



## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

Ministry Number:	359
Principal:	Mark Jones
School Address	Pages Road, Timaru
School Postal Address:	Private Bag 907, Timaru, 7940
School Phone:	03 684 7039
School Email:	<a href="mailto:admin@mountainview.school.nz">admin@mountainview.school.nz</a>

# MOUNTAINVIEW HIGH SCHOOL

Annual Report - For the year ended 31 December 2019

## Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
<a href="#">1</a>	Statement of Responsibility
<a href="#">2</a>	Board of Trustees
<a href="#">3</a>	Statement of Comprehensive Revenue and Expense
<a href="#">4</a>	Statement of Changes in Net Assets/Equity
<a href="#">5</a>	Statement of Financial Position
<a href="#">6</a>	Statement of Cash Flows
<a href="#">7</a>	Statement of Accounting Policies
<a href="#">12</a>	Notes to the Financial Statements
	<b>Other Information</b>
	Analysis of Variance
	Kiwisport

# Mountainview High School

## Statement of Responsibility

For the year ended 31 December 2019

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2019 fairly reflect the financial position and operations of the school.

The School's 2019 financial statements are authorised for issue by the Board.

Ross Allen CHRISTIE

Full Name of Board Chairperson

RAC

Signature of Board Chairperson

31/3/21

Date:

Kenneth Diamond

Full Name of Principal

KD

Signature of Principal

30/3/2021

Date:

# Mountainview High School

## Members of the Board of Trustees

For the year ended 31 December 2019

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Andrew Dyne	Chairperson	Elected	May 2020
Ross Christie	Parent Rep	Elected	May 2020
Daniel Allison	Parent Rep	Elected	May 2020
Vivienne Wood	Parent Rep	Elected	May 2020
Jay Lovely	Parent Rep	Elected	May 2020
Mark Jones	Principal	ex Officio	Jan 2020
Rasheed Salah Ragab	Student Rep	Elected	Oct 2019
Emma Baird	Student Rep	Elected	Oct 2020
Kirsten Hullen	Staff Rep	Elected	May 2020
Kenny Diamond	Staff Rep/Acting Principal	Elected	Jan 2020
Miles Winter	Parent Rep	Elected	May 2019
Andrew Dixon	Parent Rep	Elected	May 2019
Mark Rogers	Parent Rep	Elected	May 2019
Richard Stott	Parent Rep	Elected	May 2019

**Mountainview High School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>				
Government Grants	2	5,805,674	5,677,217	5,540,308
Locally Raised Funds	3	548,528	291,540	449,457
Interest Income		21,962	10,000	15,319
International Students	4	196,104	251,400	177,654
		<u>6,572,268</u>	<u>6,230,157</u>	<u>6,182,738</u>
<b>Expenses</b>				
Locally Raised Funds	3	169,937	66,050	118,464
International Students	4	103,713	158,200	118,908
Learning Resources	5	4,094,083	4,004,687	3,854,766
Administration	6	227,966	256,320	251,749
Finance Costs		3,668	-	2,968
Property	7	1,695,549	1,659,915	1,651,527
Depreciation	8	88,826	75,000	80,943
Loss on Disposal of Property, Plant and Equipment		5,608	-	-
		<u>6,389,350</u>	<u>6,220,172</u>	<u>6,079,325</u>
<b>Net Surplus / (Deficit)</b>		182,918	9,985	103,413
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>182,918</u>	<u>9,985</u>	<u>103,413</u>

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

**Mountainview High School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Balance at 1 January</b>	214,941	214,941	73,838
Total comprehensive revenue and expense for the year	182,918	9,985	103,413
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	37,690
<b>Equity at 31 December</b>	397,859	224,926	214,941
Retained Earnings	397,859	224,926	214,941
<b>Equity at 31 December</b>	397,859	224,926	214,941

