

Gisborne Girls' High School

Annual Report for the year ended 31 December 2018

Ministry Number:	210
Principal:	Jan Kumar
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Service Provider:	Edtech Financial Services Ltd

Gisborne Girls' High School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How position on Board gained	Occupation	Term expired/expires
Audine Grace-Kutia	Chair	Elected	Manager	
Gordon Webb	Deputy Chair	Elected	Lawyer	
Tina Smallman	Board member	Elected	Police Officer	
Lisa Maniapoto	Board member	Co-opted	Principal	
Brendon Hart	Board member	Co-opted	Deputy Principal	
Linda Coulston	Board member	Elected	Manager	22/03/2018
Jessica Williams	Staff Rep	Elected	Teacher	
Lillian Jenner	Student Rep	Elected	Student	13/09/2018
Sterling Maxwell	Student Rep	Elected	Student	

Gisborne Girls' High School

Annual Report

For the year ended 31 December 2018

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Gisborne Girls' High School 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.

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

Date:

Date:

Gisborne Girls' High School

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	7,860,383	8,810,952	7,339,485
Locally Raised Funds	3	567,902	469,418	564,651
Interest Earned		47,601	28,000	30,927
Gain on Sale of Property, Plant and Equipment		3,478	-	-
International Students	4	80,303	78,905	32,973
		<hr/>	<hr/>	<hr/>
		8,559,667	9,387,275	7,968,036
Expenses				
Locally Raised Funds	3	241,948	180,265	304,448
International Students	4	44,918	41,630	38,678
Learning Resources	5	5,817,772	7,060,315	5,385,397
Administration	6	476,328	506,429	558,911
Finance Costs		2,557	22,000	21,142
Property	7	1,478,607	1,337,258	1,433,331
Depreciation	8	187,944	230,000	182,991
Impairment of Inventory		-	-	5,160
Loss on Disposal of Property, Plant and Equipment		10,079	-	5,576
		<hr/>	<hr/>	<hr/>
		8,260,153	9,377,897	7,935,634
Net Surplus / (Deficit) for the year		299,514	9,378	32,402
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		299,514	9,378	32,402

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

Gisborne Girls' High School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Balance at 1 January	<u>803,575</u>	<u>878,695</u>	<u>771,173</u>
Total comprehensive revenue and expense for the year	299,514	9,378	32,402
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	668	-	-
Equity at 31 December	<u>1,103,757</u>	<u>888,073</u>	<u>803,575</u>
Retained Earnings	1,103,757	888,073	803,575
Equity at 31 December	<u>1,103,757</u>	<u>888,073</u>	<u>803,575</u>

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

Gisborne Girls' High School

Statement of Financial Position

As at 31 December 2018

		2018	2018	2017
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	9	1,409,018	1,556,654	1,502,785
Accounts Receivable	10	550,246	460,000	452,443
GST Receivable		49,348	40,000	41,642
Prepayments		5,766	10,000	8,606
Inventories	11	41,455	23,000	26,742
		<u>2,055,833</u>	<u>2,089,654</u>	<u>2,032,218</u>
Current Liabilities				
Accounts Payable	13	632,813	558,500	646,406
Borrowings - Due in one year	14	6,746	-	6,746
Revenue Received in Advance	15	205,235	180,000	201,734
Provision for Cyclical Maintenance	16	11,733	11,733	-
Finance Lease Liability - Current Portion	17	71,065	72,122	66,771
Funds Held in Trust	18	138,477	220,000	135,776
Funds Held for Capital Works Projects	19	(18,899)	150,000	218,609
Funds for RTLB Services	20	173,718	200,000	157,085
Funds Held on Behalf of ORS Cluster	21	72,440	-	66,462
Funds held on behalf of TAK Centre	22	42,375	-	10,579
		<u>1,335,703</u>	<u>1,392,355</u>	<u>1,510,168</u>
Working Capital Surplus/(Deficit)		720,130	697,299	522,050
Non-current Assets				
Property, Plant and Equipment	12	803,526	581,780	705,230
		<u>803,526</u>	<u>581,780</u>	<u>705,230</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	336,345	336,345	296,922
Finance Lease Liability	17	83,554	54,661	126,783
		<u>419,899</u>	<u>391,006</u>	<u>423,705</u>
Net Assets		<u>1,103,757</u>	<u>888,073</u>	<u>803,575</u>
Equity		<u>1,103,757</u>	<u>888,073</u>	<u>803,575</u>

