

# **Greenmeadows Intermediate School**

## **Annual Report for the year ended 31 December 2019**

<b>Ministry Number:</b>	1300
<b>Principal:</b>	Cathy Chalmers
<b>School Address:</b>	29 Greenmeadows Ave, Manurewa
<b>School Postal Address:</b>	29 Greenmeadows Ave, Manurewa 2102
<b>School Phone:</b>	09 267 6255
<b>School Email:</b>	<a href="mailto:cchalmers@greenmeadows.school.nz">cchalmers@greenmeadows.school.nz</a>
<b>Service Provider:</b>	Edtech Financial Services Ltd

**Greenmeadows Intermediate School**

**Members of the Board of Trustees**

For the year ended 31 December 2019

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Occupation</b>	<b>Term expired/expires</b>
Hayleigh Bourke	Chair	Co-opted	Teacher Aide	June 2019
Ross Burr	Chair	Elected	Groundsman	June 2022
Jeslyn Warren	Member	Elected	Teacher Aide	June 2022
Angela Palafani	Member	Elected	Parent	June 2022
Todd Murphy	Member	Elected	Electrician	June 2022
Alison Aviga	Deputy Chair	Elected	Parent	June 2022
Avishek Singh	Member	Co-opted	IT Support Officer	June 2022
Paul King	Staff Representative	Elected	Property Manager	June 2022
Justine Kanapu	Staff Representative	Elected	Teacher Aide	June 2019

# **Greenmeadows Intermediate School**

## **Annual Report**

For the year ended 31 December 2019

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**Greenmeadows 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.

Ross Stephen Burr  
Full Name of Board Chairperson

RS Burr  
Signature of Board Chairperson

02/06/2020  
Date:

Cathy Chalmer  
Full Name of Principal

[Signature]  
Signature of Principal

02/06/2020  
Date:

**Greenmeadows Intermediate School**  
**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	4,128,976	3,230,385	3,749,480
Locally Raised Funds	3	146,524	95,700	120,479
Interest Income		21,170	20,000	22,238
		<u>4,296,670</u>	<u>3,346,085</u>	<u>3,892,197</u>
<b>Expenses</b>				
Locally Raised Funds	3	135,231	114,000	73,595
Learning Resources	4	2,455,242	1,975,099	2,134,469
Administration	5	206,372	209,278	185,874
Finance		21,588	3,500	5,243
Property	6	1,268,703	1,021,230	1,213,266
Depreciation	7	182,104	190,000	120,786
Loss on Disposal of Property, Plant and Equipment		35,177	-	-
		<u>4,304,417</u>	<u>3,513,107</u>	<u>3,733,233</u>
<b>Net Surplus / (Deficit) for the year</b>		(7,747)	(167,022)	158,964
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(7,747)</u>	<u>(167,022)</u>	<u>158,964</u>

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

**Greenmeadows Intermediate School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Balance at 1 January</b>		<u>1,693,218</u>	<u>1,693,218</u>	<u>1,534,254</u>
Total comprehensive revenue and expense for the year		(7,747)	(167,022)	158,964
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		9,730	-	-
<b>Equity at 31 December</b>	23	<u>1,695,201</u>	<u>1,526,196</u>	<u>1,693,218</u>
Retained Earnings		1,695,201	1,526,196	1,693,218
<b>Equity at 31 December</b>		<u>1,695,201</u>	<u>1,526,196</u>	<u>1,693,218</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

