

OKAIHAU COLLEGE

Annual Report

For the Year Ended 31 December 2018

Ministry Number: 0007

Principal: Mr Alan Forgie

School Address: 58 Settlers Way, Okaihau

School Postal Address: R D 1, Okaihau 0475

School Phone: 09-4019030

School Email: admin@okaihau-college.school.nz

Members of the Board of Trustees

Name	Position	How position gained	Term Expires
Janet Graham	Chair Person	Re-elected May 2016	May 2019
Alan Forgie	Principal	Appointed Sept 2002	May 2019
Paul Bolton	Parent Rep	Elected May 2016	May 2019
Michelle Harrison	Parent Rep	Re-elected May 2016	May 2019
Mark Clunie	Parent Rep	Elected May 2016	May 2019
Brian Duncley	Staff Rep	Elected February 2018	May 2019

Accountant / Service Provider: S & S Accounting Services

OKAIHAU COLLEGE

Annual Report—For the year ending 31 December 2018

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Okaihau College

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.

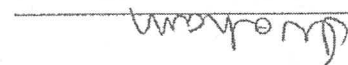
The management (including the Principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

In the opinion of the Board and management, the annual financial statements for the financial year ended 31 December 2018 fairly reflect the financial position and operations of the School.

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

Janet Cudham

Full Name of Board Chairperson



Signature of Board Chairperson

13/5/2019

Date

Thomas Davison

Full Name of Principal



Signature of Principal

13/5/2019

Date

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

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Government Grants	5,568,406	5,077,729	5,452,821
Locally Raised Funds	357,075	448,000	402,809
Interest Earned	32,334	20,000	31,815
	5,957,815	5,545,729	5,887,445
Expenses			
Locally Raised Funds	273,021	284,000	346,390
Learning Resources	3,781,806	3,693,124	3,751,486
Administration	332,031	328,937	304,070
Property	1,275,980	1,031,100	1,114,465
Depreciation	150,082	120,000	139,708
Loss on disposal of Property, Plant and Equipment	14,632	5,000	4,428
	5,827,552	5,462,161	5,660,547
Net Surplus/(Deficit) for the year	130,263	83,568	226,898
Other Comprehensive Revenue and Expenses	0	0	0
Total Comprehensive Revenue and Expense for the Year	130,263	83,568	226,898

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



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

	2018	Budget 2018 (Unaudited)	2017
	\$	\$	\$
Balance at 1 January	1,940,735	1,946,558	1,713,837
Total comprehensive revenue and expense for the year	130,263	83,568	226,898
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	0	0	0
Equity at 31 December	2,070,998	2,030,126	1,940,735
Retained Earnings	2,070,998	2,030,126	1,940,735
Reserves			
Equity at 31 December	2,070,998	2,030,126	1,940,735

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



Statement of Financial Position
As at 31 December 2018

	2018	Budget 2018	2017
	Actual	(Unaudited)	Actual
	\$	\$	\$
Notes			
8	1,151,909	1,155,126	1,491,294
9	340,632	200,000	223,361
10	14,388	0	13,539
11	46,140	50,000	48,030
	227,562	220,000	220,236
	1,780,631	1,625,126	1,996,460
Current Assets			
Cash and cash equivalents			
Accounts receivable			
Prepayments			
Inventories			
Investments			
13	261,361	250,000	256,434
14	20,780	20,000	31,612
14	59,841	20,000	7,875
16	115,910	0	376,561
17	206,031	250,000	281,408
15	35,780	30,000	34,743
	699,703	550,000	988,633
Working Capital Surplus/(Deficit)	1,080,928	1,075,126	1,007,827
Non current Assets			
Property, plant and equipment	1,270,210	1,245,000	1,250,255
12	1,270,210	1,245,000	1,250,255
Non current Liabilities			
Provision for cyclical maintenance	248,196	250,000	270,122
14	248,196	250,000	270,122
15	33,944	40,000	47,225
	280,140	290,000	317,347
Finance Lease Liability			
15	33,944	40,000	47,225
	280,140	290,000	317,347
Net Assets	2,070,998	2,030,126	1,940,735
Equity	2,070,998	2,030,126	1,940,735

