

SOUTH MAKIRIKIRI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:	2446
Principal:	Greg Allan
School Address:	945 Makirikiri Road, RD 3, Marton, 4789
School Postal Address:	as above
School Phone:	06 327 6617
School Email:	office@southmak.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Expires
Christina Belton	Chair Person	Elected	June 2022
Greg Allan	Principal	ex Officio	
Kelly Greer	Parent Rep	Elected	June 2022
Carl McDonald	Parent Rep	Elected	June 2022
Brendon Shoebridge	Parent Rep	Elected	June 2022
Tony Maas	Parent Rep	Elected	June 2022
Sarah Third	Staff Rep	Elected	November 2020

Accountant/Service Provider: Carl McDonald (Parent Rep, BOT)



SOUTH MAKIRIKIRI SCHOOL

Annual Report - For the year ended 31 December 2020

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South Makirikiri School

Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

Christina Belton

Full Name of Board Chairperson

Gregory Allon

Full Name of Principal

CBelton

Signature of Board Chairperson

GAllon

Signature of Principal

8 September 2021

Date

8 September 2021

Date

South Makirikiri School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,262,655	1,386,921	1,187,173
Locally Raised Funds	3	92,080	69,944	91,206
Interest income		611	252	388
Gain on Sale of Property, Plant and Equipment		696	-	-
		<u>1,356,042</u>	<u>1,457,117</u>	<u>1,278,767</u>
Expenses				
Locally Raised Funds	3	13,995	33,156	24,359
Learning Resources	4	855,071	1,020,440	810,444
Administration	5	76,077	62,864	67,329
Finance		1,954	-	2,550
Property	6	328,477	303,525	302,620
Depreciation	7	46,161	32,856	45,982
Loss on Disposal of Property, Plant and Equipment		3,971	-	243
		<u>1,325,706</u>	<u>1,452,841</u>	<u>1,253,527</u>
Net Surplus / (Deficit) for the year		30,337	4,276	25,240
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>30,337</u>	<u>4,276</u>	<u>25,240</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.

South Makirikiri School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		<u>442,695</u>	<u>473,590</u>	<u>417,455</u>
Total comprehensive revenue and expense for the year		30,337	4,276	25,240
Equity at 31 December	21	<u>473,032</u>	<u>477,866</u>	<u>442,695</u>
Retained Earnings		473,032	477,866	442,695
Equity at 31 December		<u>473,032</u>	<u>477,866</u>	<u>442,695</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.

South Makirikiri School

Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	223,924	231,406	322,152
Accounts Receivable	9	50,785	34,000	35,179
GST Receivable		10,985	(13,000)	(12,613)
		<u>285,693</u>	<u>252,406</u>	<u>344,717</u>
Current Liabilities				
Accounts Payable	11	77,324	50,000	60,661
Revenue Received in Advance	12	2,917	-	-
Provision for Cyclical Maintenance	13	48,125	45,000	15,000
Finance Lease Liability - Current Portion	14	9,099	8,500	8,561
Funds held for Capital Works Projects	15	13,217	-	110,851
		<u>150,682</u>	<u>103,500</u>	<u>195,073</u>
Working Capital Surplus/(Deficit)		135,011	148,906	149,644
Non-current Assets				
Property, Plant and Equipment	10	356,894	358,406	346,262
		<u>356,894</u>	<u>358,406</u>	<u>346,262</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	13,134	19,446	40,950
Finance Lease Liability	14	5,739	10,000	12,261
		<u>18,873</u>	<u>29,446</u>	<u>53,211</u>
Net Assets		<u>473,032</u>	<u>477,866</u>	<u>442,695</u>
Equity	21	<u>473,032</u>	<u>477,866</u>	<u>442,695</u>