# Greenmeadows Intermediate School

## Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	261,471	111,618	366,971
Accounts Receivable	9	283,720	120,500	191,528
GST Receivable		-	5,000	49,196
Prepayments		12,928	10,000	10,429
Investments	10	678,696	800,000	659,863
		<u>1,236,815</u>	<u>1,047,118</u>	<u>1,277,987</u>
<b>Current Liabilities</b>				
GST Payable		(4,840)	-	-
Accounts Payable	12	190,486	166,000	190,516
Revenue Received in Advance	13	-	-	53,474
Finance Lease Liability - Current Portion	15	57,184	53,798	49,730
Funds Held for Capital Works Projects	16	71,406	-	-
Funds Held on Behalf of Alfriston Kahui Ako Cluster	17	12,303	-	-
		<u>326,539</u>	<u>219,798</u>	<u>293,720</u>
<b>Working Capital Surplus/(Deficit)</b>		910,276	827,320	984,267
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,080,606	1,009,852	1,034,852
		<u>1,080,606</u>	<u>1,009,852</u>	<u>1,034,852</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	138,870	163,378	124,505
Finance Lease Liability	15	156,811	147,598	201,396
		<u>295,681</u>	<u>310,976</u>	<u>325,901</u>
<b>Net Assets</b>		<u>1,695,201</u>	<u>1,526,196</u>	<u>1,693,218</u>
<b>Equity</b>	23	<u>1,695,201</u>	<u>1,526,196</u>	<u>1,693,218</u>

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

# Greenmeadows Intermediate School

## Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		1,016,655	991,764	976,618
Locally Raised Funds		10,459	96,336	119,843
Goods and Services Tax (net)		44,356	44,196	(461)
Payments to Employees		(428,422)	(445,805)	(330,445)
Payments to Suppliers		(696,436)	(603,178)	(667,550)
Cyclical Maintenance Payments in the year		76,634	-	(21,220)
Interest Paid		(21,588)	(3,500)	(5,243)
Interest Received		21,042	19,701	26,271
Net cash from Operating Activities		22,700	99,514	97,813
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(35,177)	-	(136,885)
Purchase of PPE (and Intangibles)		(249,072)	(623,613)	-
Purchase of Investments		(18,833)	-	(23,874)
Proceeds from Sale of Investments		-	(140,137)	-
Net cash from Investing Activities		(303,082)	(763,750)	(160,759)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		9,730	-	-
Finance Lease Payments		8,753	408,883	(14,218)
Funds Administered on Behalf of Third Parties		12,303	-	-
Funds Held for Capital Works Projects		144,096	-	(12,106)
Net cash from Financing Activities		174,882	408,883	(26,324)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(105,500)</b>	<b>(255,353)</b>	<b>(89,270)</b>
Cash and cash equivalents at the beginning of the year	8	366,971	366,971	456,241
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>261,471</b>	<b>111,618</b>	<b>366,971</b>

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

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



# Greenmeadows Intermediate School

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### **Reporting Entity**

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

#### **Basis of Preparation**

##### ***Reporting Period***

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

##### ***Basis of Preparation***

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

##### ***Financial Reporting Standards Applied***

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

##### ***Standard Early Adopted***

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

##### ***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.

# Greenmeadows Intermediate School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### *Critical Judgements in applying accounting policies*

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **Revenue Recognition**

#### ***Government Grants***

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

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

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

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

#### ***Other Grants***

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

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

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

#### ***Interest Revenue***

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

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

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

#### ***Finance Lease Payments***

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

# Greenmeadows Intermediate School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### **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.

### **Accounts Receivable**

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

### ***Prior Year Policy***

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

### **Inventories**

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

### **Investments**

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

### ***Prior Year Policy***

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

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

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

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

# Greenmeadows Intermediate School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

### Finance Leases

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

### Depreciation

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

The estimated useful lives of the assets are:

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

### Impairment of property, plant, and equipment

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

### Non cash generating assets

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

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

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

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

# Greenmeadows Intermediate School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### Accounts Payable

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

### Employee Entitlements

#### *Short-term employee entitlements*

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

### Provision for Cyclical Maintenance

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

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

### Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable and finance lease liability. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

### Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

### Budget Figures

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

### Services Received In-Kind

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

**Greenmeadows Intermediate School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**2 Government Grants**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	922,746	897,027	860,567
Teachers' Salaries Grants	2,035,851	1,500,000	1,805,222
Use of Land and Buildings Grants	998,322	745,930	1,010,139
Other MoE Grants	168,298	87,428	73,552
Other Government Grants	3,759	-	-
	<b>4,128,976</b>	<b>3,230,385</b>	<b>3,749,480</b>

