

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Ross Intermediate School (the School). The Auditor-General has appointed me, Linda Gray, using the staff and resources of AuditLink 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 18, 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 18 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 obtained at the date of our report is 2019 Analysis of Variance and Kiwisport Statement, 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.



Linda Gray
AuditLink Limited

On behalf of the Auditor-General
Palmerston North, New Zealand

ROSS INTERMEDIATE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 2440

Principal: Wayne Jenkins

School Address: 25 Freyberg St, Palmerston North 4414

School Postal Address: 25 Freyberg St, Palmerston North 4414

School Phone: 06 358 5461

School Email: wayne@rossintermediate.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Raewyn Eden	Chairperson	Elected	Lecturer	2020
Andrew Jamieson	Chairperson (May - Dec)	Elected	Lecturer	2019
Wayne Jenkins	Principal	ex Officio	Principal	
Mark Kenyon	Parent Rep	Elected	Branch Manager	2022
Andy Christensen	Parent Rep	Elected	Designer	2022
Zane Yates	Parent Rep	Elected	CEO	2020
Jordan Bingham	Parent Rep	Elected	ECE Teacher	2020
Victoria Jakobs	Parent Rep	Elected	Business Owner	2019
Darryl Purdy	Parent Rep	Elected	CFO	2019
Lisa Woodward	Staff Rep	Elected	Teacher	2019
TeeJay Campbell	Staff Rep	Elected	Teacher	2022

Accountant / Service Provider: Openbook Solutions Limited

ROSS INTERMEDIATE

Annual Report - For the year ended 31 December 2019

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Ross Intermediate

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.

Raemyr Eden
Full Name of Board Chairperson


Signature of Board Chairperson

2/6/20
Date:

WAYNE JENKINS
Full Name of Principal


Signature of Principal

2/6/2020
Date:

Ross Intermediate
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	4,316,214	3,596,000	3,808,329
Locally Raised Funds	3	114,462	176,000	352,697
Interest income		2,608	5,000	7,386
International Students	4	15,480	0	19,973
		<u>4,448,764</u>	<u>3,777,000</u>	<u>4,188,384</u>
Expenses				
Locally Raised Funds	3	101,435	70,000	217,023
International Students	4	1,083	0	5,468
Learning Resources	5	3,143,719	2,388,429	2,709,356
Administration	6	221,935	275,219	193,999
Finance		4,447	4,500	4,438
Property	7	920,138	849,662	881,560
Depreciation	8	121,669	100,000	103,107
Loss on Disposal of Property, Plant and Equipment		0	0	2,298
		<u>4,514,427</u>	<u>3,687,810</u>	<u>4,117,248</u>
Net Surplus / (Deficit) for the year		(65,663)	89,190	71,136
Other Comprehensive Revenue and Expenses		0	0	0
Total Comprehensive Revenue and Expense for the Year		<u>(65,663)</u>	<u>89,190</u>	<u>71,136</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.



Ross Intermediate
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	1,101,003	1,100,997	1,006,927
Total comprehensive revenue and expense for the year	(65,663)	89,190	71,136
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	0	0	13,115
Contribution - SNUP	0	0	9,825
Equity at 31 December	1,035,340	1,190,187	1,101,003
Retained Earnings	1,035,340	1,190,187	1,101,003
Equity at 31 December	1,035,340	1,190,187	1,101,003

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.



Ross Intermediate Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	23,559	135,784	105,324
Accounts Receivable	10	264,319	200,000	191,646
GST Receivable		2,963	35,000	38,958
Prepayments		8,112	5,000	9,253
		<u>298,953</u>	<u>375,784</u>	<u>345,180</u>
Current Liabilities				
Accounts Payable	12	252,606	265,000	274,908
Revenue Received in Advance	13	5,103	5,000	4,419
Finance Lease Liability - Current Portion	15	16,774	16,774	15,792
Funds held for Capital Works Projects	16	35	0	(5,414)
Funds held on behalf of TLIF Cluster	17	10,889	0	(14,065)
		<u>285,407</u>	<u>286,774</u>	<u>275,640</u>
Working Capital Surplus/(Deficit)		13,547	89,010	69,540
Non-current Assets				
Property, Plant and Equipment	11	1,093,961	1,185,720	1,096,220
		<u>1,093,961</u>	<u>1,185,720</u>	<u>1,096,220</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	55,433	67,810	42,810
Finance Lease Liability	15	16,734	16,734	21,947
		<u>72,167</u>	<u>84,544</u>	<u>64,757</u>
Net Assets		<u>1,035,340</u>	<u>1,190,187</u>	<u>1,101,003</u>
Equity	26	<u>1,035,340</u>	<u>1,190,187</u>	<u>1,101,003</u>

