

OTUMOETAI INTERMEDIATE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019



School Address: 5 Charles Street, Otumoetai, Tauranga, 3110

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Ministry Number: 1878

Accounting/Service Provider: Accounting For Schools Limited

OTUMOETAI INTERMEDIATE SCHOOL

Annual Report - For the year ended 31 December 2019

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OTUMOETAI 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.

Suzanne Finnigan
Full Name of Board Chairperson


Signature of Board Chairperson

5/6/2020
Date:

Hendrick Popping
Full Name of Principal


Signature of Principal

5/6/2020
Date:

OTUMOETAI 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	5,906,867	5,602,247	5,445,139
Locally Raised Funds	3	394,841	111,500	335,621
Interest Earned		21,162	15,000	24,905
International Students	4	333,383	205,000	345,939
Gain on Sale of Property, Plant and Equipment		4,562	-	-
		6,660,815	5,933,747	6,151,604
Expenses				
Locally Raised Funds	3	225,375	8,450	164,380
International Students	4	156,482	119,603	211,712
Learning Resources	5	4,090,205	3,899,969	3,772,151
Administration	6	211,301	254,220	235,233
Finance		14,422	-	12,932
Property	7	1,643,047	1,455,866	1,505,495
Depreciation	8	279,801	200,000	242,048
Loss on Disposal of Property, Plant and Equipment		11,880	-	-
		6,632,513	5,938,108	6,143,951
Net Surplus / (Deficit) for the year		28,302	(4,361)	7,653
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		28,302	(4,361)	7,653

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

OTUMOETAI INTERMEDIATE SCHOOL

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January	1,343,568	1,343,568	1,453,254
Total comprehensive revenue and expense for the year	28,302	(4,361)	7,653
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	38,119	-	19,311
Board Contribution to Building Works	-	-	(136,650)
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9	-	-	-
Equity at 31 December	1,409,989	1,339,207	1,343,568
Retained Earnings	1,409,989	1,339,207	1,343,568
Equity at 31 December	1,409,989	1,339,207	1,343,568

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.

OTUMOETAI 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	9	978,035	871,477	558,580
Accounts Receivable	10	247,791	200,000	253,465
Funds held for Capital Works Projects	21	-	-	75,748
GST Receivable		6,239	20,000	23,305
Inventories	11	5,297	5,000	5,264
Investments	12	-	300,000	315,844
Prepayments		-	10,000	11,886
		1,237,362	1,406,477	1,244,092
Current Liabilities				
Accounts Payable	14	313,991	235,000	250,647
Finance Lease Liability - Current Portion	18	41,991	63,000	62,599
Funds held on behalf of Otumoetai Community of Learning	19	26,244	-	-
Funds held on behalf of Tauranga Transport Network	20	77,193	150,000	145,869
Painting Contract Liability - Current Portion	17	20,977	26,118	26,118
Provision for Cyclical Maintenance	16	13,055	8,427	8,427
Revenue Received in Advance	15	312,022	235,000	264,358
		805,473	717,545	758,018
Working Capital Surplus				
		431,889	688,932	486,074
Non-current Assets				
Property, Plant and Equipment	13	1,173,880	1,000,000	1,159,508
		1,173,880	1,000,000	1,159,508
Non-current Liabilities				
Painting Contract Liability	17	47,096	68,073	68,073
Finance Lease Liability	18	74,686	170,000	170,789
Provision for Cyclical Maintenance	16	73,998	111,652	63,152
		195,780	349,725	302,014
Net Assets				
		1,409,989	1,339,207	1,343,568
Equity				
		1,409,989	1,339,207	1,343,568