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

# Mountainview High School

## Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	9	186,661	404,446	319,461
Accounts Receivable	10	240,460	231,469	231,469
GST Receivable		54,615	10,330	10,330
Prepayments		47,439	21,242	21,242
Investments	11	607,280	344,273	344,273
Funds owing for Capital Works Projects	18	33,204	2,082	2,082
		<u>1,169,659</u>	<u>1,013,842</u>	<u>928,857</u>
<b>Current Liabilities</b>				
Accounts Payable	13	269,016	319,008	319,008
Revenue Received in Advance	14	128,189	92,882	92,882
Provision for Cyclical Maintenance	15	112,988	66,289	66,289
Finance Lease Liability - Current Portion	16	21,239	14,913	14,913
Funds held in Trust	17	105,075	101,575	101,575
Funds held for Capital Works Projects	18	24,084	-	-
Funds Held on Behalf of the Aoraki Alternative Education	19	74,192	57,007	57,007
Funds Held on Behalf of Kakui Ako (COL) Cluster	20	15,338	13,658	13,658
		<u>750,121</u>	<u>665,332</u>	<u>665,332</u>
<b>Working Capital Surplus/(Deficit)</b>		419,538	348,510	263,525
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	403,875	302,520	377,520
		<u>403,875</u>	<u>302,520</u>	<u>377,520</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	409,013	409,127	409,127
Finance Lease Liability	16	16,541	16,977	16,977
		<u>425,554</u>	<u>426,104</u>	<u>426,104</u>
<b>Net Assets</b>		<u>397,859</u>	<u>224,926</u>	<u>214,941</u>
<b>Equity</b>		<u>397,859</u>	<u>224,926</u>	<u>214,941</u>

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

# Mountainview High School Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,379,557	1,306,495	1,310,980
Locally Raised Funds		475,314	291,540	449,544
International Students		229,046	251,400	178,387
Goods and Services Tax (net)		(44,285)	-	244
Payments to Employees		(978,034)	(870,351)	(941,700)
Payments to Suppliers		(825,148)	(830,559)	(897,253)
Cyclical Maintenance payments in the Year		(20,800)	(73,540)	39,235
Interest Received		17,797	10,000	15,373
Net cash from / (to) the Operating Activities		233,447	84,985	154,810
<b>Cash flows from Investing Activities</b>				
Purchase of PPE (and Intangibles)		(96,040)	-	(20,191)
Purchase of Investments		(263,007)	-	(11,413)
Net cash from the Investing Activities		(359,047)	-	(31,604)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	37,690
Finance Lease Payments		(22,527)	-	(17,234)
Funds Administered on Behalf of Third Parties		22,365	-	74,499
Funds held for Capital Works Projects		(7,038)	-	(19,379)
Net cash from Financing Activities		(7,200)	-	75,576
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(132,800)</b>	<b>84,985</b>	<b>198,782</b>
Cash and cash equivalents at the beginning of the year	9	319,461	319,461	120,679
<b>Cash and cash equivalents at the end of the year</b>	9	<b>186,661</b>	<b>404,446</b>	<b>319,461</b>

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

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



# Mountainview High School

## Notes to the Financial Statements

### 1. Statement of Accounting Policies

For the year ended 31 December 2019

#### 1.1. Reporting Entity

Mountainview 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.

#### 1.2. Basis of Preparation

##### *Reporting Period*

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

##### *Basis of Preparation*

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

##### *Financial Reporting Standards Applied*

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

##### *Standard early adopted*

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 30.

##### *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.

### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

### ***Critical Judgements in applying accounting policies***

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

## **1.3. 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.

## **1.4. 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.

## **1.5. 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.

## **1.6. 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.

### **1.7. 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.

### **1.8. Accounts Receivable**

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

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

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

### **1.9. Investments**

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

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

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

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

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

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

### **1.10. 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, except for sets of like items with a collective worth exceeding \$1,000.

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

#### ***Finance Leases***

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

## **Depreciation**

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

The estimated useful lives of the assets are:

Building improvements	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

### **1.11. 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.

### **1.12. 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.

### **1.13. Employment 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

### **1.14. Revenue Received in Advance**

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

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

### **1.15. Funds Held in Trust**

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

#### **1.16. 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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **1.17. 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).

