

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Ministry Number:	3967
Principal:	Andrew Smith
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WINDSOR NORTH SCHOOL

Annual Report - For the year ended 31 December 2018

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Windsor North 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.

Krista Mary Sim

Full Name of Board Chairperson



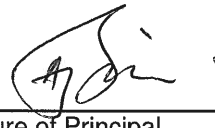
Signature of Board Chairperson

28-5-2019

Date:

Andrew James Smith

Full Name of Principal



Signature of Principal

28.5.19.

Date:

Windsor North School

Members of the Board of Trustees

For the year ended 31 December 2018

Name	Position	How Position Gained	Held Until
Krista Sim	Chairperson	Elected	May 2019
Andrew Smith	Principal		
Phil Checkett	Parent Rep	Elected	Jun 2018
Nic Raines	Parent Rep	Elected	May 2019
Haupai Te Wiki	Parent Rep	Elected	May 2019
Nathan Burdon	Parent Rep	Elected	May 2019
Jan Forde	Staff Rep	Elected	May 2019

Windsor North School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants	2	2,335,171	2,198,846	2,282,858
Locally Raised Funds	3	188,869	144,100	109,615
Interest Earned		13,241	8,000	11,979
		<u>2,537,281</u>	<u>2,350,946</u>	<u>2,404,452</u>
Expenses				
Locally Raised Funds	3	45,840	51,448	38,998
Learning Resources	4	1,619,103	1,562,434	1,604,173
Administration	5	100,387	102,965	102,140
Finance Costs		1,164	-	1,624
Property	6	591,018	517,692	528,165
Depreciation	7	73,606	65,299	68,801
Loss on Disposal of Property, Plant and Equipment		1,780	-	3,027
		<u>2,432,898</u>	<u>2,299,838</u>	<u>2,346,928</u>
Net Surplus		104,383	51,108	57,524
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>104,383</u>	<u>51,108</u>	<u>57,524</u>

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



Windsor North School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	588,010	588,010	530,486
Total comprehensive revenue and expense for the year	104,383	51,108	57,524
Equity at 31 December	692,393	639,118	588,010
Retained Earnings	692,393	639,118	588,010
Equity at 31 December	692,393	639,118	588,010

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



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Windsor North School
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	148,487	189,137	72,730
Accounts Receivable	9	99,356	98,180	98,180
GST Receivable		-	7,163	7,163
Prepayments		3,832	6,914	6,914
Inventories	10	560	643	643
Investments	11	427,640	334,834	334,834
		<u>679,875</u>	<u>636,871</u>	<u>520,464</u>
Current Liabilities				
GST Payable		2,726	-	-
Accounts Payable	13	163,448	118,575	118,575
Revenue Received in Advance	14	421	382	382
Provision for Cyclical Maintenance	15	78,934	79,618	79,618
Finance Lease Liability - Current Portion	16	10,949	14,135	14,135
Funds held for Capital Works Projects	17	104,377	10,530	10,530
		<u>360,855</u>	<u>223,240</u>	<u>223,240</u>
Working Capital Surplus/(Deficit)		319,020	413,631	297,224
Non-current Assets				
Property, Plant and Equipment	12	470,607	310,768	376,067
		<u>470,607</u>	<u>310,768</u>	<u>376,067</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	85,849	63,758	63,758
Finance Lease Liability	16	11,385	21,523	21,523
		<u>97,234</u>	<u>85,281</u>	<u>85,281</u>
Net Assets		<u>692,393</u>	<u>639,118</u>	<u>588,010</u>
Equity		<u>692,393</u>	<u>639,118</u>	<u>588,010</u>

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



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Windsor North School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		469,235	450,897	491,334
Locally Raised Funds		181,054	144,100	111,606
Goods and Services Tax (net)		9,889	-	(26,673)
Payments to Employees		(226,922)	(208,920)	(230,526)
Payments to Suppliers		(186,550)	(277,670)	(256,836)
Cyclical Maintenance Payments in the Year		(850)	-	(7,823)
Interest Received		13,274	8,000	11,965
Net cash from / (to) the Operating Activities		259,130	116,407	93,047
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(169,871)	-	(92,372)
Purchase of Investments		(92,806)	-	(11,627)
Net cash from / (to) the Investing Activities		(262,677)	-	(103,999)
Cash flows from Financing Activities				
Finance Lease Payments		(14,543)	-	(10,227)
Funds Held for Capital Works Projects		93,847	-	71,737
Net cash from Financing Activities		79,304	-	61,510
Net increase/(decrease) in cash and cash equivalents		75,757	116,407	50,558
Cash and cash equivalents at the beginning of the year	8	72,730	72,730	22,172
Cash and cash equivalents at the end of the year	8	148,487	189,137	72,730

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.