Chairperson
Gucham

Principal
[Signature]

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



Cash Flow Statement

For the year ended 31 December 2018

	2018	2017	Note
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Cash flows from Operating Activities			
Government Grants	1,460,331	1,434,230	1,502,081
Locally Raised Funds	368,324	448,000	400,266
Goods and Services Tax (net)	(10,832)	(20,000)	56,052
Payments to Employees	(784,683)	(800,000)	(823,759)
Payments to Suppliers	(744,287)	(800,000)	(793,692)
Interest Received	32,256	20,000	31,630
Net cash from/(to) the Operating Activities	321,109	282,230	372,578
Cash flows from Investing Activities			
Proceeds from Sale of PPE	3,500		3,500
Purchase of PPE	(157,309)	(120,000)	(83,786)
Purchase of Investments	(7,327)	(7,000)	(7,199)
Net cash from/(to) the Investing Activities	(164,636)	(127,000)	(87,485)
Cash flows from Financing Activities			
Furniture and Equipment Grant	0	0	0
Finance Lease Payments	(39,605)	(30,000)	(29,979)
Funds Administered on Behalf of Third Parties	(456,253)	(300,000)	299,672
Net cash from Financing Activities	(495,858)	(330,000)	269,693
Net increase/(decrease) in cash and cash equivalents	(339,385)	(174,770)	554,786
Cash and cash equivalents at the beginning of year	1,491,294	1,491,294	936,508
Cash and cash equivalents at the end of the year	1,151,909	1,316,524	1,491,294

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.



Okaihau College
Notes to the Financial Statements
For the year ended 31 December 2018

1. Statement of Accounting Policies

a) Reporting Entity
Okaihau College (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 the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates and Assumptions

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

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

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

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

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

Recognition of grants
The School reviews the grants monies received at the end of each reporting period and whether any require a provision to 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 to teachers by the Ministry of Education.

Use of land and building grants are recorded 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 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, and other short term highly liquid investments with original maturities of three months 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, 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, for example 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 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 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 prepared in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	10 years
Information and communication technology	5 years
Motor Vehicles	5 – 10 years
Library Resources	12.5% Diminishing value
Leased assets held under a Finance Lease	7 years

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 maintaining software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Income when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. 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 software is amortised on a straight line basis over its estimated useful life of three years. The amortisation charge for each period and any impairment loss is recognised in the Statement of Revenue and Expense.

(m) Impairment of property, plant, and equipment and intangible assets
Okaihau College does not hold any cash generating assets. Assets are considered cash generating where their primary objectives are 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 assets carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an assets fair value costs to sell and value in use.

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

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

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

(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.

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 actual 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.

(p) Funds Held in Trust

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

(q) Shared Funds

Shared Funds are held on behalf of participating schools as agreed with the Ministry of Education. The cluster of schools operate outside of school control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

r) 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 and is based on the Board's 10-year property plan (10YPP).

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

The School's financial liabilities comprise accounts payable, funds held on behalf of the Ministry of Education and GST payable. All of these financial liabilities are categorised as "financial liabilities measured at amortised cost" for accounting purposes in accordance with financial reporting standards.

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

u) Goods and Services Tax (GST)
The financial statements have been prepared exclusive of GST, 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.

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

w) 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.



