

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ST JOSEPH'S SCHOOL (TE AROHA)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of St Joseph's School (Te Aroha) (the School). The Auditor-General has appointed me, Sungesh Singh using the staff and resources of UHY Haines Norton, 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 19, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and 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 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on31/5/19..... This is the date at which our opinion is expressed.

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

Basis 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 Analysis of Variance Reporting, Kiwisport Funding Report and the Members of the Board of Trustees, but does not include the financial statements, and our auditor's report thereon.

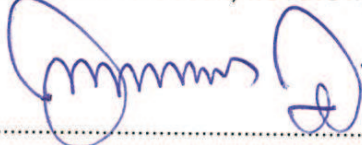
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



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Sungesh Singh
UHY Haines Norton (Auckland) Limited
On behalf of the Auditor-General
Auckland, New Zealand

ST JOSEPH'S SCHOOL (TE AROHA)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 1952
Principal: Kristine Osburn
School Address: 41 Korimako Street, Te Aroha
School Postal Address: 41 Korimako Street, Te Aroha
School Phone: 07 884 9480
School Email: office@stjosephs-tearoa.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained
Julie Stringer	Chair Person	Elected April 2016
Kristine Osburn	Principal	ex Officio Appointed April 2016
Father Jelho	Proprietor Rep	
Debbie Burge	Parent Rep	Re-elected April 2016
Vicki Oosthoek	Parent Rep	Re-elected April 2016
Georgina Warren	Parent Rep	Re-elected April 2016
Ryan Johnston	Parent Rep	Elected April 2016
Steven Warren	Parent Rep	Re-elected February 2016
Nicole Koolhoven	Staff Rep	Elected April 2016

Accountant / Service Provider: Diprose Miller Ltd, Te Aroha

ST JOSEPH'S SCHOOL (TE AROHA)

Annual Report - For the year ended 31 December 2018

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St Joseph's School (Te Aroha)

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

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

Julia Stringer



Signature of Board Chairperson

Date:

31/5/19

Kristine Osburn



Signature of Principal

Date:

31.5.2019

St Joseph's School (Te Aroha)
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Revenue				
Government Grants	2	712,073	630,957	614,900
Locally Raised Funds	3	33,186	3,500	11,890
Use of Land and Buildings Integrated		239,768	200,000	118,456
Interest Earned		7,088	5,000	8,217
International Students	4	-	-	5,748
		<u>992,115</u>	<u>839,457</u>	<u>759,211</u>
Expenses				
Locally Raised Funds	3	11,031	5,500	4,944
Learning Resources	5	556,443	532,999	497,203
Administration	6	49,615	52,925	50,815
Finance		2,530	-	1,802
Property	7	287,843	249,430	186,509
Depreciation	8	20,244	12,000	23,090
Impairment of Property, Plant and Equipment	12	-	-	3,296
Loss on Disposal of Property, Plant and Equipment		-	-	1,400
		<u>927,707</u>	<u>852,854</u>	<u>769,059</u>
Net Surplus / (Deficit) for the year		64,408	(13,397)	(9,848)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		64,408	(13,397)	(9,848)

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

St Joseph's School (Te Aroha)
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	272,757	280,000	282,605
Total comprehensive revenue and expense for the year	64,408	(13,397)	(9,848)
Capital Contributions from the Ministry of Education	-	-	-
Contribution - Furniture and Equipment Grant	-	-	-
Equity at 31 December	337,165	266,603	272,757
Retained Earnings	337,165	266,603	272,757
Reserves	-	-	-
Equity at 31 December	337,165	266,603	272,757