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



Ross Intermediate
Statement of Cash Flows
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		1,031,878	935,331	925,928
Locally Raised Funds		125,756	176,000	317,638
International Students		15,480	0	19,973
Goods and Services Tax (net)		35,995	3,958	(31,403)
Payments to Employees		(590,275)	(361,668)	(511,238)
Payments to Suppliers		(611,363)	(544,152)	(627,903)
Cyclical Maintenance Payments in the year		0	0	(98,721)
Interest Paid		(4,447)	(4,343)	(4,438)
Interest Received		2,608	5,000	7,386
Net cash from / (to) the Operating Activities		5,632	210,126	(2,780)
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		0	0	1,992
Purchase of PPE (and Intangibles)		(108,155)	(189,500)	(108,411)
Proceeds from Sale of Investments		0	0	200,000
Net cash from / (to) the Investing Activities		(108,155)	(189,500)	93,580
Cash flows from Financing Activities				
Furniture and Equipment Grant		0	0	13,115
Finance Lease Payments		(9,645)	(9,645)	(18,218)
Funds Administered on Behalf of Third Parties		24,954	14,065	26,955
Funds Held for Capital Works Projects		5,448	5,414	(10,295)
Net cash from Financing Activities		20,757	9,834	11,556
Net increase/(decrease) in cash and cash equivalents		(81,766)	30,460	102,356
Cash and cash equivalents at the beginning of the year	9	105,324	105,324	2,967
Cash and cash equivalents at the end of the year	9	23,559	135,784	105,324

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.



Ross Intermediate

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Ross Intermediate (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 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.

Cyclical maintenance provision

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 14.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) 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.

f) 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.

g) 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.

h) 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:

Building improvements to Crown Owned Assets	10 – 50 years
Furniture and equipment	4 - 20 years
Information and communication technology	3 – 10 years
Leased assets held under a Finance Lease	3 - 4.5 years
Library resources	5 - 8 years

i) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

j) 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.

k) 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.

l) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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.

m) 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.

n) 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).

o) Financial Assets and Liabilities

The School's financial assets comprise cash and cash equivalents and accounts receivable. All of these financial assets are categorised as "loans and receivables" 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.

p) 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.

q) Budget Figures

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

r) 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.

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	920,937	850,000	789,761
Teachers' salaries grants	2,492,097	2,000,000	2,165,483
Use of Land and Buildings grants	691,807	650,000	672,242
Resource teachers learning and behaviour grants	1,539	5,000	1,400
Other MoE Grants	207,808	71,000	150,389
Other government grants	2,025	20,000	29,054
	4,316,214	3,596,000	3,808,329

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	39,001	135,000	99,599
Fundraising	43,319	41,000	39,908
Grants and Bequests	5,000	0	0
Other revenue	13,002	0	54,574
Trading	932	0	2,227
Activities	13,209	0	130,650
Overseas Travel	0	0	25,738
	114,462	176,000	352,697
Expenses			
Activities	77,509	50,000	166,770
Trading	3,368	0	3,645
Fundraising (costs of raising funds)	20,559	20,000	20,870
Overseas Travel	0	0	25,738
	101,435	70,000	217,023
	13,027	106,000	135,674

Surplus/ (Deficit) for the year Locally raised funds

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	7	0	1
Revenue			
International student fees	15,480	0	19,973
Expenses			
Other Expenses	1,083	0	5,468
	1,083	0	5,468
	14,397	0	14,505

Surplus/ (Deficit) for the year International Students'

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	72,721	76,994	87,915
Information and communication technology	21,668	31,000	38,450
Extra-curricular activities	15,478	9,000	5,144
Library resources	0	0	121
Employee benefits - salaries	2,930,877	2,210,435	2,520,086
Resource/attached teacher costs	6,297	7,000	7,043
Staff development	96,679	54,000	47,105
Overseas Travel	0	0	3,493
	3,143,719	2,388,429	2,709,356