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

South Makirikiri School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		327,527	272,500	247,000
Locally Raised Funds		94,997	69,944	91,206
Goods and Services Tax (net)		(23,598)	-	17,629
Payments to Employees		(171,197)	(145,492)	(134,499)
Payments to Suppliers		(150,489)	(151,576)	(122,435)
Cyclical Maintenance Payments in the year		(10,441)	(7,000)	(5,900)
Interest Paid		(1,954)	-	(2,550)
Interest Received		611	252	388
Net cash from/(to) Operating Activities		65,456	38,628	90,840
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	(500)	-
Purchase of Property Plant & Equipment (and Intangibles)		(60,066)	(57,112)	(38,953)
Net cash from/(to) Investing Activities		(60,066)	(57,612)	(38,953)
Cash flows from Financing Activities				
Finance Lease Payments		(5,984)	(2,322)	(5,968)
Funds Held for Capital Works Projects		(97,635)	-	110,851
Net cash from/(to) Financing Activities		(103,619)	(2,322)	104,883
Net increase/(decrease) in cash and cash equivalents		(98,229)	(21,306)	156,770
Cash and cash equivalents at the beginning of the year	8	322,153	252,712	165,383
Cash and cash equivalents at the end of the year	8	223,924	231,406	322,152

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

South Makirikiri School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

South Makirikiri School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. 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 2020 to 31 December 2020 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 and Training Act 2020 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.

Cyclical maintenance

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

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 10.

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 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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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 (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

i) 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.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	8 years

j) 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

k) 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.

l) 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, and also annual leave earned, by non teaching staff, 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.

n) 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).

o) Financial Instruments

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 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' 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.

p) 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.

q) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

r) 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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	292,551	259,000	231,969
Teachers' Salaries Grants	720,706	900,000	699,590
Use of Land and Buildings Grants	214,421	214,421	235,598
Resource Teachers Learning and Behaviour Grants	1,328	-	3,970
Other MoE Grants	33,649	13,500	16,046
Other Government Grants	-	-	-
	<u>1,262,655</u>	<u>1,386,921</u>	<u>1,187,173</u>

The school has opted in to the donations scheme for this year. Total amount received was \$21,150.

Other MOE Grants total included additional COVID-19 funding totalling \$5,778 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	39,580	15,000	33,455
Bequests & Grants	22,233	26,996	30,103
Activities	14,795	20,148	13,933
Trading	6,017	-	3,811
Fundraising	-	-	-
Other Revenue	9,455	7,800	9,903
	<u>92,080</u>	<u>69,944</u>	<u>91,206</u>
Expenses			
Activities	7,868	28,260	18,974
Trading	934	2,400	2,833
Transport (Local)	5,193	2,496	2,552
	<u>13,995</u>	<u>33,156</u>	<u>24,359</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>78,085</u>	<u>36,788</u>	<u>66,847</u>

\$10,000 bequest from JBS Dudding Trust is earmarked for new technology purchases in future years. The bequest is classified as Cash Exchange although the purchase of the computers will be classified as Non-Cash Generating Assets depending on the purpose and use.

4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	31,654	28,936	23,752
Information and Communication Technology	1,572	2,004	3,859
Employee Benefits - Salaries	816,133	978,496	773,134
Staff Development	5,712	11,004	9,698
	<u>855,071</u>	<u>1,020,440</u>	<u>810,444</u>

5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	4,965	4,000	4,874
Board of Trustees Fees	3,240	3,500	2,985
Board of Trustees Expenses	1,464	2,496	3,037
Communication	1,649	2,004	1,707
Consumables	1,036	1,500	5,734
Operating Lease	3,923	8,004	3,996
Other	13,131	5,364	6,047
Employee Benefits - Salaries	42,909	30,996	32,252
Insurance	1,430	1,500	2,882
Service Providers, Contractors and Consultancy	2,330	3,500	3,814
	<u>76,077</u>	<u>62,864</u>	<u>67,329</u>