	2018	Budget 2018 (Unaudited)	2017 Actual
2 Government Grants			
Operational grants	1,255,584	1,246,600	1,246,675
Teachers salaries grants	3,168,160	2,943,500	3,079,647
Use of Land and Buildings grants	906,249	700,000	877,661
Ongoing Resourcing Scheme Funding	96,431	100,000	108,179
Other MOE Grants	28,684	19,016	47,327
Other government grants	113,298	68,613	93,332
3 Locally Raised Funds	5,568,406	5,077,729	5,452,821
Local funds raised within the School's community are made up of:			
Revenue			
Donations	10,274	1,000	13,883
Activities	117,308	182,000	158,812
Trading	130,593	225,000	137,299
Other revenue	98,900	40,000	92,815
Expenses			
Activities	130,530	122,000	173,130
Trading	19,822	162,000	138,373
Other expenses	273,021	284,000	346,390
Surplus for the year Locally raised funds	84,054	164,000	56,419
4 Learning resources			
Curricular	170,434	198,204	198,736
Equipment Repairs	30,859	45,000	15,640
Information and communication technology	21,216	19,500	8,467
Library resources	2,463	5,000	1,516
Employee benefits - salaries	3,539,644	3,405,420	3,508,729
Staff development	17,190	20,000	18,398
5 Administration			
Audit Fee	7,407	7,337	7,337
Board of Trustees Fees	3,185	4,700	4,180
Board of Trustees Expenses	8,496	5,000	1,000
Project Management	17,000	4,000	6,303
Communication	56,163	72,900	51,102
Consumables	31,741	29,000	28,941
Other	190,109	188,000	188,496
Employee Benefits - Salaries	13,196	12,500	12,128
Insurance	4,734	4,500	4,583
Service Providers	332,031	328,937	304,070



6 Property

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	14,445	13,000	12,057
Consultancy and Contract Services	506	0	0
Cyclical Maintenance Expense	39,091	10,000	(54,957)
Grounds	35,165	22,700	20,240
Heat, Light & Water	44,881	52,500	45,195
Rates	13,119	20,000	15,342
Repairs & Maintenance	57,676	49,400	37,732
Use of Land and Buildings	906,249	700,000	877,661
Employee Benefits - Salaries	164,848	163,500	161,195
	1,275,980	1,031,100	1,114,465

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

7 Depreciation of Property, Plant and Equipment

Buildings	25,774	25,000	25,774
Furniture and Equipment	48,117	55,000	49,683
Information and Communication Technology	26,983	30,000	25,475
Motor vehicles	7,085	1,000	3,010
Library resources	3,093	4,000	3,265
Leased Assets	39,030	5,000	32,501
	150,082	120,000	139,708

8 Cash and Cash Equivalents

Cash on Hand	100	100	100
ASB Current Account	272,512	295,026	619,472
ASB Call Account	55,375	60,000	55,168
ASB short-term Deposits	823,922	800,000	816,554
Cash and cash equivalents for Cash Flow Statement	1,151,909	1,155,126	1,491,294

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

Of the \$1151910 Cash and Cash Equivalents \$110783 is held by the school on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan

Of the \$1151910 Cash and Cash Equivalents \$206033 is held by the school on behalf of the Alternative Education cluster. See note 17 for detail

9 Accounts Receivable

Receivables	120,227	20,000	18,546
Interest Receivable	2,200	2,000	2,122
Banking staffing under-use	26,929		
Teacher Salaries Grant receivable	191,276	178,000	202,693
	340,632	200,000	223,361
Receivables from Exchange Transactions	122,427	22,000	20,668
Receivables from Non-Exchange Transactions	218,205	178,000	202,693
	340,632	200,000	223,361



2018
Buildings
Furniture and Equipment
Information and Communication
Motor Vehicles
Leased assets
Library Resources
Balance at 31 December 2018

2018	2017
Buildings	1,126,685
Furniture and Equipment	986,287
Information and Communication	242,142
Motor Vehicles	76,758
Leased assets	157,639
Library Resources	84,046
Balance at 31 December 2018	2,673,557
	(1,403,348)
	1,270,209

2018
Buildings
Furniture and Equipment
Information and Communication
Motor Vehicles
Leased Assets
Library Resources
Balance at 31 December 2018

2018	2017
Buildings	825,012
Furniture and Equipment	222,141
Information and Communication	73,349
Motor Vehicles	30,100
Leased Assets	76,797
Library Resources	22,856
Balance at 31 December 2018	1,250,255
	184,669
	14,633

12 Property, Plant and equipment

Current Asset
Short-term Bank Deposits

227,562	220,000	220,236
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The School's investment activities are classified as follows:

11 Investments

Stationery
School Uniforms
Canteen

2018	2018 (Unaudited)	2017
12,827	10,000	10,179
33,313	40,000	37,851
0	0	0
46,140	50,000	48,030

10 Inventories



The school 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 31 December 2018. Present obligations are identified in the school's current 10-year property plan approved by the Ministry of Education. The provision has not been adjusted for inflation and the effect of the time value of money.