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	6,551	5,500	6,360
Board of Trustees Fees	4,041	6,000	4,250
Board of Trustees Expenses	13,580	7,500	9,047
Communication	9,557	9,000	9,504
Consumables	22,632	7,500	5,235
Other	53,595	18,500	24,663
Employee Benefits - Salaries	94,609	204,219	118,181
Insurance	8,977	8,000	7,867
Service Providers, Contractors and Consultancy	8,393	9,000	8,892
	221,935	275,219	193,999

7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	55,358	55,000	59,562
Cyclical Maintenance Expense	12,623	25,000	5,487
Grounds	600	3,000	1,193
Heat, Light and Water	36,587	25,000	29,105
Rates	3,100	3,400	2,533
Repairs and Maintenance	59,989	27,000	47,741
Use of Land and Buildings	691,807	650,000	672,242
Security	4,577	5,000	6,615
Employee Benefits - Salaries	55,496	56,262	57,082
	920,138	849,662	881,560

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.

8. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings	15,930	16,000	15,930
Building Improvements	4,538	4,300	4,171
Furniture and Equipment	21,412	22,800	22,627
Information and Communication Technology	58,711	38,500	38,006
Leased Assets	20,327	15,900	20,007
Library Resources	752	2,500	2,367
	121,669	100,000	103,107

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	23,559	135,784	105,324
Cash and cash equivalents for Cash Flow Statement	23,559	135,784	105,324

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

Of the \$23,559 Cash and Cash Equivalents, \$10,889 is held by the School on behalf of the TLIF cluster. See note 17 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	14,070	25,000	24,680
Receivables from the Ministry of Education	71,180	30,000	25,550
Banking Staff Underuse	17,013	0	0
Teacher Salaries Grant Receivable	162,056	145,000	141,416
	264,319	200,000	191,646
Receivables from Exchange Transactions	14,070	25,000	24,680
Receivables from Non-Exchange Transactions	250,249	175,000	166,965
	264,319	200,000	191,646

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	772,602	0	0	0	(15,930)	756,672
Building Improvements	37,405	0	0	0	(4,538)	32,867
Furniture and Equipment	81,342	52,257	0	0	(21,412)	112,187
Information and Communication	165,797	51,069	0	0	(58,711)	158,156
Leased Assets	37,408	16,083	0	0	(20,327)	33,165
Library Resources	1,667	0	0	0	(752)	915
Balance at 31 December 2019	1,096,220	119,410	0	0	(121,669)	1,093,961

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings	796,497	(39,825)	756,672
Building Improvements	80,402	(47,535)	32,867
Furniture and Equipment	629,393	(517,206)	112,187
Information and Communication	567,680	(409,525)	158,156
Leased Assets	68,612	(35,448)	33,165
Library Resources	25,241	(24,326)	915
Balance at 31 December 2019	2,167,825	(1,073,864)	1,093,961

2018	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	788,532	0	0	0	(15,930)	772,602
Building Improvements	36,087	5,489	0	0	(4,171)	37,405
Furniture and Equipment	96,699	7,269	0	0	(22,627)	81,342
Information and Communication	82,555	122,798	(1,549)	0	(38,006)	165,797
Leased Assets	41,404	32,125	(16,114)	0	(20,007)	37,408
Library Resources	4,033	0	0	0	(2,367)	1,667
Balance at 31 December 2018	1,049,310	167,680	(17,663)	0	(103,107)	1,096,220

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	796,497	(23,895)	772,602
Building Improvements	80,402	(42,997)	37,405
Furniture and Equipment	577,136	(495,794)	81,342
Information and Communication	516,611	(350,814)	165,797
Leased Assets	52,529	(15,121)	37,408
Library Resources	25,241	(23,574)	1,667
Balance at 31 December 2018	2,048,415	(952,195)	1,096,220

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	25,955	68,593	64,842
Accruals	16,105	14,500	13,941
Capital accruals for PPE items	13,056	0	17,884
Employee Entitlements - salaries	184,302	173,907	170,323
Employee Entitlements - leave accrual	13,189	8,000	7,918
	252,606	265,000	274,908
Payables for Exchange Transactions	252,606	265,000	274,908
	252,606	265,000	274,908

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Other	5,103	5,000	4,419
	5,103	5,000	4,419



14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Provision at the Start of the Year	42,810	42,810	136,044
Increase/ (decrease) to the Provision During the Year	12,623	25,000	3,000
Use of the Provision During the Year	0	0	(96,234)
Provision at the End of the Year	<u>55,433</u>	<u>67,810</u>	<u>42,810</u>
Cyclical Maintenance - Current	0	0	0
Cyclical Maintenance - Term	55,433	67,810	42,810
	<u>55,433</u>	<u>67,810</u>	<u>42,810</u>

15. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	19,322	19,000	18,858
Later than One Year and no Later than Five Years	18,443	18,500	26,379
Later than Five Years	0	0	0
	<u>37,765</u>	<u>37,500</u>	<u>45,237</u>

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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Balcony Main Block	<i>in progress</i>	(1,780)	0	0	0	(1,780)
Hall Expansion	<i>in progress</i>	0	0	(3,500)	0	(3,500)
Classroom Upgrade Block 5	<i>in progress</i>	(4,127)	(1,269)	(630)	0	(6,025)
Heat Pumps	<i>completed</i>	493	3,358	(9,607)	5,756	0
Site Sewer Pipe Replacement	<i>in progress</i>	0	11,340	0	0	11,340
Totals		<u>(5,414)</u>	<u>13,430</u>	<u>(13,737)</u>	<u>5,756</u>	<u>35</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	11,340
Funds Due from the Ministry of Education	(11,305)
	<u>35</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Balcony Main Block	<i>in progress</i>	(1,780)	0	0	0	(1,780)
Food Tech	<i>completed</i>	0	35,972	(35,972)	0	0
Classroom Upgrade Block 5	<i>in progress</i>	4,491	0	(8,618)	0	(4,127)
Heat Pumps	<i>in progress</i>	2,878	0	(2,385)	0	493
Totals		<u>5,589</u>	<u>35,972</u>	<u>(46,975)</u>	<u>0</u>	<u>(5,414)</u>



17. Funds Held on Behalf of TLIF Cluster

Ross Intermediate School is the lead school and holds funds on behalf of the TLIF cluster, a group of schools funded by the Ministry.

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held at Beginning of the Year	(14,065)	(14,065)	31,023
Funds Received from MoE	68,759	54,065	41,574
Funds Spent on Behalf of the Cluster	(1,093)	(10,000)	(21,862)
Distribution of Funds			
Awahou	(1,500)	(3,000)	(8,100)
Central Normal	(3,000)	(3,000)	(8,100)
College Street Normal	(6,336)	(3,000)	0
Milson	(3,000)	(3,000)	(8,100)
Parkland	(3,000)	(3,000)	(8,100)
PNINS	(3,000)	(3,000)	(8,100)
Ross Intermediate	(9,336)	(3,000)	(8,100)
Russell Street	(5,940)	(3,000)	0
St James	(3,000)	(3,000)	(8,100)
Whakarongo	(4,600)	(3,000)	(8,100)
Funds Held at Year End	10,889	0	(14,065)

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

Current Assets

Cash at bank	10,889	0	17,330
	<u>10,889</u>	<u>0</u>	<u>17,330</u>

Current Liabilities

Operating Creditors	0	0	31,395
	<u>0</u>	<u>0</u>	<u>31,395</u>

Equity

	<u>10,889</u>	<u>0</u>	<u>(14,065)</u>
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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 and Deputy Principals.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,041	4,250
Full-time equivalent members	0.13	0.08
<i>Leadership Team</i>		
Remuneration	580,172	408,144
Full-time equivalent members	5.00	3.70
Total key management personnel remuneration	584,213	412,394
Total full-time equivalent personnel	5.13	3.78

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	160 -170	140 -150
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	0	0

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	0.00	0.00
100-110	3.00	0.00
	3.00	0.00

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

20. 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 Actual	2018 Actual
Total	0	0
Number of People	0	0

21. Contingencies

There are no contingent liabilities (except as noted below) 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.

22. Commitments

(a) Capital Commitments

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

(a) \$34,230 contract for classroom upgrade block 5 agent for the Ministry of Education. This project is fully funded by the Ministry and \$28,080 has been received of which \$34,105 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) As at balance date the school had ordered furniture totalling \$10,042.

(Capital commitments at 31 December 2018: \$95,665)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into a contract for a photocopier.

Printing charges under the photocopier lease are directly linked to the usage of the photocopier and therefore cannot be quantified, however can be significant over the term of the lease.

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:

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	23,559	135,784	105,324
Receivables	264,319	200,000	191,646
Investments - Term Deposits	0	0	0
Total Loans and Receivables	287,879	335,784	296,969

Financial liabilities measured at amortised cost

Payables	252,606	265,000	274,908
Finance Leases	33,507	33,508	37,739
Total Financial Liabilities Measured at Amortised Cost	286,114	298,508	312,647



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:

1. 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.

