

Annual Report

Mararoa School
As at 31 December 2018

School Directory

Ministry Number: 3984
Principal: Mary Baigent
School Address: State Highway 94, Te Anau
School postal code: 9672
School Phone: 03-2495816
School Email: office@mararoa.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires
Robert Kempthorne	Chair person	Elected	June 2019
Mary Baigent	Principal ex officio	Principal	
Luke Thomas	Treasurer	Elected	Dec 2020
James MacMillian Armstrong	Parent Rep	Elected	Dec 2020
Sue Harbutt	Parent Rep	Elected	June 2019
Delia Bellaby	Parent Rep	Elected	June 2019
Susan Ibbotson	Staff Rep	Elected	June 2019

Accountant / Service Provider: School Support Ltd

Mararoa School

Annual Report - For the year ended 31 December 2018

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Statement of Responsibility


Mararoa School For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board.


Robert Kempthorne

Signature of Board Chairperson

Mary Baigent



Signature of Principal

Date:

14/8/2019

Date:

14/8/2019



Statement of Comprehensive Revenue and Expense

Mararoa School

For the year ended 31 December 2018

	NOTES	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
Revenue				
Government Grants	1	507,918	255,989	481,312
Locally Raised Funds	2	59,189	30,150	27,166
Interest & Dividends Received		2,098	1,500	1,687
Other Revenue		8,307	-	-
Total Revenue		577,512	287,639	510,165
Expenses				
Locally raised funds	2	16,283	700	8,188
Learning Resources	3	317,329	68,240	290,239
Administration	4	49,686	56,850	52,852
Finance		199	-	182
Property	5	155,523	157,240	151,511
Depreciation	6	13,404	14,000	14,902
Loss on Disposal of Property, Plant & Equipment		-	-	622
Total Expenses		552,423	297,030	518,497
Net Surplus/(Deficit) for the year		25,089	(9,391)	(8,332)
Total Comprehensive Revenue and Expense for the Year		25,089	(9,391)	(8,332)

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

Statement of Changes in Net Assets/Equity

Mararoa School

For the year ended 31 December 2018

	2018 ACTUAL	BUDGET 2018 (UNAUDITED)	2017 ACTUAL
Equity			
Balance at 1 January	110,135	110,134	118,466
Total comprehensive revenue and expense for the year	25,089	(9,391)	(8,332)
Equity at 31 December	135,224	100,743	110,135
Retained Earnings	126,917	100,743	110,134
Revaluation	8,307	-	-
Reserves	-	-	-
Equity at 31 December	135,224	100,743	110,134

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

Statement of Financial Position

Mararoa School

As at 31 December 2018

	NOTES	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
Current Assets				
Cash and Cash Equivalents	7	145,585	19,211	8,602
Accounts Receivable	8	19,304	19,304	15,086
GST Receivable		-	-	28,642
Inventories	9	1,399	1,399	1,489
Investments (current)	10	51,521	51,521	50,888
Total Current Assets		217,809	96,168	104,708
Current Liabilities				
GST Payable		13,551	-	-
Accounts Payable	12	30,085	30,085	22,686
Finance Lease Liability - Current Portion	14	969	969	4,033
Funds held for Capital Works Projects	15	73,608	-	6,139
Total Current Liabilities		118,212	31,053	32,858
Working Capital Surplus/(Deficit)		99,596	65,115	71,850
Non-Current Assets				
Property, Plant and Equipment	11	92,136	92,136	89,405
Total Non-Current Assets		92,136	92,136	89,405
Non-Current Liabilities				
Provision for Cyclical Maintenance	13	55,981	55,981	49,310
Finance Lease Liability	14	527	527	1,810
Total Non-Current Liabilities		56,508	56,508	51,120
Net Assets		135,224	100,743	110,135
Equity				
Equity		135,224	100,743	110,135
Total Equity		135,224	100,743	110,135

