

Dunedin North Intermediate School

Annual Report

For the Year Ended 31 December 2019

School Directory

Ministry Number:	3731
Principal:	Heidi Hayward
School Address:	34 North Road North East Valley Dunedin 9010
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Members of the Board of Trustees

Name	Position	How Position gained
Jeanette Wikaira	Chairperson	Elected member
Heidi Hayward	Principal	Appointed
Craig Meade	Parent Rep	Elected member
Paia Taani	Parent Rep	Elected member
Lisa Dick	Parent Rep	Elected member
Liz Riggir	Parent Rep	Elected member
Scott Klenner	Staff Rep	Elected member

Dunedin North Intermediate School

Annual Report – For the year ended 31 December 2019

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Dunedin North Intermediate 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 reflects the financial position and operations of the School.

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

Jeanette Wikaira



Signature of Board Chairperson

28/5/2020

Date

Heidi Hayward



Signature of Principal

28.5.2020

Date

Dunedin North Intermediate School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual	2019 Budget (unaudited)	2018 Actual
		\$	\$	\$
Revenue				
Government Grants	2	2,145,565	521,374	2,151,907
Local Fundraising	3	292,411	103,000	252,164
Interest		8,937	3,000	7,100
		2,446,913	627,374	2,411,171
Expenses				
Locally Raised Funds	3	136,020	31,650	136,015
Learning resources	4	1,406,509	276,250	1,433,057
Administration	5	128,248	129,750	135,563
Finance		1,495	-	999
Property	6	571,564	198,700	668,156
Depreciation	7	37,495	36,000	42,064
		2,281,332	672,350	2,415,854
Net Surplus/(Deficit) for the year		165,580	(44,976)	(4,683)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		165,580	(44,976)	(4,683)

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



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

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
Balance at 1 January	423,112	423,112	427,795
Total comprehensive revenue and expense for the year	165,580	(44,976)	(4,683)
Capital contribution from the Ministry of Education			
Contribution – Furniture and Equipment Grant	7,192	-	-
Equity at 31 December	595,884	378,136	423,112
Retained Earnings	561,864	351,308	396,284
Reserves	34,020	26,828	26,828
Equity at 31 December	595,884	378,136	423,112

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



Dunedin North Intermediate School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (unaudited) \$	2019 Actual \$
Current Assets				
Cash and cash equivalents	8	99,664	100,000	96,868
Accounts Receivable	9	86,554	82,500	82,021
GST Receivable		12,320	-	-
Inventories	10	-	-	3,692
Investments		504,924	360,000	247,433
Funds due for capital works projects	17	-	-	122,795
		703,462	542,500	552,809
Current Liabilities				
GST Payable		-	10,000	3,446
Accounts Payable	13	94,707	92,800	136,940
Revenue Received in Advance	14	444	-	2,259
Finance Lease Liability - Current Portion	16	8,114	8,000	3,493
Provision for cyclical maintenance	15	-	-	10,000
Funds Held for capital works projects	17	77,846	-	-
		181,111	110,800	156,138
Working Capital Surplus / (Deficit)		522,351	431,700	396,671
Non-Current Assets				
Property, Plant and Equipment	12	139,209	138,000	138,720
		139,209	138,000	138,720
Non-Current Liabilities				
Provision for cyclical maintenance	15	56,292	183,564	109,372
Finance Lease Liability	16	9,384	8,000	2,906
		65,676	191,564	112,278
Net Assets		595,884	378,136	423,113
Equity		595,884	378,136	423,113

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

Dunedin North Intermediate School
Statement of Cash Flows
For the year ended 31 December 2019

	Notes	2019 Actual	2018 Actual
		\$	\$
Cash flows from Operating Activities			
Government Grants		630,826	395,647
Locally Raised Funds		290,234	269,644
Interest Paid		(1,495)	-
Goods and Services Tax (net)		(13,013)	109,832
Payments to Employees		(298,159)	(330,606)
Payments to Suppliers		(413,926)	(539,576)
Interest Received		7,667	8,325
Net cash from / (to) the Operating Activities		202,134	(86,733)
Cash flows from Investing Activities			
Purchase of PPE (and Intangibles)		(37,984)	(24,514)
Funds Transferred from Term Deposit		(257,491)	302,513
Net cash from / (to) the Investing Activities		(295,475)	277,999
Cash flows from Financing Activities			
Furniture and Equipment Grant		7,192	-
Finance Lease Payments		11,099	(4,559)
Funds Held for Capital Works Projects		77,846	(199,004)
Net cash from / (to) the Financing Activities		96,137	(203,563)
Net increase/(decrease) in cash and cash equivalents		2,796	(12,298)
Cash and cash equivalents at the beginning of the year	8	96,868	109,166
Cash and cash equivalents at the end of the year	8	99,664	96,868