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

Gisborne Girls' High School

Statement of Cash Flows

For the year ended 31 December 2018

	2018	2018	2017
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	2,147,613	2,026,269	1,960,800
Locally Raised Funds	562,066	443,519	521,991
International Students	84,791	158,905	32,973
Goods and Services Tax (net)	(7,706)	(1,071)	(2,713)
Payments to Employees	(950,338)	(921,486)	(706,979)
Payments to Suppliers	(1,411,102)	(1,437,271)	(1,512,860)
Interest Paid	(2,557)	(22,000)	(21,142)
Interest Received	38,522	29,530	32,457
Net cash from / (to) the Operating Activities	461,289	276,395	304,527
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(326)	(30,000)	-
Purchase of PPE (and Intangibles)	(253,396)	(143,374)	(70,996)
Net cash from / (to) the Investing Activities	(253,722)	(173,374)	(70,996)
Cash flows from Financing Activities			
Furniture and Equipment Grant	668	-	-
Finance Lease Payments	(89,806)	(89,714)	(67,576)
Loans Received/ Repayment of Loans	-	(6,746)	-
Funds Administered on Behalf of Third Parties	25,312	(39,670)	(11,048)
Funds Held for Capital Works Projects	(237,508)	150,000	46,014
Net cash from / (to) Financing Activities	(301,334)	13,870	(32,610)
Net increase/(decrease) in cash and cash equivalents	(93,767)	116,891	200,921
Cash and cash equivalents at the beginning of the year	9 1,502,785	1,439,763	1,301,864
Cash and cash equivalents at the end of the year	9 1,409,018	1,556,654	1,502,785

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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Gisborne Girls' High School

Notes to the Financial Statements

For the year ended 31 December 2018

1. Statement of Accounting Policies

Reporting Entity

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

Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 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.

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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 17.

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.

Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

Use of Land and Buildings Expense

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

Operating Lease Payments

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

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.

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.

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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.

Inventories

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

Investments

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

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

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

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

Property, Plant and Equipment

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

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

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

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

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

Leased Assets

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

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

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	18-40 years
Furniture and equipment	5-15 years
Information and communication technology	5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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

Non cash generating assets

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

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

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

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

Accounts Payable

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

Employee Entitlements

Short-term employee entitlements

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

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.

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

Revenue Received in Advance

Revenue received in advance relates to fees received from student funds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

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.

Provision for Cyclical Maintenance

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

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

Financial Assets and Liabilities

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

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

The School's financial liabilities comprise accounts payable, borrowings 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.

Borrowings

Borrowings are recognised at the amount borrowed. Borrowings are classified as current liabilities unless the School has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

Services received in-kind

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

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

2 Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	1,912,041	1,840,709	1,772,763
Teachers' salaries grants	4,768,204	5,971,808	4,489,559
Use of Land and Buildings grants	935,091	812,875	876,896
Resource teachers learning and behaviour grants	1,000	-	-
Other MoE Grants	222,599	172,924	200,267
Other government grants	21,448	12,636	-
	<u>7,860,383</u>	<u>8,810,952</u>	<u>7,339,485</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	114,961	28,500	27,481
Fundraising	120	-	547
Trading	79,969	70,000	73,448
Activities	372,852	370,918	463,175
	<u>567,902</u>	<u>469,418</u>	<u>564,651</u>
Expenses			
Activities	172,143	107,265	235,903
Trading	69,805	73,000	68,545
	<u>241,948</u>	<u>180,265</u>	<u>304,448</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>325,954</u>	<u>289,153</u>	<u>260,203</u>