**3 Locally Raised Funds**

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	1,346	1,000	1,743
Activities	102,224	58,200	82,881
Trading	19,492	6,500	16,439
Fundraising	23,462	30,000	19,416
	<b>146,524</b>	<b>95,700</b>	<b>120,479</b>
<b>Expenses</b>			
Activities	121,103	110,000	49,713
Trading	12,616	-	17,787
Fundraising (Costs of Raising Funds)	1,512	4,000	6,095
	<b>135,231</b>	<b>114,000</b>	<b>73,595</b>
	<b>11,293</b>	<b>(18,300)</b>	<b>46,884</b>

*Surplus/ (Deficit) for the year Locally Raised Funds*

**4 Learning Resources**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	75,002	80,099	63,125
Equipment Repairs	1,086	3,500	7,917
Information and Communication Technology	8,939	27,500	16,503
Library Resources	2,909	1,500	1,214
Employee Benefits - Salaries	2,314,516	1,787,500	1,991,164
Staff Development	52,790	75,000	54,546
	<b>2,455,242</b>	<b>1,975,099</b>	<b>2,134,469</b>

**Greenmeadows Intermediate School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**5 Administration**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	6,276	5,850	5,526
Board of Trustees Fees	4,657	4,500	4,046
Board of Trustees Expenses	27,330	29,000	23,897
Communication	16,331	10,428	10,807
Consumables	3,276	4,000	3,736
Other	33,661	33,500	34,486
Employee Benefits - Salaries	93,909	99,500	82,862
Insurance	6,820	8,500	6,716
Service Providers, Contractors and Consultancy	14,112	14,000	13,798
	<u>206,372</u>	<u>209,278</u>	<u>185,874</u>

**6 Property**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	11,528	9,500	8,746
Consultancy and Contract Services	92,508	94,000	85,669
Cyclical Maintenance Expense	62,264	40,000	(3,605)
Grounds	6,695	22,400	5,715
Heat, Light and Water	32,075	26,000	29,901
Repairs and Maintenance	10,373	27,400	23,572
Use of Land and Buildings	998,322	745,930	1,010,139
Security	6,560	6,000	6,237
Employee Benefits - Salaries	48,378	50,000	46,892
	<u>1,268,703</u>	<u>1,021,230</u>	<u>1,213,266</u>

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

**7 Depreciation**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	18,339	12,596	12,726
Furniture and Equipment	50,544	60,925	55,412
Information and Communication Technology	49,848	56,999	39,378
Leased Assets	62,572	57,121	11,887
Library Resources	801	2,359	1,383
	<u>182,104</u>	<u>190,000</u>	<u>120,786</u>

Greenmeadows Intermediate School

**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**8 Cash and Cash Equivalents**

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	373	370	373
Bank Current Account	153,364	11,248	258,954
Bank Call Account	107,734	100,000	107,644
Cash and cash equivalents for Cash Flow Statement	<u>261,471</u>	<u>111,618</u>	<u>366,971</u>

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

Of the \$261,471 Cash and Cash Equivalents, \$71,406 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

**9 Accounts Receivable**

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	136,701	-	636
Receivables from the Ministry of Education	-	-	72,690
Interest Receivable	329	500	201
Teacher Salaries Grant Receivable	146,690	120,000	118,001
	<u>283,720</u>	<u>120,500</u>	<u>191,528</u>
Receivables from Exchange Transactions	137,030	500	837
Receivables from Non-Exchange Transactions	146,690	120,000	190,691
	<u>283,720</u>	<u>120,500</u>	<u>191,528</u>

**10 Investments**

The School's Investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	678,696	800,000	659,863
Total Investments	<u>678,696</u>	<u>800,000</u>	<u>659,863</u>



**Greenmeadows Intermediate School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**11 Property, Plant and Equipment**