Windsor North School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

1.1. Reporting Entity

Windsor North 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 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.

The logo for IBDO (Invercargill Business Development Office) is located in the bottom right corner. It features the letters 'IBDO' in a stylized, blue, blocky font with a white outline. Below the letters, there is a horizontal line with a small upward-pointing arrow on the right side.

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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 16.

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

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. 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.

1.10. Investments

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

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

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

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

1.11. Property, Plant and Equipment

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

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

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

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

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

Leased Assets

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



Depreciation

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

The estimated useful lives of the assets are:

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

1.12. 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.

1.13. 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.

1.14. 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

1.15. 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.

1.16. 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).

1.17. 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.

1.18. 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.

1.19. Budget Figures

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

1.20. Services received in-kind

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



2. Government Grants

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational grants	440,077	431,529	449,312
Teachers' salaries grants	1,410,929	1,360,000	1,393,368
Use of Land and Buildings grants	446,667	379,609	397,026
Other MoE Grants	37,498	27,708	43,152
	<u>2,335,171</u>	<u>2,198,846</u>	<u>2,282,858</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	102,336	83,500	51,713
Bequests & Grants	8,782	8,000	-
Other revenue	37,351	14,000	26,029
Trading	2,508	4,200	3,868
Activities	37,892	34,400	28,005
	<u>188,869</u>	<u>144,100</u>	<u>109,615</u>
Expenses			
Activities	43,731	47,448	35,470
Trading	2,109	4,000	3,528
	<u>45,840</u>	<u>51,448</u>	<u>38,998</u>
<i>Surplus for the year Locally raised funds</i>	<u>143,029</u>	<u>92,652</u>	<u>70,618</u>

4. Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	92,763	97,864	86,284
Equipment repairs	3,717	6,000	5,810
Employee benefits - salaries	1,522,623	1,458,570	1,512,079
	<u>1,619,103</u>	<u>1,562,434</u>	<u>1,604,173</u>



BDO INVERCARGILL

5. Administration

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Audit Fee	3,012	2,600	2,536
Board of Trustees Fees	2,675	3,500	3,280
Board of Trustees Expenses	2,765	3,600	3,430
Communication	3,231	3,360	3,353
Consumables	2,020	2,900	2,352
Operating Lease	637	4,700	2,097
Other	2,306	2,500	2,682
Employee Benefits - Salaries	77,143	72,800	75,103
Insurance	4,393	4,505	4,352
Service Providers, Contractors and Consultancy	2,205	2,500	2,955
	<u>100,387</u>	<u>102,965</u>	<u>102,140</u>

6. Property

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Caretaking and Cleaning Consumables	5,495	6,550	7,679
Consultancy and Contract Services	22,097	22,770	21,685
Cyclical Maintenance Provision	22,257	-	23,319
Adjustment to the Provision	-	-	(15,496)
Grounds	5,507	5,400	5,614
Heat, Light and Water	20,322	19,750	18,269
Rates	2,790	2,600	2,555
Repairs and Maintenance	21,361	35,123	24,106
Use of Land and Buildings	446,667	379,609	397,026
Employee Benefits - Salaries	44,522	45,890	43,408
	<u>591,018</u>	<u>517,692</u>	<u>528,165</u>

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

7. Depreciation of Property, Plant and Equipment

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Building Improvements	10,743	10,000	10,865
Furniture and Equipment	37,765	34,400	36,502
Information and Communication Technology	8,675	11,000	11,031
Textbooks	14	30	16
Leased Assets	14,242	8,069	8,096
Library Resources	2,167	1,800	2,291
	<u>73,606</u>	<u>65,299</u>	<u>68,801</u>



BDO INVERCARGILL

8. Cash and Cash Equivalents

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Bank Current Account	148,487	189,137	72,730
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	148,487	189,137	72,730

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

Of the \$148,487 Cash and Cash Equivalents, \$104,377 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.