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

Statement of Cash Flows

Mararoa School

For the year ended 31 December 2018

	NOTES	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
Statement of Cashflows				
Cashflows from Operating Activities				
Government Grants		132,716	130,714	131,410
Locally Raised Funds		59,983	30,150	27,167
Goods & Services Tax (net)		42,123	42,193	(39,941)
Payments to Employees		(87,449)	(86,300)	(87,583)
Payments to Suppliers		(66,753)	(94,112)	(56,668)
Cyclical Maintenance Payments in the year		-	-	-
Interest Paid		(199)	-	(182)
Interest & Dividends Received		1,463	1,500	1,775
Net Cash from / (to) Operating Activities		81,864	24,145	(24,022)
Cashflows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(622)
Purchase of PPE (and Intangibles)		(7,844)	(2,731)	(4,138)
Purchase of Investments		(473)	(633)	(7,194)
Proceeds from Sale of Investments		-	-	-
Net Cash from / (to) Investing Activities		(8,317)	(3,364)	(11,954)
Cashflows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(4,033)	(4,033)	(3,523)
Funds Held for Capital Works Projects		67,469	(6,139)	(51,165)
Net cash from Financing Activities		63,436	(10,172)	(54,688)
Net Increase/(decrease) in cash and cash equivalents		136,983	10,609	(90,664)
Cash and cash equivalents at the beginning of the year	7	8,602	8,602	99,266
Cash and cash equivalents at the end of the year	7	145,585	19,211	8,602

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.



Statement of Accounting Policies

Mararoa School

For the year ended 31 December 2018

a) Reporting Entity

Mararoa 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 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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



Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

Critical Judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 14.

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 1.

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.

Donations, Gifts and Bequests

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

Interest Revenue

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



d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

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

i) Inventories

Inventories are consumable items held for sale and comprise of stationery and 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 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.

The School has met the requirements of Schedule 6 para 28 of the Education Act 1989 in relation to the acquisition of investment securities.



k) Property, plant and equipment

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Crown are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

l) 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.

m) 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.

n) 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.

o) 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).

p) 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, borrowings, finance lease liability, and painting contract liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.



q) 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.

r) Budget Figures

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

s) 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.

Notes & Disclosures

Mararoa School For the year ended 31 December 2018

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
1. Government Grants			
Operational grants	112,000	111,172	114,525
Teachers' Salary grants	249,569	-	229,172
Use of Land and Buildings grants	125,275	125,275	120,730
Other MOE grants	21,074	19,542	16,885
Total Government Grants	507,918	255,989	481,312

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
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2. Locally Raised Funds

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

Revenue

Donations	21,430	12,750	10,374
Activities	7,478	4,000	7,988
Trading	2,295	1,800	2,055
Fundraising	26,378	11,600	6,600
Other revenue	1,608	-	-
School House	-	-	150
Total Revenue	59,189	30,150	27,167

Expenses

Activities	10,458	-	5,592
Trading	1,609	700	2,407
Fundraising	4,216	-	-
Transport	-	-	189
Total Expenses	16,283	700	8,188

Surplus/ (Deficit) for the year Locally raised funds	42,906	29,450	18,979
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	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
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3. Learning Resources

Curricular	2,868	4,090	2,995
Equipment Repairs	-	1,100	310
Information and communication technology	3,250	6,900	4,021
Library resources	450	150	129
Employee benefits - salaries	304,190	45,300	278,207
Staff development	6,571	10,700	4,578
Total Learning Resources	317,329	68,240	290,240



	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
4. Administration			
Audit Fee	3,199	2,100	2,684
Board of Trustees Fees	2,835	3,100	3,010
Board of Trustees Expenses	1,657	1,000	1,556
Communication	1,639	1,500	1,479
Consumables	2,067	3,800	4,143
Operating Lease	1,074	3,400	-
Legal Fees	364	350	298
Other	2,563	3,700	3,831
Employee Benefits - Salaries	28,323	32,000	30,081
Insurance	2,315	2,400	2,319
Service Providers, Contractors & Consultancy	3,650	3,500	3,450
Total Administration	49,686	56,850	52,851

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
5. Property			
Caretaking and Cleaning Consumables	995	1,200	1,180
Consultancy and Contract Services	3,868	800	653
Cyclical Maintenance Expense	6,671	6,000	5,729
Grounds	-	500	1,288
Heat, Light and Water	8,644	9,050	8,548
Rates	1,413	1,365	1,361
Repairs and maintenance	2,660	4,050	3,556
Use of Land and Buildings	125,275	125,275	120,730
Employee Benefits - Salaries	5,997	9,000	8,467
Total Property	155,523	157,240	151,512

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.