#### **1.18. Financial Assets and Liabilities**

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

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

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

#### **1.19. 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.

#### **1.20. Budget Figures**

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

#### **1.21. Services received in-kind**

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

## 2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational grants	1,127,034	1,144,108	1,123,546
Teachers' salaries grants	3,258,618	3,200,897	3,078,461
Use of Land and Buildings grants	1,169,825	1,169,825	1,149,928
Other MoE Grants	188,337	101,300	-
Establishment Grant	-	-	126,312
Other government grants	61,860	61,087	62,061
	<u>5,805,674</u>	<u>5,677,217</u>	<u>5,540,308</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	99,347	46,000	91,560
Fundraising	1,600	2,900	-
Bequests & Grants	7,020	5,400	5,592
Other revenue	302,151	223,240	263,008
Transport Revenue	6,289	14,000	23,040
Trading	427	-	382
Activities	131,694	-	65,875
	<u>548,528</u>	<u>291,540</u>	<u>449,457</u>
<b>Expenses</b>			
Activities	130,337	14,550	72,987
Fundraising (costs of raising funds)	-	-	400
Other Expenses	39,600	51,500	45,077
	<u>169,937</u>	<u>66,050</u>	<u>118,464</u>
<i>Surplus for the year Locally raised funds</i>	<u>378,591</u>	<u>225,490</u>	<u>330,993</u>

## 4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	6	6	6
<b>Revenue</b>			
International student fees	196,104	251,400	177,654
<b>Expenses</b>			
Advertising	49,766	40,000	39,889
Commissions	11,090	24,000	14,186
International student levy	2,911	-	1,916
Employee Benefit - Salaries	30,257	72,000	54,693
Other Expenses	9,689	22,200	8,224
	<u>103,713</u>	<u>158,200</u>	<u>118,908</u>
<i>Surplus for the year International Students</i>	<u>92,391</u>	<u>93,200</u>	<u>58,746</u>

## 5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	291,686	295,889	216,342
Equipment repairs	1,498	3,500	1,575
Library resources	5,648	11,200	3,278
Employee benefits - salaries	3,776,847	3,665,098	3,618,004
Staff development	18,404	29,000	15,567
	<u>4,094,083</u>	<u>4,004,687</u>	<u>3,854,766</u>

## 6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,491	5,920	5,331
Board of Trustees Fees	5,170	6,000	5,190
Board of Trustees Expenses	9,045	5,500	4,242
Communication	11,789	9,700	10,975
Consumables	78,867	97,750	89,484
Operating Lease	687	7,000	9,479
Other	336	150	8,235
Employee Benefits - Salaries	101,077	107,000	98,158
Insurance	10,794	11,800	11,041
Service Providers, Contractors and Consultancy	4,710	5,500	9,614
	<u>227,966</u>	<u>256,320</u>	<u>251,749</u>

## 7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	44,485	39,100	36,194
Cyclical Maintenance Provision	67,385	73,540	66,471
Grounds	17,761	11,500	13,616
Heat, Light and Water	91,115	95,900	88,224
Rates	8,285	9,400	8,516
Repairs and Maintenance	22,234	25,500	34,574
Use of Land and Buildings	1,169,825	1,169,825	1,149,928
Security	10,292	8,000	8,066
Employee Benefits - Salaries	264,167	227,150	245,938
	<u>1,695,549</u>	<u>1,659,915</u>	<u>1,651,527</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.

## 8. Depreciation of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	1,551	1,000	1,551
Furniture and Equipment	25,081	25,000	24,077
Information and Communication Technology	29,344	25,000	28,289
Motor Vehicles	9,747	5,000	7,646
Leased Assets	18,528	15,000	14,490
Library Resources	4,575	4,000	4,890
	<u>88,826</u>	<u>75,000</u>	<u>80,943</u>

## 9. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	236	-	52
Bank Current Account	19,174	404,446	79,015
Bank Call Account	167,251	-	240,394
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>186,661</u>	<u>404,446</u>	<u>319,461</u>

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

Of the \$186,661 Cash and Cash Equivalents, \$24,084 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$186,661 Cash and Cash Equivalents, \$15,338 is held by the School on behalf of the Kakui Ako (COL) cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

## 10. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	89,025	13,446	13,446
Receivables from the Ministry of Education	-	2,326	2,326
Interest Receivable	5,406	1,241	1,241
Banking Staffing Underuse	57,720	-	-
Teacher Salaries Grant Receivable	88,309	214,456	214,456
	<u>240,460</u>	<u>231,469</u>	<u>231,469</u>
Receivables from Exchange Transactions	94,431	14,687	14,687
Receivables from Non-Exchange Transactions	146,029	216,782	216,782
	<u>240,460</u>	<u>231,469</u>	<u>231,469</u>