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

OTUMOETAI INTERMEDIATE SCHOOL

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,237,182	1,173,328	1,148,572
Locally Raised Funds		478,369	160,075	318,575
International Students		365,637	178,626	411,519
Goods and Services Tax (net)		17,067	3,305	(23,881)
Payments to Employees		(758,311)	(653,069)	(690,980)
Payments to Suppliers		(759,171)	(618,647)	(868,431)
Interest Paid		(14,422)	-	(12,932)
Interest Received		25,598	14,436	20,529
Net cash from / (to) the Operating Activities		591,949	258,054	302,971
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		(404,711)	(324,715)	(228,728)
Purchase of Investments		-	15,844	(315,844)
Proceeds from Sale of Investments		315,844	-	-
Net cash from / (to) the Investing Activities		(88,867)	(308,871)	(544,572)
Cash flows from Financing Activities				
Furniture and Equipment Grant		38,119	-	19,311
Finance Lease Payments		(116,711)	263,483	(28,963)
Painting contract payments		(38,351)	-	(36,969)
Funds Administered on Behalf of Third Parties		(42,432)	4,131	1,039
Funds Held for Capital Works Projects		75,748	96,100	(188,930)
Net cash from Financing Activities		(83,627)	363,714	(234,512)
Net increase/(decrease) in cash and cash equivalents		419,455	312,897	(476,113)
Cash and cash equivalents at the beginning of the year	9	558,580	558,580	1,034,693
Cash and cash equivalents at the end of the year	9	978,035	871,477	558,580

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.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

1. Statement of Accounting Policies

a) Reporting Entity

Otumoetai 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.

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 31.

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.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

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 13.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

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.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

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.

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.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

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.

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	20 years
Furniture and Equipment	5 - 15 years
Information and Communication Technology	3 - 5 years
Leased Assets held under a Finance Lease	3 - 5 Years
Library Resources	12.5% Diminishing value
Motor Vehicles	5 years
Textbooks	4 years

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.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

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.

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.

o) Revenue Received in Advance

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

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

p) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

q) Shared Funds

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

r) 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).

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

s) 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.

t) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

u) Goods and Services Tax (GST)

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

v) Budget Figures

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

w) Services received in-kind

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	1,178,998	1,151,502	1,068,888
Other MoE Grants	58,186	21,826	79,877
Teachers' Salaries Grants	3,442,768	3,367,240	3,210,144
Use of Land and Buildings Grants	1,226,915	1,061,679	1,086,230
	<u>5,906,867</u>	<u>5,602,247</u>	<u>5,445,139</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Activities	177,218	-	131,105
Donations	90,955	65,400	71,160
Fundraising	43,735	-	49,092
Other revenue	59,495	42,600	59,028
Trading	23,438	3,500	25,236
	<u>394,841</u>	<u>111,500</u>	<u>335,621</u>
Expenses			
Activities	181,972	8,450	123,625
Other Locally Raised Funds Expenditure	23,936	-	20,214
Trading	19,467	-	20,541
	<u>225,375</u>	<u>8,450</u>	<u>164,380</u>
<i>Surplus for the year Locally raised funds</i>	<u>169,466</u>	<u>103,050</u>	<u>171,241</u>

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	24	25	20
Revenue			
International student fees	333,383	205,000	345,939
Expenses			
Advertising	14,086	7,000	15,196
Employee Benefit - Salaries	69,910	65,103	54,367
International Student Levy	-	-	3,947
Other Expenses	72,486	47,500	138,202
	<u>156,482</u>	<u>119,603</u>	<u>211,712</u>
<i>Surplus for the year International Students'</i>	<u>176,901</u>	<u>85,397</u>	<u>134,227</u>

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

5. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Curricular	105,680	83,856	80,469
Equipment repairs	253	-	-
Employee Benefits - Salaries	3,962,208	3,794,313	3,673,447
Library Resources	2,192	1,300	1,248
Staff Development	19,872	20,500	16,987
	<u>4,090,205</u>	<u>3,899,969</u>	<u>3,772,151</u>

6. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	6,578	6,578	6,386
Board of Trustees Fees	7,096	7,975	6,875
Board of Trustees Expenses	13,920	10,685	6,569
Communication	15,897	17,200	16,496
Consumables	30,274	27,117	23,775
Operating Lease	1,673	40,824	26,705
Other	53,907	58,378	63,019
Employee Benefits - Salaries	63,147	65,350	67,565
Insurance	14,609	14,863	12,703
Service Providers, Contractors and Consultancy	4,200	5,250	5,140
	<u>211,301</u>	<u>254,220</u>	<u>235,233</u>

7. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	15,206	13,000	11,014
Consultancy and Contract Services	89,056	89,058	89,056
Cyclical Maintenance Expense	29,103	48,500	54,031
Grounds	48,599	23,800	42,836
Heat, Light and Water	62,538	66,000	61,584
Rates	16,937	14,500	13,878
Repairs and Maintenance	49,901	32,329	37,383
Use of Land and Buildings	1,226,915	1,061,679	1,086,230
Security	11,680	12,000	17,082
Employee Benefits - Salaries	93,112	95,000	92,401
	<u>1,643,047</u>	<u>1,455,866</u>	<u>1,505,495</u>

The use of land and buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

8. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Buildings	18,473	15,000	18,279
Furniture and Equipment	97,250	57,000	68,778
Information and Communication Technology	106,198	83,000	100,089
Leased Assets	42,106	30,000	36,253
Library Resources	2,942	2,000	2,542
Motor Vehicles	7,389	7,500	9,295
Textbooks	5,443	5,500	6,812
	<u>279,801</u>	<u>200,000</u>	<u>242,048</u>

9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Cash on Hand	230	200	230
ASB Cheque Account	689,448	421,227	112,238
ASB On Call 51	184,788	50	57
ASB On Call 52	26,375	300,000	300,185
Tauranga Transport Network Funds	77,194	150,000	145,870
Cash equivalents for Cash Flow Statement	<u>978,035</u>	<u>871,477</u>	<u>558,580</u>

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

Of the \$978,035 Cash and Cash Equivalents, \$77,194 (2018: \$145,870) is held by the School on behalf of the Tauranga Transport Network Group (see Note 19). \$26,244 (2018: \$nil) is also held by the School on behalf of the Otumoetai Community of Learning cluster.

10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	-	5,000	45,000
Receivables from the Ministry of Education	-	-	11,559
Interest Receivable	-	5,000	4,436
Teacher Salaries Grant Receivable	247,790	190,000	192,470
	<u>247,790</u>	<u>200,000</u>	<u>253,465</u>
Receivables from Exchange Transactions	-	10,000	60,995
Receivables from Non-Exchange Transactions	247,790	190,000	192,470
	<u>247,790</u>	<u>200,000</u>	<u>253,465</u>

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	3,334	-	1,637
Uniforms	1,963	5,000	3,627
	<u>5,297</u>	<u>5,000</u>	<u>5,264</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	-	300,000	315,844

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	210,685	14,074	-	-	(18,473)	206,286
Furniture and Equipment	472,583	193,962	(2,914)	-	(97,250)	566,381
Information Technology	196,732	158,836	(8,966)	-	(106,198)	240,404
Leased Assets	225,657	7,629	(83,137)	-	(42,106)	108,043
Library Resources	23,055	5,729	-	-	(2,942)	25,842
Motor Vehicles	20,316	-	-	-	(7,389)	12,927
Textbooks	10,480	8,960	-	-	(5,443)	13,997
Balance at 31 December 2019	<u>1,159,508</u>	<u>389,190</u>	<u>(95,017)</u>	<u>-</u>	<u>(279,801)</u>	<u>1,173,880</u>

The net carrying value of equipment held under a finance lease is \$108,043 (2018: \$225,657).

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings	368,425	(162,139)	206,286
Furniture and Equipment	1,691,425	(1,125,044)	566,381
Information Technology	699,933	(459,529)	240,404
Leased Assets	160,651	(52,608)	108,043
Library Resources	87,294	(61,452)	25,842
Motor Vehicles	74,874	(61,947)	12,927
Textbooks	142,286	(128,289)	13,997
Balance at 31 December 2019	<u>3,224,888</u>	<u>(2,051,008)</u>	<u>1,173,880</u>

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

13. Property, Plant and Equipment (Cont.)

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Buildings	203,926	25,038	-	-	(18,279)	210,685
Furniture and Equipment	364,326	177,035	-	-	(68,778)	472,583
Information Technology	280,028	16,793	-	-	(100,089)	196,732
Leased Assets	7,571	254,339	-	-	(36,253)	225,657
Library Resources	19,856	5,741	-	-	(2,542)	23,055
Motor Vehicles	29,611	-	-	-	(9,295)	20,316
Textbooks	13,171	4,121	-	-	(6,812)	10,480
Balance at 31 December 2018	918,489	483,067	-	-	(242,048)	1,159,508