9. Accounts Receivable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Receivables	13,007	5,153	5,153
Interest Receivable	2,323	2,356	2,356
Teacher Salaries Grant Receivable	84,026	90,671	90,671
	99,356	98,180	98,180
Receivables from Exchange Transactions	15,330	7,509	7,509
Receivables from Non-Exchange Transactions	84,026	90,671	90,671
	99,356	98,180	98,180

10. Inventories

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Stationery	560	643	643
	560	643	643

11. Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Asset			
Short-term Bank Deposits	427,640	334,834	334,834



BDO INVERCARGILL

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	113,855	2,584	-	-	(10,743)	105,696
Furniture and Equipment	163,587	12,264	-	-	(37,765)	138,086
Information and Communication	21,894	14,065	-	-	(8,675)	27,284
Textbooks	111	-	-	-	(14)	97
Leased Assets	35,717	1,161	-	-	(14,242)	22,636
Library Resources	16,040	3,074	(1,780)	-	(2,167)	15,167
Work in Progress	24,863	136,778	-	-	-	161,641
Balance at 31 December 2018	376,067	169,926	(1,780)	-	(73,606)	470,607

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	257,049	(151,353)	105,696
Furniture and Equipment	572,763	(434,677)	138,086
Information and Communication	99,480	(72,196)	27,284
Textbooks	720	(623)	97
Leased Assets	47,193	(24,557)	22,636
Library Resources	39,705	(24,538)	15,167
Work in Progress	161,641	-	161,641
Balance at 31 December 2018	1,178,551	(707,944)	470,607

The net carrying value of equipment held under a finance lease is \$22,636 (2017: \$35,717)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Building Improvements	108,975	15,745	-	-	(10,865)	113,855
Furniture and Equipment	163,504	36,585	-	-	(36,502)	163,587
Information and Communication	21,873	11,052	-	-	(11,031)	21,894
Textbooks	127	-	-	-	(16)	111
Leased Assets	11,640	32,173	-	-	(8,096)	35,717
Library Resources	17,231	4,127	(3,027)	-	(2,291)	16,040
Work in Progress	-	24,863	-	-	-	24,863
Balance at 31 December 2017	323,350	124,545	(3,027)	-	(68,801)	376,067

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Building Improvements	254,465	(140,610)	113,855
Furniture and Equipment	560,499	(396,912)	163,587
Information and Communication	85,415	(63,521)	21,894
Textbooks	720	(609)	111
Leased Assets	47,138	(11,421)	35,717
Library Resources	41,203	(25,163)	16,040
Work in Progress	24,863	-	24,863
Balance at 31 December 2017	1,014,303	(638,236)	376,067



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13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	65,349	15,392	15,392
Accruals	3,464	-	-
Banking staffing overuse	3,500	8,340	8,340
Employee Entitlements - salaries	86,665	90,930	90,930
Employee Entitlements - leave accrual	4,470	3,913	3,913
	<u>163,448</u>	<u>118,575</u>	<u>118,575</u>
Payables for Exchange Transactions	163,448	118,575	118,575
	<u>163,448</u>	<u>118,575</u>	<u>118,575</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Other	421	382	382
	<u>421</u>	<u>382</u>	<u>382</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	143,376	143,376	143,887
Increase to the Provision During the Year	22,257	-	23,319
Use of the Provision During the Year	(850)	-	(23,830)
Provision at the End of the Year	<u>164,783</u>	<u>143,376</u>	<u>143,376</u>
Cyclical Maintenance - Current	78,934	79,618	79,618
Cyclical Maintenance - Term	85,849	63,758	63,758
	<u>164,783</u>	<u>143,376</u>	<u>143,376</u>

16. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	11,339	15,201	15,201
Later than One Year and no Later than Five Years	11,429	21,869	21,869
Later than Five Years	-	-	-
	<u>22,768</u>	<u>37,070</u>	<u>37,070</u>



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17. 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:

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block D ILE (stage 2)	Completed	10,530	258,119	268,649	-	-
Block M,N, E Upgrade	In progress	-	104,377	-	-	104,377
Totals		10,530	362,496	268,649	-	104,377

Represented by:

Funds Held on Behalf of the Ministry of Education

104,377
104,377

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block D ILE (stage 2)	In progress	209,963	22,320	221,753	-	10,530
Totals		209,963	22,320	221,753	-	10,530

18. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.



