

Otahuhu Intermediate School

Annual Report for the year ended 31 December 2019

Ministry Number:	1408
Principal:	Brent Woods
School Address:	22-24 Luke Street, Otahuhu
School Postal Address:	PO Box 22165, Otahuhu, Auckland 1062
School Phone:	09 276 6421
School Email:	office@otahuhuint.school.nz
Service Provider:	Edtech Financial Services Ltd

Otahuhu Intermediate School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired/expires
Chris France	Chairman	Elected 2017	Governance Adviser	Election 2021
Brent Woods	Principal	Employed 2007	Principal	N/A
Cheryl Stephens	Parent Representative	Elected 2016	Administrator	Feb-19
Tala Page-To'oala	Parent Representative	Elected 2013	Youth & Families Worker	Election 2021
Carol Moleu	Parent Representative	Elected 2016	Sales Consultant	Feb-19
Sachin Kumar	Parent Representative	Elected 2017	Machine Operator	Election 2020
Sela Liu	Teacher Representative	Co Opted 2015	Teacher	Feb-19
Verna Ernstzen	Teacher Representative	Elected June 2019	Teacher	Election 2021
Sonya Griffiths	Parent Representative	Co Opted 2018	Owner/Operator	Feb-19 - Coopted back onto BoT Dec
Salome Lokotui	Parent Representative	Co Opted May 2018	Student	Resigned Dec-19

Otahuhu Intermediate School

Annual Report

For the year ended 31 December 2019

Index

Page	Statement
	Financial Statements
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 10	Statement of Accounting Policies
11 - 19	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Otahuhu Intermediate School Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Christopher Robert France

Full Name of Board Chairperson



Signature of Board Chairperson

31/08/2023

Date:

TANYA MICHELLE BROOK

Full Name of Principal



Signature of Principal

31/08/2023

Date:

please note - I (Tanya Brook)
have only been principal at
Otahuhu Intermediate since
31/07/2023.

Otahuhu Intermediate School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	3,558,276	3,265,630	3,241,335
Locally Raised Funds	3	177,127	132,000	167,339
Interest Income		9,253	9,000	8,590
Government Grants - Resource Teachers Learning and Behaviour	18	2,560,370	-	-
		6,305,026	3,406,630	3,417,264
Expenses				
Locally Raised Funds	3	146,112	76,000	121,764
Resource Teachers Learning and Behaviour	18	2,560,370	-	-
Learning Resources	4	1,810,755	1,627,600	1,553,644
Administration	5	241,746	270,754	222,886
Finance		10,031	7,800	6,802
Property	6	1,296,982	1,319,089	1,223,295
Depreciation	7	117,607	115,000	108,486
Loss on Disposal of Property, Plant and Equipment		2,318	-	-
		6,185,921	3,416,243	3,236,877
Net Surplus / (Deficit) for the year		119,105	(9,613)	180,387
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		119,105	(9,613)	180,387

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

Otahuhu Intermediate School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January		<u>1,083,109</u>	<u>1,083,109</u>	<u>894,711</u>
Total comprehensive revenue and expense for the year		119,105	(9,613)	180,387
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	8,011
Equity at 31 December	24	<u>1,202,214</u>	<u>1,073,496</u>	<u>1,083,109</u>
Retained Earnings		1,202,214	1,073,496	1,083,109
Equity at 31 December		<u>1,202,214</u>	<u>1,073,496</u>	<u>1,083,109</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.