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Buildings	347,627	69,980	(34,204)	-	(18,339)	365,064
Furniture and Equipment	265,543	122,327	(773)	-	(50,544)	336,553
Information and Communication Technology	153,855	49,263	(104)	-	(49,848)	153,166
Leased Assets	261,570	21,216	-	-	(62,572)	220,214
Library Resources	6,257	249	(96)	-	(801)	5,609
<b>Balance at 31 December 2019</b>	<b>1,034,852</b>	<b>263,035</b>	<b>(35,177)</b>	<b>-</b>	<b>(182,104)</b>	<b>1,080,606</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Buildings	523,614	(158,550)	365,064
Furniture and Equipment	1,019,148	(682,595)	336,553
Information and Communication Technology	636,693	(483,527)	153,166
Leased Assets	375,571	(155,357)	220,214
Library Resources	29,122	(23,513)	5,609
<b>Balance at 31 December 2019</b>	<b>2,584,148</b>	<b>(1,503,542)</b>	<b>1,080,606</b>

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$220,214 (2018: \$261,570).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Buildings	360,353	-	-	-	(12,726)	347,627
Furniture and Equipment	317,460	3,495	-	-	(55,412)	265,543
Information and Communication Technology	61,386	131,847	-	-	(39,378)	153,855
Leased Assets	13,233	260,224	-	-	(11,887)	261,570
Library Resources	6,095	1,545	-	-	(1,383)	6,257
<b>Balance at 31 December 2018</b>	<b>758,527</b>	<b>397,111</b>	<b>-</b>	<b>-</b>	<b>(120,786)</b>	<b>1,034,852</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Buildings	509,045	(161,418)	347,627
Furniture and Equipment	1,028,757	(763,214)	265,543
Information and Communication Technology	632,623	(478,768)	153,855
Leased Assets	458,613	(197,043)	261,570
Library Resources	29,324	(23,067)	6,257
<b>Balance at 31 December 2018</b>	<b>2,658,362</b>	<b>(1,623,510)</b>	<b>1,034,852</b>

**Greenmeadows Intermediate School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**12 Accounts Payable**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	22,606	40,000	46,000
Accruals	6,276	6,000	5,803
Banking Staffing Overuse	-	-	11,907
Employee Entitlements - Salaries	159,931	120,000	126,806
Employee Entitlements - Leave Accrual	1,673	-	-
	<u>190,486</u>	<u>166,000</u>	<u>190,516</u>
Payables for Exchange Transactions	190,486	166,000	190,516
	<u>190,486</u>	<u>166,000</u>	<u>190,516</u>

The carrying value of payables approximates their fair value.

**13 Revenue Received in Advance**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Grants in Advance - Ministry of Education	-	-	53,474
	<u>-</u>	<u>-</u>	<u>53,474</u>

**14 Provision for Cyclical Maintenance**

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	124,505	124,505	142,110
Increase/(decrease) to the Provision During the Year	62,264	40,000	(3,605)
Use of the Provision During the Year	(47,899)	(1,127)	(14,000)
Provision at the End of the Year	<u>138,870</u>	<u>163,378</u>	<u>124,505</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	138,870	163,378	124,505
	<u>138,870</u>	<u>163,378</u>	<u>124,505</u>

**15 Finance Lease Liability**

The school has entered into a number of finance lease agreements for laptops and Turf. Minimum lease payments payable (includes Interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	101,128	53,798	68,145
Later than One Year and no Later than Five Years	254,623	147,598	232,935
	<u>355,751</u>	<u>201,396</u>	<u>301,080</u>