4 International Student Revenue and Expenses

	2018 Actual Number	2018 Budget (Unaudited) Number	2017 Actual Number
International Student Roll	9	9	4
	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue			
International student fees	80,303	78,905	32,973
Expenses			
Recruitment	11,352	10,000	36,452
International student levy	1,569	4,005	-
Employee Benefit - Salaries	19,792	16,800	-
Other Expenses	12,205	10,825	2,226
	<u>44,918</u>	<u>41,630</u>	<u>38,678</u>
<i>Surplus/ (Deficit) for the year International Students</i>	<u>35,385</u>	<u>37,275</u>	<u>(5,705)</u>

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

5 Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	232,872	252,610	210,831
Equipment repairs	10,467	17,000	9,843
Star	46,508	49,300	99,318
Special Education Grant	-	-	53,803
Learning Support	114,055	125,089	134,458
Information and communication technology	22,551	29,470	-
Extra-curricular activities	27,574	33,900	-
Library resources	4,846	8,500	7,114
Employee benefits - salaries	5,314,033	6,505,655	4,832,709
Staff development	44,866	38,791	37,321
	<u>5,817,772</u>	<u>7,060,315</u>	<u>5,385,397</u>

6 Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	7,924	7,500	7,430
Board of Trustees Fees	3,020	3,680	3,075
Board of Trustees Expenses	6,829	22,892	8,550
Communication	44,438	49,000	25,916
Consumables	53,605	49,000	83,486
Operating Lease	-	-	57,482
Legal Fees	-	-	44,507
Other	62,612	79,300	55,499
Employee Benefits - Salaries	265,754	261,842	224,545
Insurance	16,526	17,605	18,297
Service Providers, Contractors and Consultancy	15,620	15,610	30,124
	<u>476,328</u>	<u>506,429</u>	<u>558,911</u>

7 Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	45,418	45,500	42,770
Consultancy and Contract Services	137,583	127,000	206,417
Cyclical Maintenance Expense	51,156	49,072	26,155
Grounds	26,266	32,500	28,902
Heat, Light and Water	67,312	83,000	78,606
Rates	11,241	12,500	11,738
Repairs and Maintenance	88,585	52,000	37,349
Use of Land and Buildings	935,091	812,875	876,896
Security	8,030	10,000	7,590
Employee Benefits - Salaries	107,925	112,811	116,908
	<u>1,478,607</u>	<u>1,337,258</u>	<u>1,433,331</u>

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

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

8 Depreciation

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Building Improvements	9,894	15,000	9,921
Furniture and Equipment	47,070	60,000	39,534
Information and Communication Technology	32,008	35,000	38,436
Motor Vehicles	25,128	30,000	22,197
Leased Assets	70,661	85,000	68,782
Library Resources	3,183	5,000	4,121
	<u>187,944</u>	<u>230,000</u>	<u>182,991</u>

9 Cash and Cash Equivalents

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Cash on Hand	216	200	200
Bank Current Account	876,892	753,454	813,983
Bank Call Account	423,229	700,000	585,602
Short-term Bank Deposits	108,681	103,000	103,000
Cash and cash equivalents for Cash Flow Statement	<u>1,409,018</u>	<u>1,556,654</u>	<u>1,502,785</u>

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

Of the \$1,409,018 Cash and Cash Equivalents, \$4,392 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$1,409,018 Cash and Cash Equivalents, \$173,718 is held by the School on behalf of the RTLB cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

Of the \$1,409,018 Cash and Cash Equivalents, \$42,375 is held by the School on behalf of the TAK Centre. See note 22 for details of how the funding received for the cluster has been spent in the year.