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
6. Depreciation of Property, Plant & Equipment			
Buildings	2,872	3,000	4,923
Furniture and Equipment	3,472	4,000	3,704
Information and Communication Technology	699	500	905
Leased Assets	4,860	5,000	4,843
Library Resources	1,500	1,500	527
Total	13,403	14,000	14,902



	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
7. Cash & Cash Equivalents			
Bank Current Account	145,585	19,211	8,602
Cash and cash equivalents for Cash Flow Statement	145,585	19,211	8,602

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

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
8. Accounts Receivable			
Accounts Receivable			
Receivables	19,304	19,304	-
Teachers Salaries Grant Receivable	-	-	15,086
Total Accounts Receivable	19,304	19,304	15,086

Accounts Receivable

Receivables from Exchange Transactions	19,304	19,304	-
Receivables from Non-Exchange Transactions	-	-	15,086
Total	19,304	19,304	15,086

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
9. Inventories			
Stationery	1,399	1,399	1,489
Total	1,399	1,399	1,489

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
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10. Investments

The School's investment activities are classified as follows:

Current Assets

Short-term Bank Deposits	51,521	51,521	50,888
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Non-current Asset

Long-term Bank Deposits	-	-	-
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11. Property, Plant & Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	5,000	-	-	-	-	5,000
Building Improvements	59,292	-	-	-	(2,872)	56,420
Furniture and Equipment	14,888	1,050	-	-	(3,472)	12,469
Information and Communication	528	6,777	-	-	(699)	6,604
Leased Assets	6,004	-	-	-	(4,860)	1,144
Library Resources	3,693	8,306	-	-	(1,500)	10,499
Balance at 31 December 2018	89,405	16,133	-	-	(13,403)	92,136

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Land	5,000	-	5,000
Building Improvements	143,068	(86,648)	56,420
Furniture and Equipment	143,087	(130,622)	12,469
Information and Communication	50,996	(44,390)	6,604
Leased Assets	14,579	(13,434)	1,144
Library Resources	35,216	(24,717)	10,499
Balance at 31 December 2018	391,946	(299,811)	92,136

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Land	5,000	-	-	-	-	5,000
Building Improvements	64,215	-	-	-	(4,923)	59,292
Furniture and Equipment	13,792	4,800	-	-	(3,704)	14,888
Information and Communication	1,433	-	-	-	(905)	528
Leased Assets	9,465	1,382	-	-	(4,843)	6,004
Library Resources	4,260	-	(40)	-	(527)	3,693
Balance at 31 December 2017	98,165	6,182	(40)	-	(14,902)	89,405

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Land	5,000	-	5,000
Building Improvements	143,068	(83,776)	59,292
Furniture and Equipment	142,037	(127,150)	14,888
Information and Communication	44,219	(43,691)	528
Leased Assets	14,579	(8,574)	6,004
Library Resources	26,910	(23,217)	3,693
Balance at 31 December 2017	375,813	(286,408)	89,405

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
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12. Accounts Payable

Accounts Payable

Operating Creditors	7,637	7,637	4,916
Accruals	2,899	2,899	-
Employee Entitlements - salaries	19,549	19,549	17,770
Total Accounts Payable	30,085	30,085	22,686

Accounts Payable

Payables for Exchange Transactions	30,085	30,085	22,686
Total	30,085	30,085	22,686

The carrying value of payables approximates their fair value.

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
13. Provision for Cyclical Maintenance			
Provision at Start of the Year	49,310	49,310	43,581
Increase/ (decrease) to Provision During the Year	6,671	6,000	5,729
Use of the Provision During the year	-	671	-
Provision at the End of the Year	55,981	55,981	49,310
Total Provision			
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	55,981	55,981	49,310
Total	55,981	55,981	49,310

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
14. Finance Lease Liability			
The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:			
No Later than One Year	969	969	4,033
Later than One Year and no Later than Five Years	527	527	1,810
Total	1,496	1,496	5,843

15. Funds held for Capital Works Projects

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

2018		Opening Balances	Receipts from MOE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Special Needs Project	In progress	6,139	22,288	(22,997)	0	5,430
A & D Upgrade Window, Electrical and Insulation	In progress	0	68,178	0	0	68,178
Total		6,139	90,466	(22,997)	0	73,608

Represented by:

Funds Held on Behalf of the Ministry of Education	73,608
Funds Due from the Ministry of Education	
	73,608



2017		Opening Balances	Receipts from MOE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$	\$	\$
Special needs Boundary Fence	in progress	57,304		52,421		4,883.00
Special needs Modifications Block	in progress	-	238,350	237,094	-	1,256.00
Totals		57,304	238,350	289,515	-	6,139

16. Related Party Transactions

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

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

17. Remuneration

Key management personnel compensation

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

	2018	2017
	Actual	Actual
	\$	\$
Board Members		
Remuneration	2,835	3,010
Full-time equivalent members	0.5	0.12
Leadership Team		
Remuneration	106,489	106,693
Full-time equivalent members	1	1
Total key management personnel remuneration	109,324	109,703
Total full-time equivalent personnel	1.5	1.12

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:

	2018	2017
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 - 110	100 - 110
Benefits and Other Emoluments	0 - 5	0 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration	2018	2017
\$000	FTE Number	FTE Number
-	-	-
-	-	-

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

18. Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total		
Number of People		

19. Contingencies

There are no contingent liabilities, except as stated below and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed. To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.



20. Commitments

a) Capital Commitments

As at 31 December 2018 the Board has entered into contract agreements for capital works as follows:

A new contract funded by the Ministry of Education to upgrade the window, electrical and insulation of blocks A & D. To date \$68,178 has been received.

(Capital Commitments at 31 December 2017: A Ministry of Education funded special needs modifications and boundary fence project was started in 2017. To date, \$317,942 has been received and \$312,512 of expenses have been paid.)

b) Operating Commitments

As at 31 December 2018 the Board has entered into nil contracts. (Operating commitments 2017: nil)

21. Managing Capital

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

22. Financial Instruments

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

	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
Loans and receivables			
Cash and Cash Equivalents	145,585	19,211	8,602
Receivables	19,304	19,304	15,086
Investments - Term Deposits	51,521	51,521	50,888
Total Loans and receivables	216,410	90,036	74,576
	2018 ACTUAL	2018 BUDGET (UNAUDITED)	2017 ACTUAL
Financial liabilities measured at amortised cost			
Payables	30,085	30,085	22,686
Finance Leases	1,496	1,496	5,843
Total Financial Liabilities Measured at Amortised Cost	31,581	31,581	28,529

23. Events after Balance Date

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

24. Breach of Law – Failure to meet Statutory Reporting Deadline

The Board of Trustees did not comply with section 87A (1) of the Education Act in that it did not submit its financial statements for audit by 31 st March 2019.

25. Breach of Law – Failure to meet Statutory Reporting Deadline

Under Section 87C (1) of the Education Act 1989, the Board of Trustees is required to forward audited financial statements to the Ministry of Education by 31 st May 2019. This deadline was not met.



Kiwisport Statement

Mararoa School

For the year ended 31 December 2018

Students participated in organised sport. In 2018 the school received Kiwisport funding of \$651. The funding was spent on school athletics, cross country, swimming, winter sports, gymnastics and cricket programmes.

Members of the Board of Trustees

Mararoa School

For the year ended 31 December 2018

Name	Position	How Appointed	Occupation	Term Expires/Expired
Robert Kempthorne	Board Chair	June 2016	Farmer	June 2019
Luke Thomas	Treasurer	Elected Dec 2017	Farmer	Dec 2020
James MacMillan Armstrong	Health & Safety	Elected Dec 2017	Doctor	Dec 2020
Sue Harbutt	Community Liaison	Elected June 2016	Teacher	June 2019
Delia Bellaby	Property	Elected June 2016	Architect	June 2019
Mary Baigent	Principal		Principal	
Susan Ibbotson	Staff Rep	Elected June 2016	Teacher	June 2019

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MARAROA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Mararoa School (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe Horwath, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 4 to 23 that comprise the Statement of Financial Position as at 31 December 2018, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 14 August 2019. This is the date at which our opinion is expressed.

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

Basis of opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on the Kiwisport report, Board of Trustees listing and Analysis of Variance.

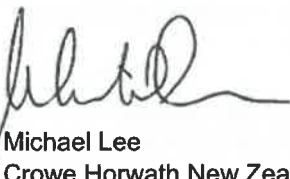
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Michael Lee
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Invercargill, New Zealand