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Buildings	354,352	(143,667)	210,685
Furniture and Equipment	1,550,337	(1,077,754)	472,583
Information Technology	836,972	(640,240)	196,732
Leased Assets	263,871	(38,214)	225,657
Library Resources	81,566	(58,511)	23,055
Motor Vehicles	74,874	(54,558)	20,316
Textbooks	133,326	(122,846)	10,480
Balance at 31 December 2018	3,295,298	(2,135,790)	1,159,508

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	52,857	30,000	42,498
Accruals	6,578	5,000	5,136
Employee Entitlements - Salaries	247,790	190,000	192,470
Employee Entitlements - Leave Accrual	6,766	10,000	10,543
	313,991	235,000	250,647
Payables for Exchange Transactions	307,225	225,000	240,104
Payables for Non-exchange Transactions - Other	6,766	10,000	10,543
	313,991	235,000	250,647

The carrying value of payables approximates their fair value.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	257,367	200,000	226,374
Homestay Fees in Advance	1,261	-	-
Laptop Tech Fees in Advance	34,718	25,000	27,785
Stationery Income in Advance	18,676	10,000	10,199
	<u>312,022</u>	<u>235,000</u>	<u>264,358</u>

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	71,579	71,579	45,773
Increase to the Provision During the Year	29,103	48,500	54,031
Use of the Provision During the Year	(13,629)	-	(28,225)
Provision at the End of the Year	<u>87,053</u>	<u>120,079</u>	<u>71,579</u>
Cyclical Maintenance - Current	13,055	8,427	8,427
Cyclical Maintenance - Term	73,998	111,652	63,152
	<u>87,053</u>	<u>120,079</u>	<u>71,579</u>

17. Painting Contract Liability

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Liability	20,977	26,118	26,118
Non Current Liability	47,096	68,073	68,073
	<u>68,073</u>	<u>94,191</u>	<u>94,191</u>

In December 2016 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering an seven year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2016, with regular maintenance in subsequent years. The agreement has an annual commitment of \$35,482. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

18. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	41,991	63,000	62,599
Later than One Year and no Later than Five Years	74,686	170,000	170,789
	<u>116,677</u>	<u>233,000</u>	<u>233,388</u>

19. Funds held on behalf of Otumoetai Community of Learning

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds held on behalf of Otumoetai Community of Learning	26,244	-	-
	<u>26,244</u>	<u>-</u>	<u>-</u>

20. Funds held on behalf of Tauranga Transport Network

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	145,869	-	144,830
Adjustment to prior year figures	-	-	-
Funds Received from Cluster Members	1,121,017	-	1,072,603
Other Income	103,978	-	102,488
Funds Spent on Behalf of Consumers	(1,293,670)	-	(1,174,052)
Funds Held at Year End	<u>77,194</u>	<u>150,000</u>	<u>145,869</u>
Tauranga Transport Network Distribution of Funds			
Maungatapu School	851	-	716
Omokoroa Point School	1,390	-	1,170
Omokoroa No 1 School	3,147	-	2,648
Otumoetai College	19,022	-	16,008
Otumoetai Intermediate School	-	-	-
Tauriko School	5,766	-	4,852
St Mary's Catholic School	2,608	-	2,195
Tauranga Boys' High School	43,604	-	36,695
Tauranga Girls' High School	24,389	-	20,524
Tauranga Intermediate School	4,332	-	3,646
Welcome Bay School	2,662	-	2,240
Creditors (Net)	(30,577)	-	55,175
	<u>77,194</u>	<u>150,000</u>	<u>145,869</u>

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

21. 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:

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
2019		\$	\$	\$	\$	\$
B Block Development	<i>Closed</i>	(75,748)	75,748	(23,135)	23,135	-
Totals		<u>(75,748)</u>	<u>75,748</u>	<u>(23,135)</u>	<u>23,135</u>	<u>-</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-

-

-

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
2018		\$	\$	\$	\$	\$
B Block Development	<i>In progress</i>	(23,468)	612,870	(801,800)	136,650	(75,748)
Totals		<u>(23,468)</u>	<u>612,870</u>	<u>(801,800)</u>	<u>136,650</u>	<u>(75,748)</u>

22. 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.