Otahuhu Intermediate School
Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	617,567	245,687	322,731
Accounts Receivable	9	328,783	119,300	120,377
GST Receivable		23,151	12,000	12,695
Prepayments		31,693	28,000	33,654
Inventories	10	45,445	42,000	40,099
Investments	11	104,647	150,000	102,926
Fund Receivable for capital work projects	17	17,627	-	-
		<u>1,168,913</u>	<u>596,987</u>	<u>632,482</u>
Current Liabilities				
Accounts Payable	13	395,032	150,100	154,893
Revenue Received in Advance	14	8,335	8,500	8,510
Provision for Cyclical Maintenance	15	14,000	14,000	14,000
Finance Lease Liability - Current Portion	16	33,666	26,525	25,224
Funds for RTLB Services	18	131,301	-	-
		<u>582,334</u>	<u>199,125</u>	<u>202,627</u>
Working Capital Surplus/(Deficit)		586,579	397,862	429,855
Non-current Assets				
Property, Plant and Equipment	12	745,336	817,245	777,245
		<u>745,336</u>	<u>817,245</u>	<u>777,245</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	66,453	66,493	47,347
Finance Lease Liability	16	63,248	50,118	76,644
		<u>129,701</u>	<u>116,611</u>	<u>123,991</u>
Net Assets		<u><u>1,202,214</u></u>	<u><u>1,098,496</u></u>	<u><u>1,083,109</u></u>
Equity		<u><u>1,202,214</u></u>	<u><u>1,073,496</u></u>	<u><u>1,083,109</u></u>

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

Otahuhu Intermediate School

Statement of Cash Flows

For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		907,074	848,143	802,721
Locally Raised Funds		177,110	131,348	171,911
Goods and Services Tax (net)		(10,456)	695	(7,658)
Payments to Employees		(309,129)	(344,320)	(240,934)
Payments to Suppliers		(494,273)	(511,018)	(480,980)
Interest Paid		(10,031)	(7,800)	(6,802)
Interest Received		9,347	8,207	10,435
Net cash from Operating Activities		269,642	125,255	248,693
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(64,509)	(295,646)	(168,302)
Purchase of Investments		(1,721)	-	98,296
Proceeds from Sale of Investments		-	(47,074)	-
Net cash from Investing Activities		(66,230)	(342,720)	(70,006)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	8,011
Finance Lease Payments		(22,250)	115,421	(15,383)
Funds Administered on Behalf of Third Parties		131,301	25,000	-
Funds Held for Capital Works Projects		(17,627)	-	(76,982)
Net cash from Financing Activities		91,424	140,421	(84,354)
Net increase/(decrease) in cash and cash equivalents		294,836	(77,044)	94,333
Cash and cash equivalents at the beginning of the year	8	322,731	322,731	228,398
Cash and cash equivalents at the end of the year	8	617,567	245,687	322,731

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.

Otahuhu Intermediate School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

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

Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard Early Adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 27.

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.

Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Useful lives of property, plant and equipment

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

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

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.

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.

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.

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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Accounts Receivable

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

Prior Year Policy

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

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.

Investments

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

Prior Year Policy

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

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

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

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 \$300 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.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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:

Buildings - School	5-40 years
Furniture and equipment	5-10 years
Information and communication technology	4 years
Leased assets held under a Finance Lease	3-4 years
Library resources	12.5% Diminishing value

Impairment of Property, Plant, and Equipment

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 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.

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.

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

Otahuhu Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Revenue Received in Advance

Revenue received in advance relates to fees received from South West Zone Funds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where the funds are outside the school's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTL programme), all income and expenditure related to the shared services is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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).

Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable 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.

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.

Otahuhu Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

2 Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	812,053	767,364	749,373
Teachers' Salaries Grants	1,567,307	1,350,000	1,341,477
Use of Land and Buildings Grants	1,078,074	1,073,266	1,073,266
Resource Teachers Learning and Behaviour Grants	1,693	2,000	1,905
Other MoE Grants	96,233	68,000	70,863
Other Government Grants	2,916	5,000	4,451
	<u>3,558,276</u>	<u>3,265,630</u>	<u>3,241,335</u>

3 Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	3,055	3,000	5,652
Activities	42,392	4,000	39,339
Trading	128,624	125,000	122,348
Other Revenue	3,056	-	-
	<u>177,127</u>	<u>132,000</u>	<u>167,339</u>
Expenses			
Activities	46,334	-	40,485
Trading	99,778	76,000	81,279
	<u>146,112</u>	<u>76,000</u>	<u>121,764</u>
	<u>31,015</u>	<u>56,000</u>	<u>45,575</u>