Cyclical Maintenance - Current	59,841	20,000	7,875
Cyclical Maintenance - Term	246,196	250,000	270,122
	306,037	270,000	277,997
Provision at the Start of the Year	277,997	277,997	336,470
Increase/(Decrease) to the Provision During the Year	39,089	10,000	(54,957)
Use of the Provision During the Year	(11,049)	(17,997)	(3,516)
Provision at the end of the year	306,037	270,000	277,997

14 Provision for Cyclical Maintenance

The carrying value of payables approximates their fair value.

Operating Creditors	29,500	10,000	4,594
Banking staffing overuse			14,034
Employee Entitlements - salaries	191,276	210,000	202,693
Employee Entitlements - leave accrual	40,585	30,000	35,113
Payables for exchange transactions	261,361	250,000	256,434
Payments for non-exchange transactions	0	0	0
	261,361	250,000	256,434

13 Accounts Payable

	2018	2018	2017
	Actual	Budget	Actual
		(Unaudited)	
Buildings	1,126,685	(301,673)	825,012
Furniture and Equipment	907,395	(685,253)	222,142
Information and Communication	206,481	(133,133)	73,348
Motor Vehicles	76,758	(46,659)	30,099
Leased Assets	130,278	(53,481)	76,797
Library Resources	84,881	(62,024)	22,857
Balance at 31 December 2017	2,532,478	(1,282,223)	1,250,255
Buildings	850,786	0	825,012
Furniture and Equipment	259,393	15,013	222,141
Information and Communication	69,173	34,047	73,349
Motor Vehicles	2,675	30,435	30,100
Leased Assets	94,320	14,978	76,797
Library Resources	22,779	4,292	22,856
Balance at 31 December 2017	1,299,126	98,765	1,250,255
Opening Balance (NBV)	\$	\$	\$
Additions	\$	\$	\$
Disposals	\$	\$	\$
Depreciation	\$	\$	\$
Total (NBV)	\$	\$	\$

15 Finance lease liability

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

	2018	2018	2017
	Actual	Budget	Actual
No later than one year	35,780	30,000	34,743
Later than one year and no later than five years	33,944	40,000	44,258
Later than five years			2,967
	69,724	70,000	81,968

16 Funds Held for Capital Works Projects

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

	2018			2017		
	Opening Balance	Receipts from MOE	Payments	Opening Balance	Receipts from MOE	Payments
HWC Replacements	20,882	373	21,255	0	13,273	13,273
Gym & Gym storage	240,574	83,234	323,808	20,410	20,410	20,410
Admin Joinery	38,768	1,368	40,136	0	7,831	7,831
Block L Upgrade	76,336	10,984	87,320	0	7,831	7,831
Roofing-2018	0	133,455	5,364	0	32,840	32,840
Maths Block (R Block)	0	22,000	34,179	0	20,410	20,410
In progress	376,560	251,414	512,062	0	13,273	13,273
	376,560	251,414	512,062	0	13,273	13,273

17 Funds held on behalf of Okaihau College Cluster

Okaihau College is the lead school and holds funds on behalf of the Okaihau College cluster, a group of schools funded by the Ministry of Education to provide an alternative education course.

