

NGAIO SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020



Ministry Number:	2927
Principal:	Raewyn Watson
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NGAIO SCHOOL

Annual Report - For the year ended 31 December 2020

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Ngaio 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.

Dr. Estelle Louise Jamie
Full Name of Board Chairperson

Estelle Jamie
Signature of Board Chairperson

27/5/21
Date:

Raenyn Clare Watson
Full Name of Principal

R Watson
Signature of Principal

27/5/21.
Date:

Ngaio School

Statement of Comprehensive Revenue and Expense For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	3,433,553	3,342,791	3,405,491
Locally Raised Funds	3	404,468	396,250	514,022
Interest income		7,992	8,000	10,915
		<u>3,846,013</u>	<u>3,747,041</u>	<u>3,930,428</u>
Expenses				
Locally Raised Funds	3	303,105	176,596	331,995
Learning Resources	4	2,328,680	2,240,943	2,327,511
Administration	5	199,880	206,569	210,001
Finance		4,373	3,633	4,056
Property	6	950,751	996,352	1,042,808
Depreciation	7	131,183	162,000	144,957
		<u>3,917,972</u>	<u>3,786,093</u>	<u>4,061,328</u>
Net Surplus / (Deficit) for the year		(71,959)	(39,052)	(130,900)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(71,959)</u>	<u>(39,052)</u>	<u>(130,900)</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.

Ngaio School

Statement of Changes in Net Assets/Equity For the year ended 31 December 2020

Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Balance at 1 January	696,469	696,469	827,369
Total comprehensive revenue and expense for the year	(71,959)	(39,052)	(130,900)
Equity at 31 December	624,510	657,417	696,469
Retained Earnings	624,510	657,417	696,469
Equity at 31 December	624,510	657,417	696,469

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.

Ngaio 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	16,372	135,226	50,638
Accounts Receivable	9	159,407	140,000	139,097
GST Receivable		34,826	5,000	-
Prepayments		10,170	10,000	10,916
Inventories	10	374	350	360
Investments	11	331,396	275,000	273,093
Funds held for Capital Works Projects	18	5,225	-	-
		<u>557,770</u>	<u>565,576</u>	<u>474,104</u>
Current Liabilities				
GST Payable		-	-	29
Accounts Payable	13	244,229	180,000	178,235
Revenue Received in Advance	14	23,737	15,000	17,391
Provision for Cyclical Maintenance	15	25,000	25,000	25,000
Painting Contract Liability - Current Portion	16	-	-	25,236
Finance Lease Liability - Current Portion	17	18,525	20,000	18,149
		<u>311,491</u>	<u>240,000</u>	<u>264,040</u>
Working Capital Surplus/(Deficit)		246,279	325,576	210,064
Non-current Assets				
Property, Plant and Equipment	12	535,773	475,000	632,375
		<u>535,773</u>	<u>475,000</u>	<u>632,375</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	137,170	113,159	99,260
Painting Contract Liability	16	-	-	17,741
Finance Lease Liability	17	20,372	30,000	28,969
		<u>157,542</u>	<u>143,159</u>	<u>145,970</u>
Net Assets		<u>624,510</u>	<u>657,417</u>	<u>696,469</u>
Equity		<u>624,510</u>	<u>657,417</u>	<u>696,469</u>

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

Ngaio School

Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		641,546	592,791	621,552
Locally Raised Funds		410,814	393,859	627,025
Goods and Services Tax (net)		(34,855)	(5,029)	14,375
Payments to Employees		(588,116)	(485,321)	(633,851)
Payments to Suppliers		(318,591)	(368,736)	(550,824)
Interest Paid		(4,373)	(3,633)	(4,056)
Interest Received		8,616	7,285	11,230
Net cash from Operating Activities		115,041	131,216	85,451
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(23,284)	(4,625)	(15,025)
Purchase of Investments		(58,303)	(1,907)	(6,730)
Net cash from Investing Activities		(81,587)	(6,532)	(21,755)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(19,518)	2,882	(22,246)
Painting contract payments		(42,977)	(42,977)	-
Funds Held for Capital Works Projects		(5,225)	-	-
Net cash from Financing Activities		(67,720)	(40,095)	(22,246)
Net increase/(decrease) in cash and cash equivalents		(34,266)	84,589	41,450
Cash and cash equivalents at the beginning of the year	8	50,638	50,637	9,188
Cash and cash equivalents at the end of the year	8	16,372	135,226	50,638

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

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

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Ngaio 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 15.