10 Accounts Receivable

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Receivables	10,964	10,000	6,115
Receivables from the Ministry of Education	41,271	-	-
Interest Receivable	9,079	-	-
Teacher Salaries Grant Receivable	488,932	450,000	446,328
	<u>550,246</u>	<u>460,000</u>	<u>452,443</u>
Receivables from Exchange Transactions	20,043	10,000	6,115
Receivables from Non-Exchange Transactions	530,203	450,000	446,328
	<u>550,246</u>	<u>460,000</u>	<u>452,443</u>

11 Inventories

	2018	2018 Budget	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
School Uniforms	41,455	23,000	18,366
TSA Uniforms	-	-	8,376
	<u>41,455</u>	<u>23,000</u>	<u>26,742</u>

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building improvements	229,262	-	-	-	(9,894)	219,368
Furniture and equipment	195,997	46,252	-	-	(47,070)	195,179
Information and communication technology	58,116	92,544	(3,381)	-	(32,008)	115,271
Motor vehicles	30,173	98,755	-	-	(25,128)	103,800
Leased assets	167,417	50,871	-	-	(70,661)	147,627
Library resources	24,265	4,092	(2,893)	-	(3,183)	22,281
Balance at 31 December 2018	705,230	292,514	(6,274)	-	(187,944)	803,526

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building improvements	542,595	(323,227)	219,368
Furniture and equipment	1,301,547	(1,106,368)	195,179
Information and communication technology	435,247	(319,976)	115,271
Motor vehicles	354,313	(250,513)	103,800
Leased assets	609,441	(461,814)	147,627
Library resources	103,929	(81,648)	22,281
Balance at 31 December 2018	3,347,072	(2,543,546)	803,526

The net carrying value of equipment held under a finance lease is \$147,627 (2017: \$167,417).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2017	\$	\$	\$	\$	\$	\$
Building improvements	239,183	-	-	-	(9,921)	229,262
Furniture and equipment	182,712	52,819	-	-	(39,534)	195,997
Information and communication technology	76,234	20,318	-	-	(38,436)	58,116
Motor vehicles	49,761	2,609	-	-	(22,197)	30,173
Leased assets	198,779	37,420	-	-	(68,782)	167,417
Library resources	31,737	2,225	(5,576)	-	(4,121)	24,265
Balance at 31 December 2017	778,406	115,391	(5,576)	-	(182,991)	705,230

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2017	\$	\$	\$
Building improvements	542,595	(313,333)	229,262
Furniture and equipment	1,275,850	(1,079,853)	195,997
Information and communication technology	374,216	(316,100)	58,116
Motor vehicles	255,557	(225,384)	30,173
Leased assets	558,570	(391,153)	167,417
Library resources	113,353	(89,088)	24,265
Balance at 31 December 2017	3,120,141	(2,414,911)	705,230

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

13 Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	116,498	70,000	60,399
Accruals	7,924	7,500	97,430
Capital accruals for PPE items	-	-	11,752
Employee Entitlements - salaries	491,619	450,000	446,328
Employee Entitlements - leave accrual	16,772	31,000	30,497
	<u>632,813</u>	<u>558,500</u>	<u>646,406</u>
Payables for Exchange Transactions	632,813	558,500	646,406
	<u>632,813</u>	<u>558,500</u>	<u>646,406</u>

The carrying value of payables approximates their fair value.

14 Borrowings

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Due in One Year	6,746	-	6,746
	<u>6,746</u>	<u>-</u>	<u>6,746</u>

The school has borrowings at 31 December 2018 of \$6,746 (31 December 2017 \$6,746). This loan is from the Ministry of Education and is a payroll advance made in connection with Novopay issues in 2012/2013. The loan is unsecured and interest is 0% per annum.

15 Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Student Fees in Advance	-	-	45,184
Income in Advance	-	-	3,509
International Student Fees	102,094	80,000	97,606
Other	103,141	100,000	55,435
	<u>205,235</u>	<u>180,000</u>	<u>201,734</u>

16 Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	296,922	296,922	270,767
Increase to the Provision During the Year	51,156	49,072	26,155
Use of the Provision During the Year	-	2,084	-
Provision at the End of the Year	<u>348,078</u>	<u>348,078</u>	<u>296,922</u>
Cyclical Maintenance - Current	11,733	11,733	-
Cyclical Maintenance - Term	336,345	336,345	296,922
	<u>348,078</u>	<u>348,078</u>	<u>296,922</u>

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

17 Finance Lease Liability

The school has entered into a number of finance lease agreements for teacher laptops and office equipment.