	2018	2018	2017
	Actual	Budget	Actual
Funds Held at Beginning of the Year	281,408	281,408	358,296
Funds Received from the Ministry of Education	352,644	350,000	356,153
Funds Spent on Behalf of the Cluster	123,144	130,000	152,259
Payments to Programme Providers	62,646	65,000	65,011
He Iwi Kotahi Tātou Trust	104,410	70,000	66,546
Impact Northland Trust	137,821	150,000	149,225
Te Kotahitanga E Mahi Kaha Trust			
Funds held at year end	206,031	216,408	281,408

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.



18 Related Party Transactions

The school is an entity controlled by 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 conditions 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.

19 Remuneration

Key management personnel compensation of the School include all trustees of the Board, Principal and Deputy Principals

	2018	2017
	Actual	Actual
	\$	\$
Board members		
Remuneration	3,185	4,180
Full-time equivalent members	0.25	0.25
Leadership team		
Remuneration	398,157	362,471
Full-time equivalent members	3	3
Total key management personnel remuneration	401,342	366,651
Total full-time equivalent personnel	3.25	3.25

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 is in the following bands:

Salaries and other short term employee benefits:	\$000	\$000
Salary and other payments	160-170	160-170
Benefits and other emolument	20-30	10-20
Termination benefits		

Other Employees

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

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

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

20 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018. (Contingent liabilities and assets as at 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 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.

21 Commitments

(a) Capital Commitments

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

(a) \$117685 contract to have roofing replaced as agent for the Ministry of Education. This project is fully funded by the Ministry of Education. \$133455 has been received of which \$5364 has been spent on the project to date.

(Capital commitments at 31 December 2017: \$388099.)

(b) Operating Commitment

As at 31 December 2018 the Board has the following operating commitments:

	2018	2017
(a) Operating leases for laptop computers	\$ 0	\$ 668
No later than one year	0	0
Later than one year and no later than five years	0	0
Later than five years	0	0
	<u>0</u>	<u>668</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 or ensuing years.

23 Financial Instruments

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

Loans and Receivables	2018	2,018	2017
Actual	Budget	(Unaudited)	Actual
Cash and Cash Equivalents	1,151,909	1,155,126	1,491,294
Receivables	340,632	200,000	223,361
Investments - Term Deposits	227,562	220,000	220,236
Total Loans and Receivables	<u>1,720,103</u>	<u>1,575,126</u>	<u>1,934,891</u>
Financial liabilities measured at amortised cost			
Payables	261,361	250,000	256,434
Borrowings - Loans	0	0	0
Finance Leases	69,724	70,000	81,968
Total Financial Liabilities Measured at Amortised Cost	<u>331,085</u>	<u>320,000</u>	<u>338,402</u>

24 Events After Balance Date

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



Okaihau College Annual Plan 2018

Strategic goal	AREA FOR IMPROVEMENT	TARGET	MEASURE	RESULT/COMMENT
1	Reporting in years 7-10	All departments ready to report using curriculum levels by 2019	Departmental markbooks	Achieved-2019 annual targets will be more student focussed
1	Plan for accelerating Maori students for 2019	All departments to have a plan for accelerating Maori student achievement by 2019	Departmental schemes, unit plans, assessment schedules, course construction	Mainly achieved. Most departments have altered courses to benefit student achievement. Departments will be working with the concept of Maori Ora and the strategies it brings for 2019. Much clearer actions for students at risk of not achieving. Processes around tracking and actions for at risk students clarified
2	Community engagement	Organise 1 event to engage with community in term 3-4 2018	Event organised	Achieved. Staff organised activity days for students. Not many whanau attended, to be built on for 2019.
3	Staff cross curricular collaboration	Have a cross-curricular trial ready for 2019	Cross curricular unit of work ready for trial in 2019	Not achieved. Will look to complete this in 2019 through focus on Maori Ora
3	Staff professional relationships	Organise staff events for terms 3-4	Staff social events organised in terms 3-4	Partly achieved. No sport/activities organised for Fridays. End of year "do" organised by PLC3. good staff feedback.