6. Property

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Caretaking and Cleaning Consumables	7,216	2,404	3,752
Consultancy and Contract Services	10,930	9,708	3,127
Cyclical Maintenance Provision	15,750	8,496	5,725
Grounds	4,758	2,004	2,755
Heat, Light and Water	10,119	9,000	10,634
Repairs and Maintenance	26,947	20,496	6,324
Use of Land and Buildings	214,421	214,421	235,598
Security	853	996	-
Employee Benefits - Salaries	37,483	36,000	34,706
	<u>328,477</u>	<u>303,525</u>	<u>302,620</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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Buildings - School	1,947	1,400	1,947
Building Improvements - Crown	4,938	3,500	4,930
Furniture and Equipment	10,060	2,000	7,214
Information and Communication Technology	21,598	20,956	23,686
Motor Vehicles	245	500	642
Textbooks	-	3,100	-
Leased Assets	5,602	-	5,518
Library Resources	1,771	1,400	2,045
	<u>46,161</u>	<u>32,856</u>	<u>45,982</u>

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	40,917	60,128	70,920
Bank Call Account	183,007	171,278	251,233
Cash and cash equivalents for Statement of Cash Flows	<u>223,924</u>	<u>231,406</u>	<u>322,152</u>

Of the \$223,924 Cash and Cash Equivalents \$16,255 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Teacher Salaries Grant Receivable	50,785	34,000	35,179
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	50,785	34,000	35,179
	<u>50,785</u>	<u>34,000</u>	<u>35,179</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Land	3,000	-	-	-	-	3,000
Buildings	46,423	-	-	-	(1,947)	44,476
Building Improvements	153,728	5,811	-	-	(4,938)	154,601
Furniture and Equipment	19,342	9,767	-	-	(3,907)	25,202
Information and Communication Technology	68,859	15,881	-	-	(21,598)	63,142
Motor Vehicles	5,779	14,692	(5,779)	-	(245)	14,447
Miscellaneous	13,114	13,760	-	-	(6,153)	20,721
Leased Assets	21,809	2,783	-	-	(5,602)	18,990
Library Resources	14,209	68	-	(192)	(1,771)	12,314
	-	-	-	-	-	-
Balance at 31 December 2020	<u>346,263</u>	<u>62,762</u>	<u>(5,779)</u>	<u>(192)</u>	<u>(46,161)</u>	<u>356,894</u>

The net carrying value of equipment held under a finance lease is \$18,990 (2019: \$21,809)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2020			
Land	3,000	-	3,000
Buildings	89,464	(44,988)	44,476
Building Improvements	234,665	(80,065)	154,600
Furniture and Equipment	112,797	(87,594)	25,203
Information and Communication	387,940	(324,797)	63,143
Motor Vehicles	14,692	(245)	14,447
Miscellaneous	52,470	(31,749)	20,721
Leased Assets	37,607	(18,617)	18,990
Library Resources	29,367	(17,053)	12,314
Balance at 31 December 2020	962,002	(605,108)	356,894

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Land	3,000	-	-	-	-	3,000
Buildings	48,370	-	-	-	(1,947)	46,423
Building Improvements	158,658	-	-	-	(4,930)	153,728
Furniture and Equipment	20,554	6,002	-	-	(7,214)	19,342
Information and Communication Technology	60,002	32,543	-	-	(23,686)	68,859
Motor Vehicles	6,421	-	-	-	(642)	5,779
Miscellaneous	13,114	-	-	-	-	13,114
Leased Assets	21,432	5,895	-	-	(5,518)	21,809
Library Resources	16,089	408	-	(243)	(2,045)	14,209
Balance at 31 December 2019	347,639	44,848	-	(243)	(45,982)	346,262

The net carrying value of equipment held under a finance lease is \$21,809 (2019: \$21,432)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Land	3,000	-	3,000
Buildings	89,464	(43,041)	46,423
Building Improvements	228,855	(75,127)	153,728
Furniture and Equipment	103,029	(83,687)	19,342
Information and Communication Technology	372,058	(303,199)	68,859
Motor Vehicles	15,044	(9,265)	5,779
Miscellaneous	38,710	(25,596)	13,114
Leased Assets	34,824	(13,015)	21,809
Library Resources	31,242	(17,033)	14,209
Balance at 31 December 2019	916,227	(569,965)	346,262

11. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	15,446	17,000	17,287
Employee Entitlements - Salaries	50,785	33,000	32,608
Employee Entitlements - Leave Accrual	11,093	-	10,766
	<u>77,324</u>	<u>50,000</u>	<u>60,661</u>
Payables for Exchange Transactions	77,324	50,000	60,661
	<u>77,324</u>	<u>50,000</u>	<u>60,661</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Uniform Deposits	2,917	-	-
	<u>2,917</u>	<u>-</u>	<u>-</u>

13. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	55,950	55,950	56,125
Increase/ (decrease) to the Provision During the Year	15,750	8,496	5,725
Use of the Provision During the Year	(10,441)	-	(5,900)
Provision at the End of the Year	<u>61,259</u>	<u>64,446</u>	<u>55,950</u>
Cyclical Maintenance - Current	48,125	45,000	15,000
Cyclical Maintenance - Term	13,134	19,446	40,950
	<u>61,259</u>	<u>64,446</u>	<u>55,950</u>

The Ministry has approved a weather-tightness remediation project for Block 2, which is included in the school's cyclical maintenance provision. The School have set aside 5YA funding of \$104,458 for this project. Additional funding will be provided by the Ministry of Education from the Ministry's weather-tightness budget.

14. Finance Lease Liability

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

	2020	2020	2019
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later than One Year	10,266	-	10,457
Later than One Year and no Later than Five Years	6,030	-	13,379
	<u>16,296</u>	<u>-</u>	<u>23,836</u>

15. 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:

	2020	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Outdoor Covered Area	<i>In progress</i>	110,851	-	(94,596)	-	16,255
Carpark Resealing	<i>Completed</i>	-	32,776	(32,776)	-	-
Astroturf to Courts	<i>Completed</i>	-	52,332	(52,332)	-	-
Lighting Upgrade	<i>In progress</i>	-	29,511	(32,550)	-	(3,039)
Totals		<u>110,851</u>	<u>114,619</u>	<u>(212,254)</u>	<u>-</u>	<u>13,217</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	16,255
Funds Due from the Ministry of Education	3,039
	<u>13,217</u>

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contributions	Closing Balances
		\$	\$	\$	\$	\$
Outdoor Covered Area	<i>in progress</i>	-	110,851	-	-	110,851
Totals		<u>-</u>	<u>110,851</u>	<u>-</u>	<u>-</u>	<u>110,851</u>

16. Related Party Transactions

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

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

The School House was rented by a staff member of South Makirikiri School for \$300/fortnight during 2020.

The Principal and two BOT members' wives were on the South Makirikiri Friends of the School Committee during 2020 in which donations of \$39,504 were received by the School and a donation of \$350 was made by the School.

The Principal was a Trustee of the Bonny Glenn Community Trust during 2020 in which a grant of \$3,043 was received by the School.

17. Remuneration

Key management personnel compensation

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

	2020	2019
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,240	2,985
Full-time equivalent members	0.07	0.06
<i>Leadership Team</i>		
Remuneration	218,148	168,225
Full-time equivalent members	2	1.52
Total key management personnel remuneration	<u>221,388</u>	<u>171,210</u>
Total full-time equivalent personnel	<u>2.07</u>	<u>1.58</u>

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:

	2020	2019
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration	2020	2019
\$000	FTE Number	FTE Number
0	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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

18. Compensation and Other Benefits Upon Leaving

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

	2020	2019
	Actual	Actual
Total	-	-
Number of People	-	-

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

20. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) \$110,851 contract for the Outdoor Covered Area Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$110,851 has been received of which \$94,596 has been spent on the project to balance date. This project has been approved by the Ministry.