## 11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	607,280	344,273	344,273
Total Investments	<u>607,280</u>	<u>344,273</u>	<u>344,273</u>



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building Improvements	10,599	-	-	-	(1,551)	9,048
Furniture and Equipment	140,555	55,353	(2,008)	-	(25,081)	168,819
Information and Communication	97,468	1,222	-	-	(29,344)	69,346
Motor Vehicles	63,717	33,494	-	-	(9,747)	87,464
Leased Assets	30,950	24,748	-	-	(18,528)	37,170
Library Resources	34,231	7,302	(4,930)	-	(4,575)	32,028
<b>Balance at 31 December 2019</b>	<b>377,520</b>	<b>122,119</b>	<b>(6,938)</b>	<b>-</b>	<b>(88,826)</b>	<b>403,875</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Building Improvements	31,015	(21,967)	9,048
Furniture and Equipment	840,420	(671,601)	168,819
Information and Communication	839,108	(769,762)	69,346
Motor Vehicles	133,772	(46,308)	87,464
Leased Assets	100,459	(63,289)	37,170
Library Resources	83,153	(51,125)	32,028
<b>Balance at 31 December 2019</b>	<b>2,027,927</b>	<b>(1,624,052)</b>	<b>403,875</b>

The net carrying value of equipment held under a finance lease is \$37,170 (2018: \$30,950)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Building Improvements	12,150	-	-	-	(1,551)	10,599
Furniture and Equipment	161,359	3,273	-	-	(24,077)	140,555
Information and Communication	116,930	8,827	-	-	(28,289)	97,468
Motor Vehicles	71,363	-	-	-	(7,646)	63,717
Leased Assets	9,956	35,484	-	-	(14,490)	30,950
Library Resources	31,030	8,091	-	-	(4,890)	34,231
<b>Balance at 31 December 2018</b>	<b>402,788</b>	<b>55,675</b>	<b>-</b>	<b>-</b>	<b>(80,943)</b>	<b>377,520</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Building Improvements	31,015	(20,416)	10,599
Furniture and Equipment	790,068	(649,513)	140,555
Information and Communication	837,886	(740,418)	97,468
Motor Vehicles	100,277	(36,560)	63,717
Leased Assets	75,710	(44,760)	30,950
Library Resources	88,613	(54,382)	34,231
<b>Balance at 31 December 2018</b>	<b>1,923,569</b>	<b>(1,546,049)</b>	<b>377,520</b>

### 13. Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	63,952	41,172	41,172
Accruals	69,619	9,660	9,660
Employee Entitlements - salaries	88,864	224,807	224,807
Employee Entitlements - leave accrual	46,581	43,369	43,369
	<u>269,016</u>	<u>319,008</u>	<u>319,008</u>
Payables for Exchange Transactions	269,016	319,008	319,008
	<u>269,016</u>	<u>319,008</u>	<u>319,008</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees	109,945	77,003	77,003
Other	18,244	15,879	15,879
	<u>128,189</u>	<u>92,882</u>	<u>92,882</u>

### 15. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	475,416	475,416	436,181
Increase/ (decrease) to the Provision During the Year	67,385	-	66,471
Use of the Provision During the Year	(20,800)	-	(27,236)
Provision at the End of the Year	<u>522,001</u>	<u>475,416</u>	<u>475,416</u>
Cyclical Maintenance - Current	112,988	66,289	66,289
Cyclical Maintenance - Term	409,013	409,127	409,127
	<u>522,001</u>	<u>475,416</u>	<u>475,416</u>

### 16. Finance Lease Liability

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
No Later than One Year	24,014	17,405	17,405
Later than One Year and no Later than Five Years	17,681	18,192	18,192
	<u>41,695</u>	<u>35,597</u>	<u>35,597</u>

## 17. Funds Held in Trust

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	105,075	101,575	101,575
	<u>105,075</u>	<u>101,575</u>	<u>101,575</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.