Minimum lease payments payable (includes interest portion):

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	94,661	72,122	66,771
Later than One Year and no Later than Five Years	119,245	54,661	159,290
Future Finance charges	(17,643)	-	(32,507)
	<u>196,263</u>	<u>126,783</u>	<u>193,554</u>

18 Funds held in Trust

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	138,477	220,000	135,776
	<u>138,477</u>	<u>220,000</u>	<u>135,776</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

19 Funds Held for Capital Works Projects

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

2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
RTL B - Upgrades <i>In progress</i>	246,822	30,368	300,481	-	(23,291)
Hall Upgrade Works <i>In progress</i>	(28,213)	42,604	15,196	(805)	-
Block K RTL B Toilets <i>In progress</i>	-	3,000	3,000	-	-
Disabled Toilets <i>In progress</i>	-	19,548	18,170	-	1,378
Female Toilet <i>Completed</i>	-	45,293	45,293	-	-
Male Toilet <i>Completed</i>	-	50,870	50,870	-	-
Rekeying of School <i>Completed</i>	-	31,968	31,968	-	-
Roof Repairs Music <i>Completed</i>	-	6,702	3,688	-	3,014
Upgrade S/Science toilets <i>In progress</i>	-	104,653	104,653	-	-
Totals	<u>218,609</u>	<u>335,006</u>	<u>573,319</u>	<u>(805)</u>	<u>(18,899)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	(60,170)
Funds Due from the Ministry of Education	41,271
	<u>(18,899)</u>

2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
TAK - Space Deficiency Works <i>completed</i>	(1,292)	-	(1,292)	-	-
Boiler Replacement <i>completed</i>	(5,438)	24,470	19,032	-	-
Visual Site Modifications <i>completed</i>	46,583	5,882	52,465	-	-
RTL B - Upgrades <i>in progress</i>	(9,267)	279,938	23,849	-	246,822
Hall Upgrade Works <i>in progress</i>	137,996	-	166,209	-	(28,213)
Totals	<u>168,582</u>	<u>310,290</u>	<u>260,263</u>	<u>-</u>	<u>218,609</u>

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

20 Funds for RTLB Services

Gisborne Girls High School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Funds held at beginning of the year	157,085	197,918	264,552
<i>Revenue</i>			
Teachers' Salary Grant	1,998,631	2,000,000	1,880,770
Administration Grant	75,172	75,172	75,172
Learning Support Funding	139,414	138,413	138,862
Year 11-13 Funding	-	-	66,745
Travel Grant	117,096	117,096	117,096
Other Revenue	56,005	10,452	55,676
	<u>2,386,318</u>	<u>2,341,133</u>	<u>2,334,321</u>
Total funds available	2,543,403	2,539,051	2,598,873
<i>Expenses</i>			
Employee Benefit - Salaries	2,041,871	2,036,000	1,880,770
Administration	100,816	99,538	122,989
Learning Support	157,598	138,413	178,475
Year 11-13	-	-	60,202
Travel	50,052	60,100	89,875
Other Expenses	(31,133)	-	-
	<u>2,319,204</u>	<u>2,334,051</u>	<u>2,332,311</u>
Purchase of Assets	50,481	5,000	109,477
Funds Held at Year End	<u><u>173,718</u></u>	<u><u>200,000</u></u>	<u><u>157,085</u></u>

Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

21 Funds Held on Behalf of ORS Cluster

Gisborne Girls High School is the lead school and holds the funds on behalf of the ORS cluster, a group of schools funded by the Ministry.