Surplus/ (Deficit) for the year Locally Raised Funds

4 Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	63,645	88,300	84,802
Equipment Repairs	-	-	3,690
Information and Communication Technology	8,490	23,000	35,298
Library Resources	888	5,000	1,178
Employee Benefits - Salaries	1,711,275	1,481,300	1,409,328
Staff Development	26,457	30,000	19,348
	<u>1,810,755</u>	<u>1,627,600</u>	<u>1,553,644</u>

Otahuhu Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

5 Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	7,935	12,000	7,704
Board of Trustees Fees	2,910	4,000	2,980
Board of Trustees Expenses	8,366	8,250	4,583
Communication	6,770	8,000	7,008
Consumables	5,524	4,000	4,383
Operating Lease	22,531	41,500	31,930
Other	35,965	29,000	10,470
Employee Benefits - Salaries	132,687	146,000	136,764
Insurance	3,508	3,004	2,949
Service Providers, Contractors and Consultancy	15,550	15,000	14,115
	<u>241,746</u>	<u>270,754</u>	<u>222,886</u>

6 Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	16,118	17,000	13,324
Consultancy and Contract Services	37,440	43,000	38,031
Cyclical Maintenance Expense	19,106	22,000	20,798
Grounds	48,047	16,000	10,987
Heat, Light and Water	23,670	31,000	27,368
Repairs and Maintenance	26,600	45,823	10,812
Use of Land and Buildings	1,078,074	1,073,266	1,073,266
Security	8,282	11,000	9,958
Employee Benefits - Salaries	39,645	60,000	18,751
	<u>1,296,982</u>	<u>1,319,089</u>	<u>1,223,295</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

7 Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Buildings - School	11,420	9,900	11,517
Furniture and Equipment	48,922	46,800	49,088
Information and Communication Technology	26,081	34,000	25,018
Leased Assets	28,763	22,000	20,417
Library Resources	2,421	2,300	2,446
	<u>117,607</u>	<u>115,000</u>	<u>108,486</u>

Otahuhu Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	100	100	100
Bank Current Account	564,438	190,587	272,182
Bank Call Account	53,029	55,000	50,449
Cash and cash equivalents for Cash Flow Statement	<u>617,567</u>	<u>245,687</u>	<u>322,731</u>

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

Of the \$617,567 Cash and Cash Equivalents, \$131,301 is held by the School on behalf of the RTL cluster 9. See note 18 for details of how the funding received for the cluster has been spent in the year.

9 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	-	800	158
Receivables from the Ministry of Education	26,162	-	-
Interest Receivable	613	1,500	707
Bank Staffing Underuse	4,227	25,000	30,779
Teacher Salaries Grant Receivable	297,781	92,000	88,733
	<u>328,783</u>	<u>119,300</u>	<u>120,377</u>
Receivables from Exchange Transactions	613	2,300	865
Receivables from Non-Exchange Transactions	328,170	117,000	119,512
	<u>328,783</u>	<u>119,300</u>	<u>120,377</u>

10 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	3,084	2,000	2,854
School Uniforms	42,361	38,000	36,047
Canteen	-	2,000	1,198
	<u>45,445</u>	<u>42,000</u>	<u>40,099</u>

11 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	104,647	150,000	102,926
Total Investments	<u>104,647</u>	<u>150,000</u>	<u>102,926</u>

Otahuhu Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Buildings	348,137	-	-	-	(11,420)	336,717
Furniture and Equipment	239,465	10,223	(2,318)	-	(48,922)	198,448
Information and Communication Technology	70,787	51,953	-	-	(26,081)	96,659
Leased Assets	101,730	23,506	-	-	(28,763)	96,473
Library Resources	17,126	2,334	-	-	(2,421)	17,039
Balance at 31 December 2019	777,245	88,016	(2,318)	-	(117,607)	745,336