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

STATEMENT OF KIWISPORT FUNDING

Kiwisport is a Government funding initiative to support students' participation in organised sport, in 2019, the school received \$7424.93 (excluding GST). The funding was spent on making all sporting opportunities at Ross Intermediate free of charge. These funds did not fully fund this initiative but were certainly of benefit to its success.

2019 ACTION PLAN and ANALYSIS OF VARIANCE

DIMIC Maths Development to assist Priority Learners in Maths	Implementation of Science Strategic Plan	Local Curriculum Development	Kahui Ako Well Being Development.
12 months	12 months	2 years	2 years

FOCUS ONE: DIMIC Maths Development to assist Priority Learners in Maths

PERSONNEL	RESOURCING	EVIDENCE TO SUPPORT
Clare Mutch TeeJay Campbell All Staff	Massey PLD Funding Teacher Release Staff Meetings 10 hours release per term.	DMIC was successfully trialled as a solution for all learners in maths at Ross in 2018. It is now time for us to adopt this as a strategy for all staff across the school as we move into 2019. DMIC links in with other effective teaching strategies and connects well with our Science development and local curriculum.
GENERAL COMMENT	DMIC is becoming well established at Ross Intermediate. It is very much a part of the development of our Local Curriculum.	
LINKS	A summary of DMIC for 2019 can be found HERE A summary of support for Priority Learners can be found HERE	
GOALS 2020	DMIC Developments will come under the strategic development of our Local Curriculum. It will continue to be an area of staff PD through Massey University.	

FOCUS TWO: Implementation of Science Strategic Plan

PERSONNEL	RESOURCING	EVIDENCE TO SUPPORT
Sharyn Loveridge Nick Wilson All staff	Ross Budget Items. 10 hours release per term.	Science has been a strong focus for the past two years. Following the successful implementation of Science in 2018 as evidenced by our Science Impact Report it is time to fully embed this into the day to day teaching programmes at Ross Intermediate. See reports below for additional evidence to support the strategic plan: Impact Report 1 Link BoT Report Link
GENERAL COMMENT	The development of Science at Ross Intermediate has continued to go from strength to strength. Following the work of the team through the Teacher Development Programme we have seen Science not only become a focus for staff but also for students and our community. This is visible through the development of our local curriculum in which Science is a key part.	
LINKS	The Report for Science can be found by clicking HERE	
GOALS 2020	Science will remain a focus through the local curriculum but will no longer be a measurable strategic area for the Board.	

FOCUS THREE: Local Curriculum Development

PERSONNEL	RESOURCING	EVIDENCE TO SUPPORT
Liam Rutherford Lorna Stanley Massey University All staff	Massey University PLD	Ross Intermediate are an innovative school. We have a range of learning programmes that enhance opportunities for all. We also have a strong commitment to our PB4L philosophy. The local curriculum will tie together all of these elements and make it clear to parents and staff what Ross INtermediate stands for in terms of teaching and learning.
GENERAL COMMENT	The team has made huge progress on the Local Curriculum Development. It is best represented through the plans and documents linked below. This provides the work towards the goal of having our local curriculum ready to start implementing in 2020 with a full implementation in 2021.	
LINKS	A copy of our developed local curriculum is available by clicking HERE A copy of all the background material is available by clicking HERE A copy of the research underpinning our local curriculum is available HERE A sabbatical report around our local curriculum is available HERE	
GOALS 2020	Implement and develop the key facets of the local curriculum.	

FOCUS FOUR: Kahui Ako Well Being Development.

PERSONNEL	RESOURCING	EVIDENCE TO SUPPORT
Well Being Champions AST and WIST Teaching Staff Management	Kāhui Ako Budget for the WellBeing Institute Work Teacher Release	Student wellbeing is an area that is impacting greatly on both the social outcomes for students as well as teaching and learning. Building resilience and competencies in the well being space for staff and students will help to improve the mindset and learning outcomes for all.
GENERAL COMMENT	Our work around wellbeing in 2019 focused on developing a strong understanding amongst staff what this meant and looked like. We established our wellbeing team and incorporated this very much into the development of our local curriculum.	
LINKS	A copy of our updated Achievement Challenge can be found HERE	
GOALS 2020	These will continue to develop in line with the work from the Kāhui Ako	