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

23. 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	2018
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	7,096	6,875
Full-time equivalent members	0.28	0.14
<i>Leadership Team</i>		
Remuneration	487,916	486,727
Full-time equivalent members	4.00	3.89
Total key management personnel remuneration	<u>495,012</u>	<u>493,602</u>
Total full-time equivalent personnel	<u>4.28</u>	<u>4.03</u>

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

Principal

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

	2019	2018
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170 - 180	170 - 180
Benefits and Other Emoluments	4 - 5	4 - 5

Other Employees

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

Remuneration	2019	2018
\$000	FTE	FTE
	Number	Number
100 - 110	1	-
110 - 120	-	1
120 - 130	1	1
	<u>1</u>	<u>2</u>

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

24. 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:

	2019	2018
	Actual	Actual
Total	-	-
Number of People	-	-

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

25. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2019 (Contingent liabilities and assets 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.

26. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.
(Capital commitments at 31 December 2018: \$919,395)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(a) operating lease of laptops, photocopier and office equipment;

No later than One Year

Later than One Year and No Later than Five Years

	2019 Actual \$	2018 Actual \$
No later than One Year	2,333	31,746
Later than One Year and No Later than Five Years	-	2,333
	<u>2,333</u>	<u>34,079</u>

(b) The School has entered into an new agreement on the 12th of December 2016, commencing 1 January 2017 with Programmed Maintenance Services Ltd for the painting of the Schools buildings. The amount committed on the contract is:

No later than One Year

Later than One Year and No Later than Five Years

	2019 Actual \$	2018 Actual \$
No later than One Year	38,351	9,364
Later than One Year and No Later than Five Years	76,656	38,374
	<u>115,007</u>	<u>47,738</u>

OTUMOETAI INTERMEDIATE SCHOOL

For the year ended 31 December 2019

Notes to the Financial Statements

27. 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.

28. Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	978,035	871,477	558,580
Receivables	247,790	200,000	253,465
Investments - Term Deposits	-	300,000	315,844
Total Financial assets measured at amortised cost	<u>1,225,825</u>	<u>1,371,477</u>	<u>1,127,889</u>
Financial liabilities measured at amortised cost			
Payables	313,991	235,000	250,647
Finance Leases	116,677	233,000	233,388
Painting Contract Liability	68,073	94,191	94,191
Total Financial Liabilities Measured at Amortised Cost	<u>498,741</u>	<u>562,191</u>	<u>578,226</u>

29. Comparatives

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

30. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

31. 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 10 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 12 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.

Independent Auditor's Report

To the Readers of Otumoetai Intermediate School's Financial Statements

For the Year Ended 31 December 2019

The Auditor-General is the auditor of Otumoetai Intermediate School (the School). The Auditor-General has appointed me, Richard Dey, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2019; 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 5 June 2020. 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.

Failure to meet statutory reporting deadline

Without modifying our opinion, we draw attention to the fact that the Board of Trustees did not comply with section 87C(1) of the Education Act 1989, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 30 on page 22 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

ACCOUNTANTS & ADVISORS

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Tauranga 3110, New Zealand
PO Box 222
Tauranga 3144, New Zealand
Telephone: +64 7 927 1234
williambuck.co.nz

William Buck Audit (NZ) Limited

Basis for our opinion

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

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 arise 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 page 1 and on pages 26 to 30, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (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.



Richard Dey
William Buck Audit (NZ) Limited
On behalf of the Auditor-General
Tauranga, New Zealand

OTUMOETAI 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
Fiona McTavish	Chairperson	Elected Nov 2014, re elected Nov 2017	General Manager Strategy	Nov 2020
Henk Popping	Principal	Appointed	Principal	
Deanna Hinde	Parent Rep	Elected	Project Manager	May 2022
Paul Dow	Parent Rep Treasurer	Co-opted March 2018	Financial Advisor	May 2022
Suzie Finnigan	Parent Rep Secretary	Elected	Director	May 2022
Fiona Matthews	Parent Rep	Co-opted, Elected Nov 2017	Teacher	May 2022
Hemi Tipene	Parent Rep	Elected	Advocate	May 2022
Hughwyn Habib	Teacher Rep	Elected	Teacher	May 2022
Helen O'Connor	Parent Rep	Elected	Accountant	May 2019
Rebecca Ryder	Parent Rep	Co-opted March 2018	Landscape Architect	May 2022
Ben Goodchild	Teacher Rep	Elected	Teacher	May 2019