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

St Joseph's School (Te Aroha)
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	9	214,398	90,053	118,244
Accounts Receivable	10	45,948	29,200	47,366
GST Receivable		-	-	978
Prepayments		25,858	17,500	11,895
Investments	11	98,960	165,000	163,047
		<u>385,164</u>	<u>301,753</u>	<u>341,530</u>
Current Liabilities				
GST Payable		8,507	8,000	-
Accounts Payable	13	48,750	53,000	92,378
Provision for Cyclical Maintenance	14	12,900	20,700	2,000
Finance Lease Liability - Current Portion	15	7,860	20,000	26,758
		<u>78,017</u>	<u>101,700</u>	<u>121,136</u>
Working Capital Surplus/(Deficit)		<u>307,146</u>	<u>200,053</u>	<u>220,394</u>
Non-current Assets				
Property, Plant and Equipment	12	67,379	70,550	71,063
		<u>67,379</u>	<u>70,550</u>	<u>71,063</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	13,417	4,000	18,700
Finance Lease Liability - Term Portion	15	23,943		
		<u>37,360</u>	<u>4,000</u>	<u>18,700</u>
Net Assets		<u><u>337,165</u></u>	<u><u>266,603</u></u>	<u><u>272,757</u></u>
Equity		<u><u>337,165</u></u>	<u><u>266,603</u></u>	<u><u>272,757</u></u>

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

St Joseph's School (Te Aroha)
Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash flows from Operating Activities				
Government Grants		235,318	175,957	168,575
Locally Raised Funds		35,640	3,100	12,087
Hostel		-	-	-
International Students		-	-	5,748
Goods and Services Tax (net)		9,485	8,750	(5,677)
Payments to Employees		(111,338)	(122,200)	(90,361)
Payments to Suppliers		(128,668)	(299,954)	(75,311)
Cyclical Maintenance Payments in the year		(1,915)	-	-
Interest Paid		(2,530)	-	(1,760)
Interest Received		7,590	5,200	7,806
Net cash from / (to) the Operating Activities		43,582	(229,147)	21,107
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		5,000	-	-
Purchase of PPE (and Intangibles)		(10,924)	26,750	(29,887)
Purchase of Investments		64,087	5,000	-
Proceeds from Sale of Investments		-	-	43,790
Net cash from / (to) the Investing Activities		58,162	31,750	13,903
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	-
Finance Lease Payments		(5,591)	3,000	(3,157)
Painting contract payments		-	-	-
Loans Received/ Repayment of Loans		-	-	-
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects		-	-	-
Net cash from Financing Activities		(5,591)	3,000	(3,157)
Net increase/(decrease) in cash and cash equivalents		96,152	(194,397)	31,853
Cash and cash equivalents at the beginning of the year	9	118,245	103,407	86,392
Cash and cash equivalents at the end of the year	9	214,397	(90,990)	118,245

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.

St Joseph's School (Te Aroha)
Notes to the Financial Statements
For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

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.

Other Grants

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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) 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

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) Investments

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

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

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

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

i) Property, Plant and Equipment

Land and buildings owned by the Proprietor 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 Proprietor are recorded at cost, less accumulated depreciation and impairment losses.

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

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

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

Leased Assets

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	5–10 years
Furniture and equipment	10–15 years
Information and communication technology	5–10 years
Textbooks	5 years
Leased assets held under a Finance Lease	Over term of lease
Library resources	12.5% Diminishing value

j) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

k) 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.

l) 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.

m) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

n) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor 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, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are categorised as "loans and receivables" for accounting purposes in accordance with financial reporting standards.

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

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

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	169,802	156,531	162,785
Teachers' salaries grants	476,755	450,000	432,106
Other MoE Grants	65,516	24,426	20,009
	<u>712,073</u>	<u>630,957</u>	<u>614,900</u>

3. Locally Raised Funds

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
Donations	19,086	300	6,027
Activities	4,182	2,000	4,239
Trading	1,781	1,200	1,483
Fundraising	8,136	-	141
	<u>33,186</u>	<u>3,500</u>	<u>11,890</u>
Expenses			
Activities	4,363	4,100	4,450
Trading	2,442	1,400	494
Fundraising costs	4,227	-	-
	<u>11,031</u>	<u>5,500</u>	<u>4,944</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>22,154</u>	<u>(2,000)</u>	<u>6,946</u>