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

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

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

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) Inventories

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

j) Investments

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

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

Property, plant and equipment 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	20 years
Furniture and equipment	10 years
Information and communication technology	5 years
Library resources	12.5% Diminishing value
Leased assets	Over Life of the Lease

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

l) Intangible Assets

Software costs

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

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

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, 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.

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

t) 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 and finance lease 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) 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.

v) Budget Figures

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

w) 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.

Ngaio School
Notes to the Financial Statements
For the year ended 31 December 2020

2. Government Grants

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	598,566	567,291	571,964
Teachers' Salaries Grants	2,087,270	2,000,000	2,008,986
Use of Land and Buildings Grants	704,737	750,000	749,829
Resource Teachers Learning and Behaviour Grants	7,173	500	109
Other MoE Grants	35,807	25,000	74,604
	<u>3,433,553</u>	<u>3,342,791</u>	<u>3,405,492</u>

Other MOE Grants total includes additional COVID-19 funding totalling \$6,459 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	88,404	86,200	96,048
Bequests & Grants	-	4,000	325
Activities	43,251	5,100	78,158
Trading	1,961	4,000	3,446
Fundraising	-	5,650	4,892
Out of School Care	262,225	285,000	320,613
PTA	8,627	6,300	10,540
	<u>404,468</u>	<u>396,250</u>	<u>514,022</u>
Expenses			
Activities	31,825	-	72,087
Trading	2,704	4,000	3,863
Out of School Care	267,469	172,596	244,935
PTA	1,107	-	11,110
	<u>303,105</u>	<u>176,596</u>	<u>331,995</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>101,363</u>	<u>219,654</u>	<u>182,027</u>

4. Learning Resources

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	22,677	27,100	26,080
Library Resources	2,960	3,300	3,101
Employee Benefits - Salaries	2,271,920	2,176,643	2,270,498
Staff Development	31,123	33,900	27,832
	<u>2,328,680</u>	<u>2,240,943</u>	<u>2,327,511</u>

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

5. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,846	5,676	6,086
Board of Trustees Fees	3,130	3,065	3,150
Board of Trustees Expenses	4,402	3,200	4,959
Communication	3,710	5,804	4,801
Consumables	19,966	22,500	21,641
Other	15,944	17,620	21,988
Employee Benefits - Salaries	124,866	127,904	120,194
Insurance	11,726	11,200	11,254
Service Providers, Contractors and Consultancy	10,290	9,600	15,928
	<u>199,880</u>	<u>206,569</u>	<u>210,001</u>

6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	23,776	20,500	26,051
Consultancy and Contract Services	90,101	113,253	99,054
Cyclical Maintenance Provision	37,910	13,899	29,060
Grounds	17,097	10,500	46,707
Heat, Light and Water	28,475	29,000	30,954
Rates	4,461	4,500	3,388
Repairs and Maintenance	9,262	21,200	23,195
Use of Land and Buildings	704,737	750,000	749,829
Security	8,458	11,500	9,542
Employee Benefits - Salaries	26,474	22,000	25,028
	<u>950,751</u>	<u>996,352</u>	<u>1,042,808</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	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	45,589	51,000	45,589
Furniture and Equipment	31,177	39,500	35,278
Information and Communication Technology	31,415	43,500	38,841
Leased Assets	20,287	25,500	22,872
Library Resources	2,715	2,500	2,377
	<u>131,183</u>	<u>162,000</u>	<u>144,957</u>

Ngaio School
Notes to the Financial Statements
For the year ended 31 December 2020

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	16,368	135,226	50,636
Bank Call Account	4	-	2
Cash and cash equivalents for Cash Flow Statement	16,372	135,226	50,638