The State of Cash Flows records only those cash flows directly within the control of the school. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



Dunedin North Intermediate School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Dunedin North Intermediate 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.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PEB Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates and Assumptions

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

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



Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 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 carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

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

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

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

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

d) Use of Land and Buildings Expense

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

e) 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.

f) 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.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, 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.

h) 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.

i) Inventories

Inventories are consumable items held for sale and comprise 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.

j) 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.

k) Property, Plant and Equipment

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

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

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

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

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

Leased Assets

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

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:

Furniture and fittings	10-20 years
Audio visual	10-20 years
Minor Equipment	20 years
Office Equipment	5-20 years
Library Assets	5-20 years
Classroom Equipment	20 years
Metalwork	10-20 years
Woodwork	20 years
Clothing	10-20 years
Computers	5-20 years
Music Equipment	20 years
Sports Equipment	5-20 years
Art Equipment	20 years
Home Economics Equipment	10-20 years
Camp Equipment	20 years
Caretaking and Cleaning	20 years
Canteen	10-20 years
Leasehold Improvements	50 years
Library Resources	12.5% DV

l) Intangible Assets

Software costs

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

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

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

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

m) 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 are 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 assets 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.

n) 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.

o) Employee Entitlements

Short-term employee entitlements

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

p) 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 the day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry of Education and is based on the Board's ten year property plan (10YPP).

q) Financial Assets and Liabilities

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

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

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

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

From time to time the School receives 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	448,426	448,374	438,417
Teachers salaries grant	1,158,622	-	1,154,380
Use of land and buildings grant	469,623	-	473,022
Other MOE grants	69,893	73,000	86,088
Other government grants	-	-	-
	2,145,565	521,374	2,151,907

3. Locally Raised Funds

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

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
Revenue			
Donations	23,792	12,000	14,700
Activities	200,098	36,800	184,546
Trading	1,315	-	3,241
Fundraising	8,639	8,000	7,999
Other Revenue	58,567	46,200	41,678
	292,411	103,000	252,164
Expenses			
Activities	125,235	26,150	125,619
Trading	3,764	-	4,814
Fundraising costs	7,021	5,500	5,582
	136,030	31,650	136,015
Surplus/(Deficit) for the year locally raised funds	156,391	71,350	116,149

4. Learning Resources

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
Curricular	27,092	43,250	37,447
Information and communication technology	7,382	11,500	5,508
Equipment repairs	1,369	4,500	7,414
Library Resources	8,349	8,500	9,350
Employee benefits – salaries	1,345,952	182,500	1,366,447
Staff development	8,766	20,000	3,581
Other	7,599	6,000	3,310
	1,406,509	276,250	1,433,057

5. Administration

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
Audit fee	3,750	3,750	3,345
Board of Trustees fees	5,365	3,000	1,975
Board of Trustees Expenses	6,818	4,200	6,007
Communication	5,386	6,500	5,872
Consumables	10,839	14,100	14,431
Operating Lease	8,948	15,000	14,415
Others	3,057	2,700	9,544
Service Providers, Contractors and Consultancy	6,000	6,000	5,799
Employee benefits – salaries	78,085	74,500	74,175
	128,248	151,000	135,563

6. Property

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
Caretaking and cleaning consumables	12,534	15,500	16,004
Repairs & maintenance	3,417	10,200	7,033
Security	1,742	1,000	1,373
Cyclical maintenance expense	20,667	25,000	25,000
Adjustment to the provision	(83,747)		
Grounds	20,863	21,500	21,706
Heat, light and water	32,819	33,000	33,943
Rates	11,334	12,500	10,524
Use of land and buildings	469,623	-	473,022
Employee Benefit - Salaries	40,451	40,000	40,316
Cleaning	41,861	40,000	39,235
	571,564	198,700	668,156

7. Depreciation

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
Leasehold improvements	6,183	6,000	6,183
Audio/Visual	3,283	4,000	4,350
Classroom furniture & equipment	8,126	6,500	6,993
Office equipment	613	600	620
Electronic	16,068	15,660	20,379
Manual equipment	816	900	974
Library equipment	-	-	12
Library books	928	900	1,061
Caretaking & cleaning	796	800	796
Camp equipment	-	-	14
Canteen	41	40	41
Sports	308	300	308
Minor equipment	333	300	333
	37,495	36,000	42,064

8. Cash and Cash Equivalents

	2019 Actual	2018 Actual
	\$	\$
Current account	48,914	69,977
Online Saver Account	11,277	11,263
Call Account	40,093	16,013
Mastercard	(620)	(385)
Cash and cash equivalents for Cash Flow Statement	99,664	96,868

The carrying value of short-term deposits with maturity dates of 90 days or less approximates their fair value. Of the \$99,664 cash and cash equivalents, \$77,846 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 schools five year property plan.