**Greenmeadows Intermediate School**  
**Notes to the Financial Statements (cont.)**

For the year ended 31 December 2019

**16 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:

		BOT Contribution/ (Write-off to R&M)				Closing Balances
2019	Opening Balances	Receipts from MoE	Payments	Payments	Payments	\$
	\$	\$	\$	\$	\$	\$
Block 3 Multiplacement	<i>In progress</i>	-	92,694	21,288	-	71,406
Security & Fire	<i>Completed</i>	(1,169)	1,169	-	-	-
Toilet Upgrade	<i>Completed</i>	11,600	-	11,600	-	-
Block 2 ILE	<i>Completed</i>	27,496	-	27,496	-	-
Astro-Playground Project	<i>Completed</i>	(69,980)	-	-	69,980	-
2 Storey Block	<i>Completed</i>	(40,417)	40,417	-	-	-
5YA Flooring	<i>Completed</i>	(220)	220	-	-	-
<b>Totals</b>		<b>(72,690)</b>	<b>134,500</b>	<b>60,384</b>	<b>69,980</b>	<b>71,406</b>

**Represented by:**

Funds Held on Behalf of the Ministry of Education

71,406  
71,406

		BOT Contribution/ (Write-off to R&M)				Closing Balances
2018	Opening Balances	Receipts from MoE	Payments	Payments	Payments	\$
	\$	\$	\$	\$	\$	\$
Security & Fire	<i>Completed</i>	-	25,642	26,811	-	(1,169)
Toilet Upgrade	<i>In progress</i>	-	54,576	42,976	-	11,600
Block 2 ILE	<i>In progress</i>	-	25,000	(2,496)	-	27,496
Astro-Playground Project	<i>In progress</i>	-	-	69,980	-	(69,980)
2 Storey Block	<i>In progress</i>	-	-	40,417	-	(40,417)
5YA Flooring	<i>In progress</i>	-	-	220	-	(220)
<b>Totals</b>		<b>-</b>	<b>105,218</b>	<b>177,908</b>	<b>-</b>	<b>(72,690)</b>

**17 Funds Held on Behalf of Alfriston Kahui Ako Cluster**

Greenmeadows Intermediate School is the lead school and holds the funds on behalf of the Alfriston Kahui Ako Cluster, a group of schools funded by the Ministry.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	-	-	-
Funds Received from Cluster Members	12,303	-	-
Funds Received from MoE	-	-	-
Funds Spent on Behalf of the Cluster	-	-	-
<b>Funds Held at Year End</b>	<b>12,303</b>	<b>-</b>	<b>-</b>

# Greenmeadows Intermediate School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 18 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.

### 19 Remuneration

#### Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,657	4,046
Full-time equivalent members	0.14	0.14
<i>Leadership Team</i>		
Remuneration	485,986	454,486
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	490,643	458,532
Total full-time equivalent personnel	4.14	4.14

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

#### Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	170-175	160-170
Benefits and Other Emoluments	-	-
Termination Benefits	-	-

#### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
110-120	1	1
100-110	1	-
	2	1

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

### 20 Compensation and Other Benefits Upon Leaving

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

# Greenmeadows Intermediate School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 21 Contingencies

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

(Contingent liabilities and assets as at 31 December 2018: nil)

#### Holidays Act Compliance – schools payroll

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

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

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

### 22 Commitments

#### (a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(Capital commitments as at 31 December 2018: nil)

### 23 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.

### 24 Financial Instruments

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
<b>Financial assets measured at amortised cost (2018: Loans and receivables)</b>			
Cash and Cash Equivalents	261,471	111,618	366,971
Receivables	283,720	120,500	191,528
Investments - Term Deposits	678,696	800,000	659,863
<b>Total Financial assets measured at amortised cost</b>	<b>1,223,887</b>	<b>1,032,118</b>	<b>1,218,362</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables	190,486	166,000	190,516
Finance Leases	213,995	201,396	251,126
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>404,481</b>	<b>367,396</b>	<b>441,642</b>

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

### 25 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.

### 26 Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 10 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF GREENMEADOWS INTERMEDIATE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Greenmeadows Intermediate School (the School). The Auditor-General has appointed me, Melissa Youngson, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of Greenmeadows Intermediate School on pages 2 to 19, 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 Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 2 June 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to other matters. 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.

#### Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 25 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### 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 including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report and KiwiSport Report, 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: *International 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.



## **Melissa Youngson**

Partner  
for Deloitte Limited  
On behalf of the Auditor-General  
Hamilton, New Zealand