Of the \$347,768 Cash, Cash Equivalents and Short Term investments, \$14,071 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 \$
Interest Receivable	661	2,000	1,285
Teacher Salaries Grant Receivable	158,746	138,000	137,812
	159,407	140,000	139,097
Receivables from Exchange Transactions	661	2,000	1,285
Receivables from Non-Exchange Transactions	158,746	138,000	137,812
	159,407	140,000	139,097

10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	374	350	360
	374	350	360

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	331,396	275,000	273,093
Total Investments	331,396	275,000	273,093

Ngaio School
Notes to the Financial Statements
For the year ended 31 December 2020

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Building Improvements	349,043	-	-	-	(45,589)	303,454
Furniture and Equipment	143,934	16,013	-	-	(31,177)	128,770
Information and Communication Technology	73,199	4,407	-	-	(31,415)	46,191
Leased Assets	46,150	11,297	-	-	(20,287)	37,160
Library Resources	20,049	2,864	-	-	(2,715)	20,198
Balance at 31 December 2020	632,375	34,581	-	-	(131,183)	535,773

The net carrying value of equipment held under a finance lease is \$37,160 (2019: \$46,150).

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Building Improvements	911,787	(608,333)	303,454
Furniture and Equipment	476,759	(347,989)	128,770
Information and Communication Technology	296,470	(250,279)	46,191
Leased Assets	113,088	(75,928)	37,160
Library Resources	86,371	(66,173)	20,198
Balance at 31 December 2020	1,884,475	(1,348,702)	535,773

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	394,632	-	-	-	(45,589)	349,043
Furniture and Equipment	174,007	5,205	-	-	(35,278)	143,934
Information and Communication Technology	106,762	5,278	-	-	(38,841)	73,199
Leased Assets	48,050	20,972	-	-	(22,872)	46,150
Library Resources	17,885	4,541	-	-	(2,377)	20,049
Balance at 31 December 2019	741,336	35,996	-	-	(144,957)	632,375

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	911,787	(562,744)	349,043
Furniture and Equipment	462,846	(318,912)	143,934
Information and Communication Technology	292,062	(218,863)	73,199
Leased Assets	101,791	(55,641)	46,150
Library Resources	83,506	(63,457)	20,049
Balance at 31 December 2019	1,851,992	(1,219,617)	632,375

Ngaio School
Notes to the Financial Statements
For the year ended 31 December 2020

13. Accounts Payable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	67,664	25,000	24,243
Accruals	5,846	4,000	3,406
Employee Entitlements - Salaries	158,746	138,000	137,812
Employee Entitlements - Leave Accrual	11,973	13,000	12,774
	<u>244,229</u>	<u>180,000</u>	<u>178,235</u>
Payables for Exchange Transactions	244,229	180,000	178,235
	<u>244,229</u>	<u>180,000</u>	<u>178,235</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	23,737	15,000	17,391
	<u>23,737</u>	<u>15,000</u>	<u>17,391</u>

15. Provision for Cyclical Maintenance

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	124,260	124,260	95,200
Increase/ (decrease) to the Provision During the Year	37,910	13,899	29,060
Provision at the End of the Year	<u>162,170</u>	<u>138,159</u>	<u>124,260</u>
Cyclical Maintenance - Current	25,000	25,000	25,000
Cyclical Maintenance - Term	137,170	113,159	99,260
	<u>162,170</u>	<u>138,159</u>	<u>124,260</u>

Ngaio School
Notes to the Financial Statements
For the year ended 31 December 2020

16. Painting Contract Liability

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Current Liability	-	-	25,236
Non Current Liability	-	-	17,741
	<u>-</u>	<u>-</u>	<u>42,977</u>

In 2015 the Board signed an agreement with Programmed Maintenance Service (the contractor) for an agreed programme of work covering a five year period. The programme provides for one repaint of the Ministry owned buildings in 2016, with regular maintenance in subsequent years. The agreement has an annual commitment of \$25,236. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

17. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	18,525	20,000	18,149
Later than One Year and no Later than Five Years	20,372	30,000	28,969
	<u>38,897</u>	<u>50,000</u>	<u>47,118</u>