4. International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	0	0	1
	<u>0</u>	<u>0</u>	<u>1</u>
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
International student fees	-	-	5,748
	<u>-</u>	<u>-</u>	<u>5,748</u>
<i>Surplus/ (Deficit) for the year International Students'</i>	<u>-</u>	<u>-</u>	<u>5,748</u>

5. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	10,802	5,549	12,676
Information and communication technology	3,154	2,600	3,384
Extra-curricular activities	718	350	610
Library resources	149	1,000	358
Employee benefits - salaries	537,621	516,600	471,698
Staff development	4,000	6,900	8,477
	<u>556,443</u>	<u>532,999</u>	<u>497,203</u>

6. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,275	3,925	4,000
Board of Trustees Fees	3,605	4,100	3,328
Board of Trustees Expenses	328	250	922
Communication	1,875	2,500	1,713
Consumables	4,436	5,900	4,656
Operating Lease	-	700	-
Other	1,363	1,150	1,156
Employee Benefits - Salaries	26,754	26,300	26,623
Insurance	2,233	2,600	2,447
Service Providers, Contractors and Consultancy	4,745	5,500	5,970
	<u>49,615</u>	<u>52,925</u>	<u>50,815</u>

7. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,260	2,150	2,822
Cyclical Maintenance Expense	7,532	4,000	18,058
Grounds	4,846	3,280	6,385
Heat, Light and Water	5,163	6,000	5,805
Rates	1,562	2,500	2,203
Repairs and Maintenance	5,307	5,000	6,196
Use of Land and Buildings	239,768	200,000	118,456
Security	1,053	1,000	962
Employee Benefits - Salaries	20,353	25,500	25,622
	<u>287,843</u>	<u>249,430</u>	<u>186,509</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Buildings	207	-	207
Furniture and Equipment	14,971	10,000	18,503
Textbooks	489	-	489
Leased Assets	3,089	1,000	2,207
Library Resources	1,488	1,000	1,684
	<u>20,244</u>	<u>12,000</u>	<u>23,090</u>

9. Cash and Cash Equivalents

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Cash on Hand	150	-	150
Bank Current Account	105,822	52,053	79,389
Short-term Bank Deposits	108,427	38,000	38,706
Cash and cash equivalents for Cash Flow Statement	<u>214,399</u>	<u>90,053</u>	<u>118,245</u>

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

10. Accounts Receivable

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Receivables	16,987	1,000	19,441
Receivables from the Ministry of Education	-	-	-
Interest Receivable	1,165	1,200	1,667
Teacher Salaries Grant Receivable	27,796	27,000	26,258
	<u>45,948</u>	<u>29,200</u>	<u>47,366</u>
Receivables from Exchange Transactions	18,152	2,200	21,108
Receivables from Non-Exchange Transactions	27,796	27,000	26,258
	<u>45,948</u>	<u>29,200</u>	<u>47,366</u>

11. Investments

The School's investment activities are classified as follows:

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Current Asset			
Short-term Bank Deposits	98,960	165,000	163,047
Non-current Asset			
Long-term Bank Deposits	-	-	-

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	3,362				(207)	3,155
Furniture and Equipment	41,352	4,363			(14,971)	30,744
Textbooks	1,957				(489)	1,468
Leased Assets	14,050	10,637			(3,089)	21,598
Library Resources	10,342	1,560			(1,488)	10,414
Balance at 31 December 2018	71,063	16,560	-	-	(20,244)	67,379

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Buildings	8,912	(5,757)	3,155
Furniture and Equipment	290,572	(259,827)	30,745
Textbooks	2,446	(978)	1,468
Leased Assets	27,602	(6,005)	21,597
Library Resources	42,739	(32,325)	10,414
Balance at 31 December 2018	372,272	(304,892)	67,379

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Buildings Improvements	3,569				(207)	3,362
Furniture and Equipment	52,939	6,916			(18,503)	41,352
Textbooks	2,446				(489)	1,957
Leased Assets	8,706	10,889		(3,338)	(2,207)	14,050
Library Resources	11,144	2,282	(1,400)	-	(1,684)	10,342
Balance at 31 December 2017	78,804	20,087	(1,400)	(3,338)	(23,090)	71,063

