

# TIMATANGA COMMUNITY SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

### School Directory

**Ministry Number:** 4146

**Principal:** Eve Tonkin

**School Address:** 9 Mamari Road, Whenuapai, Waitakere 0618

**School Postal Address:** 9 Mamari Road, Whenuapai, Waitakere 0618

**School Phone:** 09 416 6000

**School Email:** school@timatanga.net.nz

### Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Barbara Adler		Elected	Parent Representative	Jun-22
Elaine Dyer		Elected	Proprietor's Representative	Jun-22
Eve Tonkin		Appointed	Principal	Current
Gary Sullivan		Elected	Proprietor's Representative	Jun-22
Ines Winz		Elected	Parent Representative	Jun-19
Jackie Howard		Elected	Staff Representative	Jun-22
Joanne Roke		Elected	Parent Representative	Jun-22
Kris McAlpine		Elected	Parent Representative	Jun-19
Matt Abraham		Elected	Board Chair	Jun-22
Robert Mignault		Elected	Parent Representative	Jun-22

### Service Provider:

Leading Edge Services (2017) Ltd, PO Box 20496, Glen Eden, Auckland

# TIMATANGA COMMUNITY SCHOOL

Annual Report - For the year ended 31 December 2019

## Index

Page	Statement
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
6-11	Statement of Accounting Policies
12-19	Notes to the Financial Statements
<b>Other Information</b>	
20-33	Analysis of Variance
34	Kiwisport
35-37	Audit Report

# **Timatanga Community 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.

**Timatanga Community School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

	2019	2019	2018
	Actual	Budget	Actual
	Notes	(Unaudited)	Actual
		\$	\$
<b>Revenue</b>			
Government Grants	2	242,745	171,979
Locally Raised Funds		32,539	23,600
Use of Land and Buildings Integrated	3	21,200	16,000
Interest Income		565	300
		<u>297,049</u>	<u>211,879</u>
<b>Expenses</b>			
Locally Raised Funds	3	6,643	5,500
Learning Resources	4	206,460	162,549
Administration	5	19,317	18,560
Finance		440	325
Property	6	29,562	22,945
Depreciation	7	4,328	2,000
Loss on Disposal of Property, Plant and Equipment		208	-
		<u>266,958</u>	<u>211,879</u>
		<u>214,712</u>	<u>214,712</u>
<b>Net Surplus / (Deficit) for the year</b>		30,091	7,792
Other Comprehensive Revenue and Expenses		-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>30,091</u>	<u>7,792</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.

**Timatanga Community School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>		<u>40,275</u>	<u>40,276</u>	<u>32,483</u>
Total comprehensive revenue and expense for the year		30,091	-	7,792
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		660	-	-
<b>Equity at 31 December</b>	21	<u>71,026</u>	<u>40,276</u>	<u>40,275</u>
Retained Earnings		71,026	40,276	40,275
<b>Equity at 31 December</b>		<u>71,026</u>	<u>40,276</u>	<u>40,275</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.

**Timatanga Community School**  
**Statement of Financial Position**  
As at 31 December 2019

	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
	Notes	(Unaudited)	Notes
<b>Current Assets</b>			
Cash and Cash Equivalents	8	40,708	38,708
Accounts Receivable	9	9,304	9,305
Inventories	10	637	637
	<u>82,202</u>	<u>50,649</u>	<u>48,650</u>
<b>Current Liabilities</b>			
GST Payable		3,353	3,353
Accounts Payable	12	21,262	13,350
Revenue Received in Advance	13	50	76
Provision for Cyclical Maintenance	14	2,100	-
Finance Lease Liability - Current Portion	15	2,632	1,294
	<u>28,770</u>	<u>18,073</u>	<u>18,073</u>
<b>Working Capital Surplus/(Deficit)</b>		32,576	30,577
<b>Non-current Assets</b>			
Property, Plant and Equipment	11	19,750	10,933
		8,934	10,933
<b>Non-current Liabilities</b>			
Finance Lease Liability	15	2,156	1,234
		1,234	1,234
<b>Net Assets</b>		<u>71,026</u>	<u>40,275</u>
		40,276	40,275
<b>Equity</b>	21	<u>71,026</u>	<u>40,275</u>

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

**Timatanga Community School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		67,603	67,038	62,527
Locally Raised Funds		32,997	24,299	28,118
Goods and Services Tax (net)		(627)	821	821
Payments to Employees		(31,420)	(47,399)	(46,102)
Payments to Suppliers		(37,142)	(33,650)	(34,619)
Cyclical Maintenance Payments in the year		-	(1,832)	-
Interest Paid		(440)	(325)	(325)
Interest Received		565	300	501
Net cash from Operating Activities		31,536	9,252	10,921
<b>Cash flows from Investing Activities</b>				
Purchase of PPE		(8,756)	(823)	(63)
Net cash from Investing Activities		(8,756)	(823)	(63)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		660	-	-
Finance Lease Payments		(2,337)	(1,923)	(1,924)
Funds Administered on Behalf of Third Parties		-	(92)	-
Net cash from Financing Activities		(1,677)	(2,015)	(1,924)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,103</b>	<b>6,414</b>	<b>8,934</b>
Cash and cash equivalents at the beginning of the year	8	38,708	34,294	29,774
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>59,810</b>	<b>40,708</b>	<b>38,708</b>

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.

**Timatanga Community School  
Notes to the Financial Statements  
For the year ended 31 December 2019**

**1. Statement of Accounting Policies**

**a) Reporting Entity**  
Timatanga 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.

**b) Basis of Preparation**

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

**Basis of Preparation**

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

**Financial Reporting Standards Applied**

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

**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 25.

**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 11.

#### **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

##### **Other Grants**

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

Grants for the use of land and buildings are also not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

##### **Donations, Gifts and Bequests**

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

##### **Interest Revenue**

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

#### **d) Use of Land and Buildings Expense**

The property from which the School operates is owned by the Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

#### **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. 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.

**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.

**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.