9. Accounts Receivable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Receivables	406	500	44
Interest Receivable	2,176	2,000	906
Teacher Salaries Grant Receivable	83,972	80,000	81,071
	86,554	82,500	82,021
Receivables from Exchange Transactions	2,582	2,000	950
Receivables from Non-Exchange Transactions	83,972	80,500	81,071
	86,554	82,500	82,021

10. Inventories

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
School Uniforms	0	0	3,692
	0	0	3,692

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2018 Actual \$
Current Asset		
Short-term bank deposits	504,924	247,433

12. Property, Plant & Equipment

2019	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
Audio Visual	7,290	2,415	-	-	3,283	6,422
Canteen	274	-	-	-	41	233
Caretaking & cleaning	12,168	-	-	-	796	11,372
Classroom equipment	2,927	-	-	-	1,090	1,837
Clothing	3,509	-	-	-	704	2,805
Computer Equipment	12,416	30,037	-	-	16,068	26,385
Furniture & Fittings	47,678	5,532	-	-	7,035	46,175
Home economics equipment	7	-	-	-	2	5
Leasehold improvements	36,730	-	-	-	6,183	30,547
Library books	7,426	-	-	-	928	6,498
Metalwork	54	-	-	-	19	35
Minor equipment	3,658	-	-	-	333	3,325
Office equipment	1,110	-	-	-	613	497
Sports	2,564	-	-	-	308	2,256
Woodwork	909	-	-	-	92	817
Balance at 31 December 2019	138,720	37,984	-	-	37,495	139,209

2019	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Audio Visual	47,680	41,259	6,421
Camp Equipment	386	386	-
Canteen	823	590	233
Caretaking & cleaning	15,928	4,556	11,372
Classroom equipment	8,876	7,039	1,837
Clothing	8,080	5,275	2,805
Computer Equipment	141,246	114,861	26,385
Furniture & Fittings	117,997	65,376	46,175
Home economics equipment	46	41	5
Leasehold improvements	117,997	87,450	30,547
Library assets	4,763	4,763	-
Library books	49,260	42,762	6,498
Metalwork	3,273	3,238	35
Minor equipment	6,659	3,334	3,325
Office equipment	7,145	6,647	498
Sports equipment	3,077	820	2,257
Woodwork	1,844	1,028	816
Balance as at 31 December 2019	528,634	389,425	138,209

2018	Opening Balance (NBV)	Additions	Disposals	Impairmen t	Depreciati on	Total (NBV)
	\$	\$	\$	\$	\$	\$
Audio Visual	11,640	-	-	-	4,350	7,290
Camp Equipment	14	-	-	-	14	-
Canteen	316	-	-	-	41	274
Caretaking & cleaning	12,965	-	-	-	796	12,168
Classroom equipment	4,017	-	-	-	1,090	2,927
Clothing	4,213	-	-	-	704	3,509
Computer Equipment	23,557	9,238	-	-	20,379	12,416
Furniture & Fittings	38,305	15,276	-	-	5,904	47,678
Home economics equipment	9	-	-	-	2	7
Leasehold improvements	42,912	-	-	-	6,182	36,730
Library assets	12	-	-	-	12	-
Library books	8,487	-	-	-	1,061	7,426
Metalwork	230	-	-	-	176	54
Minor equipment	3,990	-	-	-	333	3,658
Office equipment	1,730	-	-	-	620	1,110
Sports	2,872	-	-	-	308	2,564
Woodwork	1,001	-	-	-	92	909
Balance at 31 December 2018	156,270	24,514	-	-	42,064	138,720

2018	Cost	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Audio Visual	45,266	37,976	7,290
Camp Equipment	386	386	-
Canteen	823	549	274
Caretaking & cleaning	15,928	3,759	12,169
Classroom equipment	8,876	5,949	2,927
Clothing	8,080	4,571	3,509
Computer Equipment	111,209	98,793	12,416
Furniture & Fittings	106,018	58,341	47,678
Home economics equipment	46	39	7
Leasehold improvements	117,997	81,268	36,729
Library assets	4,763	4,763	-
Library books	49,260	41,834	7,426
Metalwork	3,272	3,218	54
Minor equipment	6,659	3,001	3,658
Office equipment	7,145	6,034	1,110
Sports equipment	3,077	513	2,564
Woodwork	1,844	935	909
Balance as at 31 December 2018	490,649	351,929	138,720

13. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating Creditors	8,570	8,000	52,210
Accruals	2,300	2,300	2,300
Banking staffing overuse	(5,159)	-	(3,658)
Employee Entitlements – salaries	83,972	77,500	81,072
Employee Entitlements – leave accrual	5,024	5,000	5,016
	94,707	92,800	136,940
Payables from Exchange Transactions	94,707	92,800	136,940
Payables from Non-Exchange Transactions – Taxes Payable	-	-	-
Payables from Non-Exchange Transactions - Other	-	-	-
	94,707	92,800	136,940

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual \$	2018 Actual \$
Income from Students	444	2,259
	444	2,259

15. Provision for Cyclical Maintenance

	2019 Actual \$	2018 Actual \$
Provision at the start of the year	119,372	94,372
Increase/(decrease) to the provision during the year	20,667	20,667
Adjustment to Provision	83,747	4,333
Use of the provision during the year	-	-
Provision at the End of the Year	56,292	119,372
Cyclical Maintenance - Current	-	10,000
Cyclical Maintenance - Term	56,292	109,372
	56,292	119,372

The board has a cash management plan to ensure that sufficient cash is available to meet all maintenance obligations as they fall due over the next 10 years. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligations at the balance sheet date. The provision has not been adjusted for inflation and the effect of the time value of money.

16. Finance Lease Liability

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

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
No later than one year	8,114	8,000	3,493
Later than One Year and No Later than Five Years	9,384	8,000	2,906
Later than Five Years	-	-	-
	17,498	16,000	6,399

17. Funds Held for Capital Works Projects

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

		Opening Balances \$	Receipts from MOE \$	Payments \$	BOT Contributi ons \$	Closing Balances \$
2019						
Admin Hall Renovation	<i>In progress</i>	(122,795)	267,201	(66,560)	-	77,846
Totals		(122,795)	267,201	(66,560)	-	77,846
Represented by:						
Funds Held on Behalf of the Ministry of Education						77,846
						77,846
2018						
Admin Hall Renovation	<i>In progress</i>	183,232	481,632	(787,659)	-	(122,795)
Totals		183,232	481,632	(787,659)	-	(122,795)

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.

18. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
Board Members		
Remuneration	5,365	1,975
Full-time equivalent members	1.11	0.08
Leadership Team		
Remuneration	313,846	304,798
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	319,211	306,773
Total full-time equivalent personnel	4.11	3.08

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	130-140	120-130
Benefits and other Emoluments	3-4	-
Termination Benefits	-	-

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
-	-	-
-	-	-

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

19. 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 members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was as follows:

	2019 Actual	2018 Actual
Total Value	-	-
Number of People	-	-

20. 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, 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 reasonable be quantified at 31 December 2019, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

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

- a) Admin Block Project. \$1,904,714 was received by MOE, with \$1,904,714 spent to 31 December 2019.

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following

- (a) operating leases for photocopier, chromebooks and an eft-pos machine

	2019 Actual \$	2018 Actual \$
No later than one year	13,752	15,978
Later than one year and no later than five years	21,263	2,993
	<u>35,015</u>	<u>48,828</u>

22. 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.

23. Financial Instruments

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

	2019 Actual	2019 Budget (unaudited)	2018 Actual
	\$	\$	\$
Cash and Receivables			
Cash and Cash Equivalents	99,664	100,000	96,868
Receivables	86,554	82,500	204,729
Investments – Term Deposits	504,924	360,000	247,433
Total Loans and Receivables	691,142	542,500	549,030
Financial liabilities measured at amortised cost			
Payables	94,707	92,800	136,940
Finance Leases	17,498	16,000	6,399
Total Financial Liabilities Measured as Amortised Cost	112,205	108,800	143,339

24. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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.

25. Funds Received from Bendigo Valley Foundation

Dunedin North Intermediate received \$3,500 from the Bendigo Valley Foundation during the 2019 year (2018: \$3,000).



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF DUNEDIN NORTH INTERMEDIATE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Dunedin North Intermediate (the School). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 4 to 24, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 28 May 2020. 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.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 24 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages accompanying 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.



Mike Hawken
Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand
28 May 2020