The net carrying value of equipment held under a finance lease is \$21,597 (2017: \$14,050)

2017

Buildings Improvements
Furniture and Equipment
Textbooks
Leased Assets
Library Resources

Balance at 31 December 2017

Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
8,912	(5,550)	3,362
286,208	(244,856)	41,352
2,446	(489)	1,957
16,966	(2,916)	14,050
41,179	(30,837)	10,342
355,711	(284,648)	71,063

13. Accounts Payable

Operating creditors
Accruals
Employee Entitlements - leave accrual

2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
8,907	15,000	52,343
37,192	35,000	35,556
2,652	3,000	4,479
48,750	53,000	92,378

Payables for Exchange Transactions
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)
Payables for Non-exchange Transactions - Other

48,750	53,000	92,378
48,750	53,000	92,378

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

Provision at the Start of the Year
Increase/ (decrease) to the Provision During the Year
Use of the Provision During the Year

2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
20,700	20,700	42,450
7,532	4,000	18,058
(1,915)	-	(39,808)
26,317	24,700	20,700
12,900	20,700	2,000
13,417	4,000	18,700
26,317	24,700	20,700

Provision at the End of the Year

Cyclical Maintenance - Current
Cyclical Maintenance - Term

15. Finance Lease Liability

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

	2018 Actual	2018 Budget (Unaudited)	2017 Actual
No Later than One Year	\$ 11,201	\$ -	\$ 7,734
Later than One Year and no Later than Five Years	27,008	-	22,608
Later than Five Years	-	-	-
	<u>38,209</u>	<u>-</u>	<u>30,342</u>

16. Related Party Transactions

The Proprietor of the School (Diocesan) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of land and buildings".

17. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	3,605	3,328
Full-time equivalent members	0.10	0.09
<i>Leadership Team</i>		
Remuneration	199,566	260,528
Full-time equivalent members	2	3
Total key management personnel remuneration	<u>203,171</u>	<u>263,856</u>
Total full-time equivalent personnel	<u>2.10</u>	<u>3.09</u>

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

Principal

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

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	100-110
Benefits and Other Emoluments	3 to 4	3 to 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
	0.00	0.00

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

18. Contingencies

There are no contingent liabilities contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: nil).

Holidays Act Compliance – schools payroll

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

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

19. Commitments

(a) Capital Commitments

As at 31 December 2018 the Board has entered into no contract agreements for capital works.

(Capital commitments at 31 December 2017: nil)

20. 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.

21. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	214,399	90,053	118,245
Receivables	45,948	29,200	47,366
Investments - Term Deposits	98,960	165,000	163,047
Total Loans and Receivables	359,307	284,253	328,658

Financial liabilities measured at amortised cost

Payables	48,750	53,000	92,378
Total Financial Liabilities Measured at Amortised Cost	48,750	53,000	92,378

22. Events After Balance Date

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

23. Comparatives

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

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

The Board of Trustees did not comply with Section 87A (1) of the Education Act 1989 in that it did not submit its annual financial statements for audit by the 31 March 2019.

Kiwisport 2018 St Joseph's School Te Aroha

In 2018 the school received total Kiwisport funding \$1149.41

The funding was spent:

- Hire of Hall for sport bowls etc. 200
- Te Aroha School Sports Association Fees 166.00
- Netball uniforms 600.00
- Camp Activities 183.41

Analysis of Variance Reporting



School Name:	St Joseph's Catholic School Te Aroha	School Number:	1952
Strategic Aim:	All students are successfully able to access the New Zealand Curriculum, as evidenced by progress and achievement in relation to the Curriculum levels in Reading.		
Annual Aim:	To increase the number of students achieving at or above the Curriculum levels in reading.		
Target:	School wide: 80%, Girls: 85%, Boys: 75%, After 2 years at school to year 8: 85% reading at or above the Curriculum levels in reading.		
Baseline Data:	School wide 2016: 78.4%, Girls: 83.3%, Boys: 73.9%, After 2 years at school to year 8: 83.1% reading at or above the their Curriculum level in Reading.		