(b) \$29,511 contract for the Lighting Upgrade Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$29,511 has been received of which \$32,550 has been spent on the project to balance date. This project has been approved by

(Capital commitments at 31 December 2019: \$0)

(b) Operating Commitments

There are no operating commitments as at 31 December 2020 (Operating commitments at 31 December 2019: nil).

21. Managing Capital

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

22. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	223,924	231,406	322,152
Receivables	50,785	34,000	35,179
Investments - Term Deposits	-	-	-
Total Financial assets measured at amortised cost	<u>274,709</u>	<u>265,406</u>	<u>357,331</u>

Financial liabilities measured at amortised cost

Payables	77,324	50,000	60,661
Borrowings - Loans	-	-	-
Finance Leases	14,838	18,500	20,822
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>92,162</u>	<u>68,500</u>	<u>81,483</u>

23. Events After Balance Date

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

24. Failure to comply with Section 137 of the Education and Training Act

The Board of Trustees has failed to comply with Section 137 of the Education and Training Act 2020 in that the Board did not report by 31 May 2021, the date fixed by the Minister of Education, by which schools were required to have sent their financial statements to the Ministry of Education.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF SOUTH MAKIRIKIRI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of South Makirikiri School (the School). The Auditor-General has appointed me, David Fraser, using the staff and resources of Silks Audit Chartered Accountants Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Tier 2 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime

Our audit was completed on 8 September 2021. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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



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Responsibilities of the Board for the financial statements

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

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.



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- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises Board of Trustees schedule included under the School Directory page and the Analysis of Variance, but does not include the financial statements, Kiwisport statement included as appendices, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.



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SILKS AUDIT
Chartered Accountants Ltd



Other than the audit, we have no relationship with or interests in the School.

David Fraser

David Fraser
Silks Audit Chartered Accountants Ltd
Whanganui, New Zealand

Date: 8 September 2021



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School Name:	South Makirikiri School	School Number:	2446
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Strategic Aim:	Creating learners, engaged in inquiring in the world around us through a place based focus cultivating creative problem solvers
Annual Aim:	<p>Strategic Aim:</p> <p>To provide students with the opportunities to seek learning experiences in all curriculum areas, with an emphasis on Literacy and Numeracy. The minimum expectation is to be achieving at age appropriate curriculum level.</p> <p>Kahui Ako</p> <p>Challenge 1: Build Teacher and Learner Efficacy Challenge 2: Develop & Strengthen Cultural Revitalisation. Challenge 3: Develop Our Localised Curriculum through Place Based Learning</p>

Target:

Literacy:

Reading- Decrease the number of students in Year 3 2020 achieving below the desired curriculum level. Currently 9 students. Decrease by 40% by moving 4 students to desired level.

Achieved: 5 of the desired group have progressed to the desired curriculum level in 2020. The focus in 2021 will be to move those who are still below to move an identified sub level by early in term 2.

Decrease the number of Year 5 2020 students achieving below the expected curriculum level. Moving 3 students from below to AT the desired level.

Not Achieved: The goal was to move three, we only achieved two progressing to AT. One student is very close and through having them identified already they will be a focus for term 1 while we have the teacher support already in place.

Increase the number of Year 8 2020 students achieving above the desired curriculum level. Move 4 students above.

Achieved: WE have seen progress of 5 students into the Above bracket. There were 4 more students very close to being Above at the conclusion to the year.

Writing- Move 4 students in Year 4 2020 to the desired curriculum level for 2020.

Not Achieved: We have had a 50% success in this target. We have had some movement of some AT students to above in 2020 and the focus will be moving the high number of students achieving AT in 2020 to Above in 2021. 11 Students in his range now and it would be desirable to move 25% (3) to above in 2021.

Increase the number of students in Year 6 2020 to ABOVE the desired curriculum level by the end of the year. Move 4 students to above.

Not Achieved:

Move 4 of the Year 4 2020 students to the desired curriculum level. Currently 7 achieving below.