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Buildings	447,113	(110,396)	336,717
Furniture and Equipment	609,858	(411,410)	198,448
Information and Communication Technology	188,492	(91,833)	96,659
Leased Assets	164,153	(67,680)	96,473
Library Resources	47,190	(30,151)	17,039
Balance at 31 December 2019	1,456,806	(711,470)	745,336

The net carrying value of equipment held under a finance lease is \$96,473 (2018: \$101,730).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Buildings	359,654	-	-	-	(11,517)	348,137
Furniture and Equipment	204,207	84,346	-	-	(49,088)	239,465
Information and Communication Technology	13,963	81,842	-	-	(25,018)	70,787
Leased Assets	56,880	65,267	-	-	(20,417)	101,730
Library Resources	17,459	2,113	-	-	(2,446)	17,126
Balance at 31 December 2018	652,163	233,568	-	-	(108,486)	777,245

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Buildings	447,113	(98,976)	348,137
Furniture and Equipment	611,701	(372,236)	239,465
Information and Communication Technology	138,025	(67,238)	70,787
Leased Assets	140,646	(38,916)	101,730
Library Resources	44,856	(27,730)	17,126
Balance at 31 December 2018	1,382,341	(605,096)	777,245

Otahuhu Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	55,125	30,000	29,188
Accruals	7,935	8,100	9,952
Employee Entitlements - Salaries	311,630	92,000	101,233
Employee Entitlements - Leave Accrual	20,342	20,000	14,520
	<u>395,032</u>	<u>150,100</u>	<u>154,893</u>
Payables for Exchange Transactions	395,032	150,100	154,893
	<u>395,032</u>	<u>150,100</u>	<u>154,893</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	8,335	8,500	8,510
	<u>8,335</u>	<u>8,500</u>	<u>8,510</u>

15 Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	61,347	61,347	40,549
Increase/(decrease) to the Provision During the Year	19,106	22,000	-
Use of the Provision During the Year	-	(2,854)	20,798
Provision at the End of the Year	<u>80,453</u>	<u>80,493</u>	<u>61,347</u>
Cyclical Maintenance - Current	14,000	14,000	14,000
Cyclical Maintenance - Term	66,453	66,493	47,347
	<u>80,453</u>	<u>80,493</u>	<u>61,347</u>

16 Finance Lease Liability

The school has entered into a number of finance lease agreements for Tela Laptops and Copiers. Minimum lease payments payable (includes interest portion):

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	42,844	26,525	33,743
Later than One Year and no Later than Five Years	73,427	63,248	87,999
	<u>116,271</u>	<u>89,773</u>	<u>121,742</u>

Otahuhu Intermediate School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

17 Funds Held for Capital Works Projects

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

	2019	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Tech Block Refurbishment	<i>In progress</i>	-	17,564	35,191	-	(17,627)
Totals		-	17,564	35,191	-	(17,627)

Represented by:

Funds Due from the Ministry of Education

17,627

17,627

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Art Project	<i>In progress</i>	76,982	3,715	80,697	-	-
Canopy Replacement	<i>In progress</i>	-	5,471	-	5,471	-
Drinking Fountain	<i>In progress</i>	-	1,485	-	1,485	-
Totals		76,982	10,671	80,697	6,956	-

18 Funds for RTLB Services

In 2019, Otahuhu Intermediate School became the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools (Cluster 9).

