $ | Payments $ | BOT Contribution/ (Write-off to R&M) | Closing Balances $ |
|---|---|---|---|---|---|---|
| Technology Block | *complete* | 2,400 | | | | 2,400 |
| Toilet Block | *complete* | 7,193 | | | | 7,193 |
| Flood damage | *complete* | - | 11,460 | 11,460 | | - |
| Revamp Classrooms | *in progress* | 48,100 | | 45,719 | | 2,381 |
| Technology Block Part 2 | *in progress* | | 83,375 | 117,622 | | (34,247) |
| Library Refurbishment | *in progress* | | 53,000 | 35,296 | | 17,704 |
| Demolition of Classrooms | *in progress* | | 41,400 | 39,538 | | 1,862 |
| Totals | | 57,694 | 189,235 | 249,635 | - | (2,707) |

| 2018 | | Opening Balances $ | Receipts from MoE $ | Payments $ | BOT Contribution/ (Write-off to R&M) | Closing Balances $ |
|---|---|---|---|---|---|---|
| Technology Block | *complete* | 57,411 | 50,248 | 105,259 | | 2,400 |
| Toilet Block | *complete* | 17,355 | - | 10,162 | | 7,193 |
| Revamp Classrooms | *planning* | | 48,100 | | | 48,100 |
| Totals | | 74,766 | 98,348 | 115,421 | - | 57,694 |

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## 20. Funds Held on Behalf of the Katikati Transport Group

Katikati College is the lead school and holds funds on behalf of the Transport Group, a group of schools funded by the Ministry of Education to provide school transportation services.

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Funds Held at Begining of the Year | 145,676 | | 265,397 |
| Funds Received from MoE | 663,989 | | 511,182 |
| Funds Spent on Behalf of the the Cluster | (505,741) | | (580,850) |
| Received from Cluster Members | - | | 12,265 |
| Historic Rebalancing | - | | (62,318) |
| Funds Held at Year End | 303,924 | 145,676 | 145,676 |
| of which Katikati College portion showing as Receivable | 279,023 | 165,116 | 165,116 |

## 21. Related Party Transactions

The School is a controlled entity of the Crown.

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.

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## 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.

| | 2019 Actual $ | 2018 Actual $ |
|---|---|---|
| *Board Members* | | |
| Remuneration | 4,173 | 4,727 |
| Full-time equivalent members | 0.32 | 0.37 |
| *Leadership Team* | | |
| Remuneration | 1,413,237 | 1,425,871 |
| Full-time equivalent members | 14.00 | 15.00 |
| Total key management personnel remuneration | 1,417,410 | 1,430,598 |
| Total full-time equivalent personnel | 14.32 | 15.37 |

The full time equivalent for Board

*Principal*

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

| | 2019 Actual | 2018 Actual |
|---|---|---|
| Salaries and Other Short-term Employee Benefits: | $000 | $000 |
| Salary and Other Payments | 150 - 160 | 150 - 160 |
| 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 $000 | 2019 FTE Number | 2018 FTE Number |
|---|---|---|
| 100 - 110 | 3.00 | 2.00 |
| | 3.00 | 2.00 |

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:

| | 2019 Actual | 2018 Actual |
|---|---|---|
| Total | $34,000 | - |
| Number of People | 2 | - |

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## 24. Contingencies

The board has a contingent liabiilty for their share of capital improvements made to the Action Centre late 2015. The amount and the exact nature of the liability of this is unknown at balance date.

**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**

Capital commitments at 31 December 2019: nil

(Capital commitments at 31 December 2018: nil)

**(b) Operating Commitments**

As at 31 December 2019 the Board has entered into the following contracts:

(a) operating leases of photocopiers, vans & Vistab sign in sign out system;

| | 2019 Actual $ | 2018 Actual $ |
|---|---|---|
| No later than One Year | 18,213 | 31,694 |
| Later than One Year and No Later than Five Years | 13,154 | 1,587 |
| Later than Five Years | | - |
| | 31,367 | 33,281 |

## 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 generate a small surplus from year to year.

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## 27. Financial Instruments

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

**Loans and receivables**

| | 2019 Actual $ | 2019 Budget (Unaudited) $ | 2018 Actual $ |
|---|---|---|---|
| Cash and Cash Equivalents | 474,359 | 807,786 | 807,424 |
| Receivables | 485,398 | 413,845 | 413,846 |
| Total Cash and Receivables | 959,758 | 1,221,631 | 1,221,270 |
| **Financial liabilities measured at** | | | |
| Payables | 526,513 | 421,364 | 421,365 |
| Finance Leases | 91,433 | 26,170 | 26,170 |
| Painting Contract Liability | - | - | - |
| Total Financial Liabilities Measured at Amortised Cost | 617,946 | 447,534 | 447,535 |

## 28. 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. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closures.

At the date of issuing the financial statements, the school has been able to absorb some 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. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

•Â reduction in locally raised funds revenue because the schools ability to undertake fund raising events in the community and collect donations or other contributions from parents, may be compromised.
•Â reduction in revenue from student fees & charges from International students, including the potential loss of current and prospective students due to the disruption and pressures created by COVID-19.

Because of the matters noted above, the school may experience a significant reduction in revenue for the coming year and may not been able to reduce its associated costs as quickly. As a result the school could experience increased financial pressures. However, at this stage, the school still expects to be able to meet its obligations as they fall due, and has therefore not requested a letter of support from the Ministry of Education.

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