OTUMOETAI INTERMEDIATE SCHOOL

Kiwisport Statement

For the year ended 31 December 2019

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

In 2019 the School received funding of \$11,456 (2018: \$10,211) to increase our student participation in organised sport.

There are 27 sports happening at the School. The Kiwisport funding was spent on employing Sports Co-ordinators who ensure smooth running and organising of all sports and student involvement.

Analysis of variance

Otumoetai Intermediate School. MOE Number: 1878

<p>Focus:</p> <p>Reading</p>			
<p>Strategic aim:</p> <p>For all students to be fully engaged in their learning and for at least 85% achieving at or above curriculum expectation in reading. Our aspirational target is 95%.</p>			
<p>Annual aim for 2019:</p> <p>For 85% or more of our students including Maori and Pasifica to be achieving at or above expected curriculum level and to lift and accelerate the learning of students who entered the school below or well below the expected curriculum level.</p>			
<p>Baseline data Feb, 2019:</p> <p>The year 7 cohort saw 76% of the students enter our school in 2019 at or above expected curriculum level. The year 8 cohort saw 77% of the students commencing 2019 year at or above expected curriculum level.</p>			
<p>Targets 2019:</p> <p>85% of the Year 7 cohort to be reading, responding to, and thinking critically about texts in order to meet the reading demands of the New Zealand Curriculum at high level 3 and working towards level 4. 85% of the Year 8 cohort to be reading, responding to, and thinking critically about texts in order to meet the reading demands of the New Zealand Curriculum at mid to high level 4.</p>			
Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>Unrelenting focus by all staff, students and parents on high levels of achievement. Entrepreneurial approach to school organisation and culture Learning that is connected to the students' real world (21st century). e.g.: e-learning, being culturally responsive Introduction of the PaCT tool for assessing student progress in reading. Incorporation of the PaCT tool into teacher planning. All students develop challenging goals to ensure progress (students becoming more aware of</p>	<p>At year end:</p> <p>Year 7: a total of 82% students were at or above expected curriculum level. (6% gain from the start of the year)</p> <p>Year 8: a total of 87% students were at expected curriculum level. (10% gain from the start of the year) – Target achieved</p> <p>Maori Learners:</p>	<p>Overall:</p> <p>All students made accelerated gains over their two year journey at OIS. Our biggest challenge continues to be accelerating the progress of our Maori learners. We are hoping that the Action Plan established as a result of Jodie Robertson's research project will begin to address this concern over time.</p> <p>Year 7 Maori The biggest challenge in accelerating these</p>	<p>We will continue the strategies used and interventions introduced in 2019.</p> <p>Maori and Pasifica students will be a particular target group for 2020 and these additional strategies implemented: Implementation of the year 1 Action Plan for Maori Achievement developed from the substantial investigations of Jodie Robertson into Maori Achievement on behalf of the kahui ako in 2019. Identification of Maori students when gathering data and tracking progress.</p>

