

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
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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

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
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		-	-	-
		<hr/>	<hr/>	<hr/>
		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
		<hr/>	<hr/>	<hr/>
		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		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(124,168)	361	28,472

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



Katikati College
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>1,579,846</u>	<u>1,579,846</u>	<u>1,530,590</u>
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	<u>1,497,367</u>	<u>1,580,207</u>	<u>1,579,846</u>
Retained Earnings	1,497,367	1,580,207	1,579,846
Reserves	-	-	-
Equity at 31 December	<u>1,497,367</u>	<u>1,580,207</u>	<u>1,579,846</u>

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



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
		<u>1,276,686</u>	<u>1,402,471</u>	<u>1,402,111</u>
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
		<u>1,189,541</u>	<u>1,177,783</u>	<u>1,177,783</u>
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
		<u>1,563,447</u>	<u>1,452,977</u>	<u>1,452,977</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	85,791	85,791	85,791
Finance Lease Liability	17	67,433	11,667	11,667
		<u>153,224</u>	<u>97,458</u>	<u>97,458</u>
Net Assets		<u>1,497,367</u>	<u>1,580,207</u>	<u>1,579,846</u>
Equity		<u>1,497,367</u>	<u>1,580,207</u>	<u>1,579,846</u>

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



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.



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.



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.

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.



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. 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.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from international students and grants re

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. 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.

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
	<u>8,782,117</u>	<u>8,029,790</u>	<u>8,161,738</u>

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
	<u>631,739</u>	<u>554,810</u>	<u>717,937</u>
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
	<u>389,773</u>	<u>323,790</u>	<u>385,227</u>
<i>Surplus for the year Locally raised funds</i>	<u>241,966</u>	<u>231,020</u>	<u>332,710</u>

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
	<u>359,469</u>	<u>629,687</u>	<u>636,461</u>
<i>Surplus for the year International Students'</i>	<u>114,360</u>	<u>150,713</u>	<u>209,324</u>



5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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
	<u>6,170,267</u>	<u>5,539,036</u>	<u>5,703,029</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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
	<u>543,338</u>	<u>507,422</u>	<u>540,890</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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
	<u>2,045,195</u>	<u>1,808,704</u>	<u>1,876,547</u>

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.

8. Depreciation of Property, Plant and Equipment

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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
	<u>151,353</u>	<u>150,000</u>	<u>157,176</u>

9. Cash, Cash Equivalent & Current Investments

9 (a) Cash and Cash Equivalent

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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	<u>174,359</u>	<u>457,786</u>	<u>457,425</u>

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	<u>300,000</u>	<u>350,000</u>	<u>350,000</u>
Total Cash, Cash Equivalent & Current Investments	<u>474,359</u>	<u>807,786</u>	<u>807,424</u>

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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
	<u>485,398</u>	<u>413,845</u>	<u>413,846</u>
Receivables from Exchange Transactions	29,278	105,502	105,502
Receivables from Non-Exchange Transactions	456,120	308,343	308,344
	<u>485,398</u>	<u>413,845</u>	<u>413,846</u>

11. Inventories

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



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
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

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
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

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
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

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
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



13. Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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
	<u>526,513</u>	<u>421,364</u>	<u>421,365</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	142,076	302,472	302,472
	<u>142,076</u>	<u>302,472</u>	<u>302,472</u>

15. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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	<u>173,291</u>	<u>-</u>	<u>173,291</u>
Cyclical Maintenance - Current	87,500	87,500	87,500
Cyclical Maintenance - Term	85,791	85,791	85,791
	<u>173,291</u>	<u>173,291</u>	<u>173,291</u>

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	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
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	-		
	<u>91,433</u>	<u>26,170</u>	<u>26,170</u>



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	-		
	<u>108,234</u>	<u>148,574</u>	<u>148,574</u>

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	<i>complete</i>	2,400				2,400
Toilet Block	<i>complete</i>	7,193				7,193
Flood damage	<i>complete</i>	-	11,460	11,460		-
Revamp Classrooms	<i>in progress</i>	48,100		45,719		2,381
Technology Block Part 2	<i>in progress</i>		83,375	117,622		(34,247)
Library Refurbishment	<i>in progress</i>		53,000	35,296		17,704
Demolition of Classrooms	<i>in progress</i>		41,400	39,538		1,862
Totals		<u>57,694</u>	<u>189,235</u>	<u>249,635</u>	<u>-</u>	<u>(2,707)</u>

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

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 Beginning 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	<u>303,924</u>	<u>145,676</u>	<u>145,676</u>
of which Katikati College portion showing as Receivable	<u>279,023</u>	<u>165,116</u>	<u>165,116</u>

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.

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 \$
<i>Board Members</i>		
Remuneration	4,173	4,727
Full-time equivalent members	0.32	0.37
<i>Leadership Team</i>		
Remuneration	1,413,237	1,425,871
Full-time equivalent members	14.00	15.00
Total key management personnel remuneration	<u>1,417,410</u>	<u>1,430,598</u>
Total full-time equivalent personnel	<u>14.32</u>	<u>15.37</u>

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 \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
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
	<u>3.00</u>	<u>2.00</u>

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	-

24. Contingencies

The board has a contingent liability 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		-
	<u>31,367</u>	<u>33,281</u>

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.

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	<u>959,758</u>	<u>1,221,631</u>	<u>1,221,270</u>

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	<u>617,946</u>	<u>447,534</u>	<u>447,535</u>

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:

- A 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.
- A 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.