## 18. Funds Held for Capital Works

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Fire Damage	Completed	(2,082)	-	-	2,082	-
Boiler Refurbishment	In Progress	-	-	33,204	-	(33,204)
Whenua Project	In Progress	-	821,923	797,839	-	24,084
Special Education Fencing	Completed	-	24,501	24,501	-	-
Totals		<u>(2,082)</u>	<u>846,424</u>	<u>855,544</u>	<u>2,082</u>	<u>(9,120)</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

24,084  
(33,204)  
(9,120)

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Auditorium Lights	Completed	17,297	5,572	22,869	-	-
Fire Damage	In Progress	-	27,069	29,151	-	(2,082)
Totals		<u>17,297</u>	<u>32,641</u>	<u>52,020</u>	<u>-</u>	<u>(2,082)</u>

## 19. Funds Held on Behalf of the Aoraki Alternative Education Cluster

Mountainview High School is the lead school and holds funds on behalf of the Aoraki Alternative Education cluster. The Alternative Education cluster is a Ministry of Education scheme run by Mountainview High School for students whose educational needs are not being met in the usual secondary school environment. The programmes deliver education in a different setting and re-engage students alienated by mainstream teaching and learning. The school acted as an agent for the Ministry and the income and expenses are not reflected in the School's Statement of Comprehensive Income.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	57,007	57,007	-
Funds transferred from Opihi College	-	-	47,213
Funds Received from Cluster Members	-	-	14,308
Funds Received from MoE	296,796	-	286,523
Funds Spent on Behalf of the Cluster	(279,611)	-	(291,037)
Funds Held at Year End	<u>74,192</u>	<u>57,007</u>	<u>57,007</u>

## 20. Funds Held on Behalf of Kakui Ako (COL) Cluster

Mountainview High School is the lead school and holds funds on behalf of the Kakui Ako (COL) cluster.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	13,658	13,658	-
Funds Received from Cluster Members	-	-	15,450
Funds Received from MoE	16,935	-	-
Funds Spent on Behalf of the Cluster	(15,255)	-	(1,792)
Funds Held at Year End	<u>15,338</u>	<u>13,658</u>	<u>13,658</u>

## 21. 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.

## 22. Remuneration

### *Key management personnel compensation*

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,170	5,190
Full-time equivalent members	0.20	0.20
<i>Leadership Team</i>		
Remuneration	597,614	575,201
Full-time equivalent members	5.00	5.00
Total key management personnel remuneration	<u>602,784</u>	<u>580,391</u>
Total full-time equivalent personnel	<u>5.20</u>	<u>5.20</u>

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

### Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	180 - 190
Benefits and Other Emoluments	3-4	0-10
Termination Benefits	0 - 0	0 - 0

### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 -110	2.00	-
110 -120	1.00	-
120 - 130	-	-
	<u>3.00</u>	<u>-</u>

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

### 23. Compensation and Other Benefits Upon Leaving

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

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

### 24. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2019 (Contingent liabilities and assets at 31 December 2018: nil).

#### Holidays Act Compliance – schools payroll

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

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

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

### 25. Commitments

#### (a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works.

(Capital commitments at 31 December 2018: nil)

#### (b) Operating Commitments

As at 31 December 2019 the Board has not entered into any operating contracts:

## 26. 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.

## 27. Financial Instruments

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

### Financial assets measured at amortised cost

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	186,661	404,446	319,461
Receivables	240,460	231,469	231,469
Investments - Term Deposits	607,280	344,273	344,273
Total Financial assets measured at amortised cost	<u>1,034,401</u>	<u>980,188</u>	<u>895,203</u>

### Financial liabilities measured at amortised cost

Payables	269,016	319,008	319,008
Finance Leases	37,780	31,890	31,890
Total Financial liabilities measured at amortised Cost	<u>306,796</u>	<u>350,898</u>	<u>350,898</u>

## 28. Events After Balance Date

### Impact from COVID-19

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

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

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

## 29. Comparatives

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

### **30. Adoption of PBE IFRS 9 Financial Instruments**

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

- Note 10 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 11 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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

### **31. Breach of section 67 of the Education Act 1989**

The Board of Trustees has failed to comply with section 87C of the Education Act 1989 in that the Board did not report by 31 May 2019, the date fixed by the Ministry of Education, by which schools were required to have sent their financial statements to the Ministry of Education. The delay was due to a nationwide lockdown commenced on 26 March 2020 after the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic.