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds held at beginning of the year	-	-	-
<i>Revenue</i>			
Previous Holder Contribution	69,087	-	-
Teachers' Salary Grant	2,266,794	-	-
Administration Grant	99,311	-	-
Learning Support Funding	170,881	-	-
Travel Grant	84,112	-	-
Other Revenue	1,487	-	-
	2,691,672	-	-
Total funds available	2,691,672	-	-
<i>Expenses</i>			
Employee Benefit - Salaries	2,295,054	-	-
Administration	67,101	-	-
Learning Support	117,267	-	-
Travel	63,623	-	-
Other Expenses	16,638	-	-
	2,559,683	-	-
Purchase of Assets	688	-	-
Funds Held at Year End	131,301	-	-

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	2,910	2,980
Full-time equivalent members	0.12	0.11
<i>Leadership Team</i>		
Remuneration	647,715	552,975
Full-time equivalent members	6.00	6.00
Total key management personnel remuneration	650,625	555,955
Total full-time equivalent personnel	6.12	6.11

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170-180	140-150
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
110-120	1	-
	1	-

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

21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

22 Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019.
(Contingent liabilities and assets as at 31 December 2018: nil)

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards of trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance. The Ministry has recognised an estimated provision based on the analysis of sample data, which may not be wholly representative of the total dataset for Teacher and Support Staff Entitlements. A more accurate estimate will be possible after further analysis of non-compliance has been completed, and this work is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2019, a contingent liability for the school may exist.

23 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(a) Contract for the Technology Block Refurbishment to be completed in 2020 which will be fully funded by the Ministry of Education. \$17,564 has been received and \$35,191 has been spent on the project to date.

(Capital commitments as at 31 December 2018: 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.

25 Financial Instruments

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	617,567	245,687	322,731
Receivables	328,783	119,300	120,377
Investments - Term Deposits	104,647	150,000	102,926
Total Financial assets measured at amortised cost	1,050,997	514,987	546,034
Financial liabilities measured at amortised cost			
Payables	395,032	150,100	154,893
Finance Leases	96,914	76,643	101,868
Total Financial Liabilities Measured at Amortised Cost	491,946	226,743	256,761

26 Events After Balance Date

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by these weather events in the South Auckland region and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

27 Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

28 Comparatives

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

OTAHUHU INTERMEDIATE SCHOOL



31st August 2023

Matt Laing
Deloitte Limited
PO Box 17
Hamilton 3240

Dear Matt,

Confirmation of Subsequent Events

We have considered whether there have been any specific events that have occurred subsequent to the date of the balance sheet of 31 December 2019 that may have an effect on the financial information and disclosures contained in the financial statements of the School.

We note the following:

- There have been no events subsequent to the balance sheet date, outside of the extreme weather events, that would require adjustment to the financial information and disclosures contained in the financial statements;
- The extreme weather events have been considered a non-adjusting subsequent event and relevant information related to these events included within the financial statements;
- We are not aware of any events that have occurred or are likely to occur that bring into question the appropriateness of accounting policies used in preparing the financial statements;
- There have been no unusual accounting adjustments made or contemplated after the balance-sheet date;
- There have been no significant changes relevant to the measurement of estimates or provisions made in the financial statements;
- There have been no legal proceedings commence subsequent to balance date or any changes regarding the status of legal matters not settled at balance date;
- There have been no new commitments, borrowings or guarantees entered into since balance date; and
- There have been no significant sale or acquisition of assets planned or occurred.

Yours sincerely,

Chair
Board of Trustees

OTAHUHU INTERMEDIATE SCHOOL



31st September 2023

Matt Laing
Deloitte Limited
PO Box 17
HAMILTON 3240

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2019

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Otahuhu Intermediate School (the School) for the year ended 31 December 2019 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
 - the financial position as at 31 December 2019; and
 - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General representations

To the best of our knowledge and belief:

- the resources, activities, under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2019; and
 - the financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.
- we believe the significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable;

- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure;
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements; and
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware.
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with one another, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2019. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School. This includes our consideration of the impact of COVID-19 on our school.

Publication of the financial statements and related audit report on a website

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.

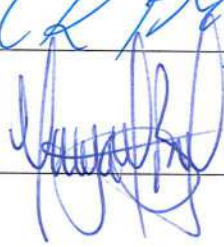
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully



Chairperson



Principal

TANYA BROOK.

NEW PRINCIPAL FROM
31/07/2023