<p>progress markers laid down in the reading PaCT). All students being given frequent verbal and written feedback and feed forward on their learning and achievement.</p> <p>Parents receive personalised communication regularly.</p> <p>High expectations by the teacher of all students.</p> <p>Effective learning in every class room.</p> <p>Regular, direct, purposeful instruction in all curriculum areas.</p> <p>Priority given to literacy and numeracy skills within an integrated programme.</p> <p>All students valued as individuals and actively involved in their learning and decision making.</p> <p>All students have their culture and ethnicity recognised and valued.</p> <p>Differentiated Professional Learning for teachers</p> <p>Teachers actively engaged in independent teacher inquiry and knowledge building.</p> <p>The implementation of multi lit - a programme that these students attend for a daily 30 minute period 1 – 1 with a trained adult for 30 sessions. Multi lit has been extended to provide small group read aloud/book discussion sessions to further engage struggling readers.</p> <p>We continue with the “Reading Together” strategy which involves a trained teacher working with the families of lower achieving students. This is in partnership with the city library and librarians and is a series of workshops where parents have the opportunity to network with each other and to gain a deeper understanding about how to assist their child with the acceleration of learning.</p> <p>Dedicated booster classes will continue for students below national standards in reading.</p> <p>We also have an unrelenting focus on the enhancement of teacher’s pedagogical knowledge in the delivery of reading programmes that accelerates the learning of Maori / Pacifica students.</p>	<p>Year 7: a total of 65% of Maori boys were at or above expected curriculum level. (2% gain from the start of the year)</p> <p>Year 7: a total of 76% of Maori girls were at or above expected curriculum level. (13% gain from the start of the year)</p> <p>Year 8: a total of 78% Maori boys were at or above expected curriculum level. (19% gain from the start of the year)</p> <p>Year 8: a total of 81% Maori girls were at or above expected curriculum level. (8% gain from the start of the year)</p> <p>Two Year Results (Feb 2018 year 7- to Nov 2019 year 8)</p> <p>Maori students: Teacher judgment for the year 8 Maori students overall, shows on entry in February 2018 as Year 7’s 39% (30 students) were sitting at WB/B. In November on exit from the school as year 8’s, this has decreased to 22% (17) students.</p> <p>All Students: On entry in year 7 2018 there were 29% (108 students) in the WB/B range. On exit as year 8’s in 2019 this decreased to 13% (50 students).</p>	<p>students is changing their belief in themselves as learners. For 6 years they have failed in a school system that serves them badly.</p> <p>When the delivery changes to a collaborative / group style of learning, such as in the writing, and in mathematics we have more success.</p> <p>The deficit that needs to be addressed to move these students to a level where they can access the curriculum equitably is too big to achieve in two years. The communication norms as are the expectation in DMIC are the ones that would give substance to a delivery style for the reading as well. These students have the capacity to be excellent learners.</p> <p>The way we teach reading may need to change as the experiences of our children have changed. This generation is gaining more information from visual sources than the written word and this needs to be considered.</p> <p>We have appointed two experience teachers in the school as Within School Teachers with the specific task of looking at reading programs and ways that these can be improved. Part of this investigation will be to look at ways that work to engage low learners, in particular Maori boys. As referred to above, Jodie Robinson’s work will give us some better direction in this area.</p>	<p>Continuing the Powhiri as part of all welcomes to our school.</p> <p>Every child and staff member has a pepeha and is able to speak it.</p> <p>All Maori students have their whakapapa identified on a map of New Zealand and understand where their iwi is located. All students have their cultural roots (whakapapa) identified on a world map.</p> <p>Tikanga Maori is acknowledged and valued school wide.</p> <p>Key competencies will be evident and embedded in all of the curriculum areas.</p> <p>Our 2020 plan to enhance the Maori dimension in our school:</p> <ol style="list-style-type: none"> 1. Implementation of the year 1 Action Plan for Maori Achievement developed from the substantial research project undertaken by Jodie Robertson into Maori Achievement on behalf of the kahui ako in 2019. 2. Kapahaka students will continue to receive tuition from Matua Takiri Reweti assisted by senior Otumotetai College students as part of their NCEA studies. This will be on every Friday from 2pm to 3pm. Our intention is for our kapahaka group to participate in the regional kapahaka competitions, something we have not done for some time. It is important for our school to have a face at these competitions. 3. Continue to host Te Ra Rehia, our Kahui Ako Kapahaka Festival. 4. Matua Takiri Reweti, our new kahirahi, to work with staff on strengthening our culturally responsive pedagogy and teacher and student understanding of Te Reo. 5. Continue student awards (ribbons) in Te Reo and Tikanga. 6. Continue the very successful poutama group sessions on Fridays and look to extend this
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<p>opportunity to more students to enhance our Maori students' self-efficacy, resilience and engagement in their learning.</p> <p>7. As a school we will identify and closely monitor Maori students and their progress against the Learning Progressions in the New Zealand Curriculum.</p>			
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