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Funds Held at Beginning of the Year	66,462	-	66,482
Funds Received from MoE	538,980	538,980	541,637
Funds Spent on Behalf of the Cluster	193,454	538,980	541,657
Distribution of Funds			
Campion College	83,496	-	-
Elgin School	13,265	-	-
Gisborne Central School	33,722	-	-
Gisborne Girls High School	88,995	-	-
Ilminster Intermediate	13,265	-	-
Kaiti School	54,288	-	-
Mangapapa School	17,849	-	-
Te Wharau School	26,410	-	-
Wainui Beach School	8,258	-	-
Funds Held at Year End	<u>72,440</u>	<u>-</u>	<u>66,462</u>

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	77,606	-	66,462
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Non Current Assets

Property Plant and Equipment	-	-	-
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Current Liabilities

Operating Creditors	5,166	-	-
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Non Current Liabilities

Borrowings	-	-	-
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Equity

	-	-	-
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Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

22 Funds held on behalf of TAK Centre

Gisborne Girls High School is the lead school and holds the funds on behalf of the TAK Centre.

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Funds Held at Beginning of the Year	10,579	-	(10,082)
Funds Received from MoE	93,397	91,589	92,068
Other Funds received	42,485	20,242	44,388
Funds Spent on Behalf of the Cluster	104,086	111,831	115,795
Funds Held at Year End	<u>42,375</u>	<u>-</u>	<u>10,579</u>

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	42,375	-	10,579
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Non Current Assets

Property Plant and Equipment	-	-	-
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Current Liabilities

Operating Creditors	-	-	-
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Non Current Liabilities

Borrowings	-	-	-
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Equity

	-	-	-
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Gisborne Girls' High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

23 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.

24 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	3,020	3,075
Full-time equivalent members	0.13	0.12
<i>Leadership Team</i>		
Remuneration	1,814,787	1,811,712
Full-time equivalent members	18.00	21.67
Total key management personnel remuneration	1,817,807	1,814,787
Total full-time equivalent personnel	18.13	21.79

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	200-210	170-180
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
120-130	1	-
100-110	1	2
	2	2

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

25 Compensation and Other Benefits Upon Leaving

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

	2018 Actual	2017 Actual
Total	\$4,244	-
Number of People	1	-

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

26 Contingencies

(Contingent liabilities and assets as at 31 December 2017: nil)

There is a contingent asset for possible repayment from the Ministry of Education for under spending the School's banking staffing entitlement during 2018. The Ministry has yet to decide how much it will pay to the School. We cannot reliably measure the cash repayment, but the amount we have underspent as at 31 December is approximately \$7,893. We will record the amount we receive as revenue in the 2019 financial year.

Holidays Act Compliance – schools

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.

27 Commitments

(a) Capital Commitments

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

(a) A contract for upgrades to RTLB to be completed in 2019 which will be fully funded by the Ministry of Education. \$279,938 has been received of which \$310,306 has been spent on the project to date.

(b) A contract for upgrades to RTLB toilets to be completed in 2019 which will be fully funded by the Ministry of Education. Nil funds have been received to date and \$3,000 has been spent on the project to date.

(c) A contract for an upgrade to Disabled hall toilets to be completed in 2019 which will be fully funded by the Ministry of Education. \$19,548 has been received to date and \$18,170 has been spent on the project to date.

(d) A contract for an upgrade to Social Science toilets to be completed in 2019 which will be fully funded by the Ministry of Education. \$96,750 has been received to date and \$104,653 has been spent on the project to date.

(Capital commitments as at 31 December 2017: nil)

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

- operating lease of laptops

No later than One Year

2018 Actual \$	2017 Actual \$
-	2,722
-	2,722

Notes to the Financial Statements (cont.)

For the year ended 31 December 2018

28 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.

29 Financial Instruments

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Loans and Receivables			
Cash and Cash Equivalents	1,409,018	1,556,654	1,502,785
Receivables	550,246	460,000	452,443
Total Loans and Receivables	<u>1,959,264</u>	<u>2,016,654</u>	<u>1,955,228</u>
Financial liabilities measured at amortised cost			
Payables	632,813	558,500	646,406
Borrowings - Loans	6,746	-	6,746
Finance Leases	154,619	126,783	193,554
Total Financial Liabilities Measured at Amortised Cost	<u>794,178</u>	<u>685,283</u>	<u>846,706</u>

30 Events After Balance Date

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

31 Comparatives

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