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

18. 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 \$
Cubbie Boxes Block B	<i>in progress</i>	-	-	(6,100)	-	(6,100)
DQLS ILE Block B	<i>in progress</i>	-	-	(6,385)	-	(6,385)
Flooring	<i>Completed</i>	-	26,308	(26,308)	-	-
McLeod Hall	<i>in progress</i>	-	58,500	(48,905)	-	9,595
Retaining Wall	<i>in progress</i>	-	134,662	(139,583)	-	(4,921)
Stormwater Drains	<i>in progress</i>	-	8,733	(4,257)	-	4,476
Sustainability	<i>in progress</i>	-	-	(1,890)	-	(1,890)
Totals		-	228,203	(233,428)	-	(5,225)

Represented by:

Funds Held on Behalf of the Ministry of Education	14,071
Funds Due from the Ministry of Education	19,296
	<u>(5,225)</u>

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
No Projects		-	-	-	-	-
Totals		-	-	-	-	-

19. 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.

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

20. 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 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,130	3,150
Full-time equivalent members	0.15	0.15
<i>Leadership Team</i>		
Remuneration	866,104	612,202
Full-time equivalent members	8.71	5.9
Total key management personnel remuneration	869,234	615,352
Total full-time equivalent personnel	8.86	6.05

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 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	140 - 150
Benefits and Other Emoluments	23 - 24	21 - 21

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	1	2
	1.00	2.00

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

21. 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 Actual	2019 Actual
Total	-	-
Number of People	-	-

Ngaio School

Notes to the Financial Statements

For the year ended 31 December 2020

22. 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.

23. Commitments

(a) Capital Commitments

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

- (i) To upgrade the McLeod Hall at a total cost of \$65,000, which is fully funded by the Ministry. \$48,905 has been spent to date.
- (ii) To fix the retaining wall at a total cost of \$155,000, which is fully funded by the Ministry. \$139,583 has been spent to date.
- (iii) To upgrade the stormwater drains at a total cost of \$10,000, which is fully funded by the Ministry. \$4,257 has been spent to date.
- (ii) To upgrade buildings at a total cost of \$308,076, which is fully funded by the Ministry. \$6,385 has been spent to date.

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

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2019: \$Nil)

24. 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.

Ngaio School
Notes to the Financial Statements
For the year ended 31 December 2020

25. 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	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Cash and Cash Equivalents	16,372	135,226	50,638
Receivables	159,407	140,000	139,097
Investments - Term Deposits	331,396	275,000	273,093
Total Financial assets measured at amortised cost	507,175	550,226	462,828

Financial liabilities measured at amortised cost

Payables	244,229	180,000	178,235
Finance Leases	38,897	50,000	47,118
Painting Contract Liability	-	-	42,977
Total Financial Liabilities Measured at Amortised Cost	283,126	230,000	268,330

26. Events After Balance Date

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

27. Comparatives

The 2019 comparative for Activities Revenue and Out of School Care Expense has been reduced by the same amount to better reflect actual revenue and expenses. The reduction is due to the removal of an internal rental charge between cost centres within the school and has a net impact of nil to the surplus from locally raised funds. This treatment is consistent with the current year disclosure.

NGAIO SCHOOL

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Occupation	Term expired/expires
Estelie Janie	Chairperson	Elected	Professional Practice Fellow, University of Otago Medical School, Wellington	2022
Raewyn Watson	Principal	Appointed	Principal	
Christian Hawseby	Parent Rep	Elected	Assistant Governer, Reserve Bank	2022
Mark Palmer	Parent Rep	Elected	Operations Manager, Precision Decorating Ltd	2022
Clinton Geeves	Parent Rep	Elected	CEO, NZ Scaffolding Group	2022
Sarah Sims	Parent Rep	Elected	Lawyer	2022
Sarah Smart	Staff Rep	Elected	Teacher	2022

NGAIO SCHOOL

Kiwisport Statement

For the year ended 31 December 2020

Kiwisport is a Government funding initiative to support students participation in organised sport.

In 2020 the School received total Kiwisport funding of \$6,342 excluding GST (2019: \$6,896).

The funding was used to fund sporting endeavours with children being encouraged to take part in such activities as cross country, miniball, netball, hockey, flippaball and swimming.