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>From the SENCO folder analyses, the classroom teachers alongside the leadership team set up and monitored a variety of learning programmes to address specific needs.</p> <p>Outside agencies were applied to for 4 of the well below students. the application process will continue in 2018</p> <p>Literacy action plans were developed from the 2016 evidence-based decisions from the 2016 end of year assessment data. These plans were used to inform in-school staff development, appraisal goals, staff meetings, teacher planning, class programmes and teacher mentoring by the leadership team.</p> <p>One teacher was trained in Reading Recovery.</p> <p>Individualised oral language programmes for 5-6year olds and ESOL students ran all year.</p> <p>Teacher Aide time was used for specific programmes particularly the 'STEPS' programme</p>	<p>Out comes from November 1st show that only our boys target was met (75.6%). The other results were lower Overall (75%) Girls (78.6%) from 2 years at school to year 8 (77.5%)</p> <p>If we removed the students that were new to our school, starting midway through 2017 we would have met our targets- Overall (80.7%) Boys (77.3%) Girls (84.6%)</p> <p>55% of those below or well below are ESOL students</p>	<p>Results from the students that were enrolled prior to 2017 show increased progress.</p> <p>Reading Recovery was successful with all students who took part showing increased progress with all but 1 student being now at their Curriculum level.</p> <p>Specific targeted Teacher Aide programmes, particularly the STEPs programme have shown a lift in students attitude to reading and increased progress for some students.</p> <p>All classrooms had a positive focus on reading using assessment data effectively to inform next learning steps.</p> <p>Focused oral language programmes and 'focused reading to' in all classrooms helped extend vocabulary and as result help lift reading learning.</p> <p>Reading was linked to focus units, school trips and new experiences were planned focusing on extending their oral language and reading vocabulary.</p>	<p>Action plans will be developed from November 2017 evidence-based decisions- Junior school -to continue with focused oral language programmes and focused 'reading to' and to continue with the 'Daily 5' (Learner Agency)</p> <p>Middle school- daily reading homework, continue with ESOL funding and enhance specific skills teaching with reading as independent activities.</p> <p>Senior school- continue with 'must do's and can do's' through Google classroom, daily reading homework and book 'selling'</p> <p>To continue with Reading Recovery.</p> <p>To continue with the Reading Together programme.</p> <p>To continue with focused Teacher Aide and ESOL programmes. Continue with the STEPs programme.</p> <p>To use the SENCO folder each term and evaluate specific programmes used.</p>

<p>Enhancing oral language was a focus at staff meetings and classroom teachers all read to their classes focusing on vocabulary extension.</p> <p>Deliberate Acts of Teaching involving reading comprehension skills was also a focus, in-class and with small group and individual ESOL programmes.</p> <p>Children taking a greater focus on their own learning- all staff involved in Learner Agency staff development.</p>		<p>In-school Professional development was taken with a specific focus on students having more ownership of their learning.</p>	<p>Senior school to ensure a targeted focus on comprehension strategies.</p> <p>Also to ensure all classrooms run balance reading programmes.</p> <p>To run a parent evening for reading.</p> <p>To review reading in the St Joseph's Curriculum.</p> <p>To continue teacher Professional Development 'Learner Agency' enhancing student voice in the learning programmes.</p>
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Planning for next year:

Special reading programmes will continue- Reading Recovery (BoT funding 0.1FTTE), Teacher Aide time remaining at 20.5Hours per week working mainly with ESOL students.

The BoT will continue to fund teacher professional development- 'Learner Agency'. We have some Ministry Funding.

Evidence-based decisions formed from 2017 Term 4 Reading OTJ data will be actioned and each term these decisions will be reviewed.

In- school professional development timetabled and based on identified needs from 2017 results and teaching staff appraisal goals.