Not Achieved: We have had 50% success

Move 4 Year 8 students from At the desired level to Above desired Curriculum level.

Not Achieved: We have had 25% success in this target.

Numeracy:

Increase the number of Year 6,7 and 8 students too above the desired curriculum level.

Achieved for Year 7 and 8.

Increase the number of Year 4 students too above the desired curriculum level.

Achieved

Baseline Data

Attached.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Reading: Target groups identified early in Term 1: Initial employment of booster teacher aide to run through Phonics, sight words, initial blends, sound. This was done individually and in small groups. Regular reviewing of target groups and actions by individual teachers. Monitored and fed on to BOT. BOT was able to provide support through funding a teacher to support group teaching in Year 3/4/5 primarily. This was on top of session to support what has been happening in teacher sessions. Writing: During term 3/4 we utilised a specialist teacher to extend our more able writers in Year 7/8. Giving the Classroom teachers more time to work with those who needed more support. Providing engaging writing activities (especially Boys) Science, Integrating into inquiry.</p>	<p>We have had a range of successes and in some areas less than desired assessment. The focus for 2022 will be in literacy as we have missed applying for Centrally funded PLD. Writing will be a focus and linking the MSL approach to reluctant writers.</p> <p>We will continue with our focus on Differentiation which will enhance teachers focussing on specific students and meeting their personalised needs.</p> <p>We have seen some great progress in Reading and Mathematics, this would be due to having solid assessment practices and tools to support Teacher evaluations. Writing being more subjective there is more room for disparity.</p>	<p>Covid disruption effectively took a term's worth of accelerated progress away from students and potentially even two terms with the refocusing that was required. Teachers spent more time boosting relationships and preparing students for WHAT IF scenarios.</p> <p>The urgency was lost during term 2 and into term 3. The focus was on maintaining and building confidence within all classes.</p> <p>We have provided the PD to engage in digital learning and being prepared for online learning again. The challenge has been not reverting back to the norm and challenging teacher practice to continue to use what worked well during lockdown for many.</p>	<p>ACROSS ALL THREE AREAS -Termly team focus on target students using the data provided. -Monitoring historical data.</p> <ul style="list-style-type: none"> ● Termly reporting tot BOT on progress, impact of TA programmes/ Teacher intervention programmes. ● PaCT being used consistently. ● Supporting moderation across all classes and between schools. Continued mentoring of Beginning teacher's in assessment and evaluation. ● Effective Feedback/feedforward in 2021 along with creating increased personal interactions between teachers and students. ● Achievement/benchmarks for what we should be seeing in each year level in writing being implemented.
<p>Planning for next year:</p>			

Using staffing to provide 1:1 sessions on identified students using MSL approaches. Small groups will also be facilitated using a staffing component.

First two weeks back at school, Teacher aides focus is on all students assessment of sight words, blends, phonics. Focus being 3 minute check ins, building student confidence to work with TA and also support the teacher to identify where next.

BOT funding .6 teacher to support small group teaching of target students in identified year groups.

Upskilling of TA in Incredible years so they can support identifying behaviour that detracts from learning.

Twice termly Team target check ins. Discussions amongst teams on how target students are going.

PaCT supporting the regular assessment of all students. (School Based PD)

Increasing teacher:student interaction with the focus on Feedback/feedforward.

Applying for Literacy support Mid 2021-2022

Increasing confidence in Moderation meetings especially in Writing.



South Mākirikiri School

KiwiSport fund.

9/3/2021

The Kiwisport fund in 2020 has been utilised at South Makirikiri School in a range of ways to promote active students, support participation, new skill development so that no student misses out on the opportunity to participate.

- Subsidise (in special circumstances pay for) the cost of individual sport registration per student. Eg Hockey fees, Netball fees.
- Acquisition of new sports equipment to promote sports. Eg Basketball hoops. Fitness track.
- Entry to local sports events. Tough kids, triathlon.

This has benefited all students at South Makirikiri.

Greg Allan
Principal