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19. Remuneration

Key management personnel compensation

Key management personnel of the School include all trustees of the Board, Principal, Deputy and Assistant Principal.

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	2,675	3,280
Full-time equivalent members	0.09	0.10
<i>Leadership Team</i>		
Remuneration	406,330	412,855
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	409,005	416,135
Total full-time equivalent personnel	4.09	4.10

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	130 - 140	130 - 140
Benefits and Other Emoluments	1 - 10	3 - 4
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	2018 FTE Number	2017 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

20. Compensation and Other Benefits Upon Leaving

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

	2018 Actual \$	2017 Actual \$
Total	-	-
Number of People	-	-



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21. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

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

A \$39,989 (ex GST) contract with Tiger Turf to install a multi-purpose sports turf at the school. This project is funded by the Board (\$26,000) and a Community Trust of Southland grant (\$14,000) and funds are payable upon practical completion of the project. A 30% deposit was paid upon signing the contract, a further 40% was payable upon delivery of the system to the site prior to balance date. Deposit and payable totalled \$27,993. The outstanding 30% amount of \$11,997 (excl GST) is payable upon completion of the project in 2019.

(Capital commitments at 31 December 2017: \$112,805)

(b) Operating Commitments

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

(a) operating lease of a photocopier, Phone System and Laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	-	3,483
Later than One Year and No Later than Five Years	-	7,733
Later than Five Years	-	-
	<u>-</u>	<u>11,216</u>

23. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.



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24. Financial Instruments

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

Loans and Receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	148,487	189,137	72,730
Receivables	99,356	98,180	98,180
Investments - Term Deposits	427,640	334,834	334,834
Total Loans and Receivables	<u>675,483</u>	<u>622,151</u>	<u>505,744</u>

Financial liabilities measured at amortised cost

Payables	163,448	118,575	118,575
Finance Leases	22,334	35,658	35,658
Total Financial Liabilities Measured at Amortised Cost	<u>185,782</u>	<u>154,233</u>	<u>154,233</u>

25. Events After Balance Date

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



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2018 Analysis of Variance

Strategic Aim 1: To attain high levels of student achievement in numeracy and literacy in relation to National Standards

Baseline Data:

- Analysis of school-wide maths data in November 2017 identified there were a significant number of students at Year 5 (28%) who were not achieving at the expected level for Maths.
- Gaps in knowledge and mastery of basic facts were identified as areas of concern. Retention and mastery of Basic facts are a major factor in lack of progress.
- The progression from Stage 5 (End of Year 4) to Early Stage 6 (End of Year 5) requires a sound times table knowledge-this was also identified an area of weakness.

Target 1

- Year 6 students who were Below the expected level in Maths at the end of 2017 will make accelerated progress by the end of 2018.

Actions to achieve targets

- Teachers identify which students (target groups) need support based on valid assessment data from 2017.
- Achievement data will be collated and reviewed each term using eTAP and will include planned actions for raising achievement for those not achieving the expected level (as well as catering for those above) on class action plans.
- Teachers collaboratively work with colleagues to share teaching practices likely to provide best outcomes for students i.e learning technology
- Provide materials (equipment) including digital devices & programmes to enhance new teaching strategies in all classes and at all levels to consolidate learning and ensure conceptual understanding.
- Classroom teachers will continue to use online applications to engage students and address gaps in knowledge/ basic facts as well as concept development. i.e Studyladder
- Teachers will work with students, and families/whanau to set goals and identify ways to support and raise the student engagement and achievement in maths.
- Teacher Appraisal/reflection and Professional Learning goals will focus on raising achievement in maths using learning technologies linked to improved student outcomes.

Results

Year Level	6		
	End of 2017	June 2018	End of 2018
At		4	4
Below	9	5	5
Well Below	1	1	1

Analysis

- Four children have made excellent progress to now be achieving at the expected curriculum level
- With the 6 pupils still below the required curriculum level 5 have made measurable progress (i.e. have moved sublevels). 2 of these pupils are very close to achieving the required curriculum level.

Reasons for Variance

- It was noted that the pupils who are now achieving the required curriculum level are the same pupils who have made best progress in mastering their basic facts.
- Children in the target group have received small group tuition from the teacher. The support given was to reinforce concepts taught by the classroom teacher and to practise the basic facts.

- Some of this group have received support over a number of years.
- Interpreting word problems can be difficult for pupils, as well as selecting the appropriate strategies to solve these problems.

Evaluation/Future Actions

- Use assessment data to identify and target pupils at risk.
- We will continue to provide extra support for children at risk of not meeting the expected level. This may be extra teacher time and/or help from a Numeracy teacher.
- Smaller classes in the senior school next year will allow for more time to be spent with children at risk of not achieving the level.

Target 2

- Year 3 students who were not achieving the at the expected level at the end of 2017 will make more than one year's progress and be At or Above in relation to the Standard at the end of 2018.

Baseline data

- Analysis of school-wide writing data in November 2017 identified there were a significant number of students at Year 2 (22%) who were not achieving at the expected level for Writing

Actions to achieve targets

- Achievement data will be collated and reviewed each term using eTAP and will include planned actions for raising achievement for those achieving Well Below/Below (as well as catering for those above) on class action plan.
- Teachers will target areas of concern through explicit acts of teaching i.e. mastery of spelling lists, punctuation, sentence structure, paragraphing
- Teachers make planned writing assessments (including eASttle) and moderations to analyse areas of need for students. This will happen within school and/or between schools.
- Continue to integrate learning technology to engage writers and to provide different ways of presenting writing to an audience, i.e blogs, Google docs, to improve the quality of writing.
- Use exemplars and quality examples of writing to model writing requirements to students.
- Provide opportunities for students to self-assess and set goals in their writing
- Work with students, families/whanau to set goals and identify ways to support students' writing and achievement
- Undertake quality professional development as appropriate linked to staff appraisal and Performance Management

Results

Year Level	3		
	End of 2017	June 2018	End of 2018
At		1	2
Below	6	5	4
Well Below			

Analysis

- Results show 2 (out of 6) made significant progress to now be achieving At the expected curriculum level.
- Although still Below the expected level 3 of the 4 children have displayed many of the skills required but now need to show consistency.

Reasons for Variance

- Much of the progress made by this group can be attributed to 2 classes working together to reduce the class size of those with the highest needs and the daily teacher aide support provided by both the school and the RTLB service.
- Another factor was the school funded literacy support provided to 6 children in the afternoons. The expertise of Helen Campbell as well as timing of the programme (ensuring this support was on top of, not instead of the classroom literacy programme) gave these children every opportunity to gain confidence and skills in the targeted areas.
- For those still not reaching the expected level for their age, progress towards that level is apparent and still important. Three of the four children still below have made significant progress. They have displayed most of the required skills and processes and now just need to gain more consistency.
- Some of the barriers for the child who made the least progress are confidence, motivation and attitude. These barriers impact on the daily output of writing which makes acceleration of learning and progress difficult.

Evaluation/Future Actions

- Those children who continue to work below the expected levels will be considered next year when the Term 1 2019 teacher aide funding and timetables are established.
- Successful aspects of the teacher inquiry to accelerate learning for these children will be shared with the 2019 Year 4 staff.
- Some of the highest needs children may be eligible for RTLit evaluation.
- The Term Action Plans are one of the more important documents teachers have-it focusses them on where their students are at-therefore what's important for them to learn.



Windsor North School - Kiwisport Funding 2018

Kiwisport is a Government funded initiative to support students' participation in organised sport. During 2018, the school received Kiwisport funding of \$4,717.92 (excluding GST) from the Ministry of Education.

This funding was spent on the following:

- Netballs / Netball Zone Tournament
- Jump Jam Programme
- Miniball Singlets
- Entries to school golf competition
- Subsidy for students playing miniball
- Tough Kids Day Programme 2018 run by Sport Southland
- Mini golf for PAL's pupils
- Basketballs for increasing number of teams participating
- Crash Pad for athletics
- Miscellaneous sports items



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INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WINDSOR NORTH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Windsor North School (the School). The Auditor-General has appointed me, G N Thomas, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 3 to 20, that comprise the statement of financial position as at 31 December 2018, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2018; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 28th May 2019. This is the date at which our opinion is expressed.

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

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going



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concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material



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- errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the analysis of variance, kiwisport paragraph and BOT listing included on pages 21 to 24 and page 2 respectively, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with or interests in the School.

G N Thomas
BDO Invercargill
On behalf of the Auditor-General
Invercargill, New Zealand