Date: March 2018	
School name: Okalhau College	School number: 007
NAGZA (b)(i) Areas of strength-math	

Date: March 2018	
School name: Okalhau College	School number: 007
NAGZA (b)(i) Areas of strength-reading	
<p>While the vast majority of students come in to Okalhau College below or well below expectations, by the end of year 8 students show a good level of growth in both reading and writing, but particularly in reading. By the end of year 8, this cohort have progressed to the point that 95% are at or above expectations for reading. In writing, the progress has not been as accelerated but still, progress has been made for the majority of students</p>	
NAGZA (b)(i) Areas for improvement-writing	
<p>While over half of the year 8 cohort are below or well below expectations (63%), changes have been made to the programme, particularly the pedagogy of writing in year 7 and 8. The students are making progress but we need more accelerated growth in this area. Boys still lag behind girls in achievement</p>	
NAGZA (b)(ii) Basis for identifying areas for improvement	
<p>School-wide testing using Eastle and PAT showed that while progress is being made by most students, there needs to be further acceleration of this growth for students to catch up to national expectations by the time they get to</p>	
NAGZA (b)(iii) Planned actions for lifting achievement	
<p>Targeted teaching of writing skills. Particular focus on paragraphs. Clear backmapping of programmes from requirements at Level 3 NCEA. Modification of programmes to reflect this. Targeting interventions (literacy extension) for students in year 7 and 8.</p>	
NAGZA (b)(iv) progress statement-reading, writing	
<p>Students showing growth, particularly in reading. Across the year 8 cohort there has been significant progress in reading (95% at or above national expectations). While writing lagged behind this progress, there has still been some improvement for our year 8 students over 2 years.</p>	

<p>The 2 year plan is beginning to have a positive impact on math achievement. Student voice is positive about having longer to focus on different areas of need. Our cohort still come in with over 90% below or well below national expectations however.</p>
<p>NAG2A (b)(i) Areas for improvement-math</p>
<p>The rate of acceleration need to be increased. While we are making some improvements, students are not making enough progress. End of year 8 2018, 82% of students were still below or well below. Staffing changes meant math extension was not offered for much of 2018.</p>
<p>NAG2A (b)(ii) Basis for identifying areas for improvement</p>
<p>School-wide and department testing using eASTle and IKAN.</p>
<p>NAG2A (b)(iii) Planned actions for lifting achievement</p>
<p>Continuation of 2-year planning cycles for year 7-10. Professional development for staff around culturally responsive and relational pedagogy (Mauri Ora) with Poutama Pounamu. Full time literacy/numeracy support teacher employed for 2019. Possibility of also working with Prof. Bobby Hunter in 2019.</p>
<p>NAG2A (b)(iv) progress statement-math</p>
<p>Some progress is being made for math achievement. This needs to be accelerated further. Although the number of students working at low CL3 or below was reduced from 52% to 29% in 2018 at year 8, there is still work to be done in this learning area.</p>

KiwiSport is a Government funded initiative to support student's participation in organized sport.

In 2018 the school received total KiwiSport funding of \$8,991.43 which is utilized to support a Sports Co-Ordinator for 30 hours per week.

Teams and individuals competed in 20 sports in local and regional competitions winning numerous championship titles.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF OKAIHAU COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

The Auditor-General is the auditor of Okaihau College (the School). The Auditor-General has appointed me, Stewart Russell, using the staff and resources of PKF Francis Aickin Ltd, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting.

Our audit was completed on 13 May 2018. 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.

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Directors: Dale Adamson, CA; Eddie Aickin, BCom, CA; Stewart Russell, CA

PKF Francis Aickin Limited is a member firm of the PKF International Limited and PKF New Zealand Limited family of legally independent firms and does not accept any responsibility or liability for the actions or reactions on the part of any other individual member or correspondent firm or firms.

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.

Stewart Russell
PKF Francis Aickin Ltd
On behalf of the Auditor-General
Kaitiaki, New Zealand



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

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.

Independence

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.

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.

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, National Standards, and Kiwi Sport Statement, but does not include the financial statements, and our auditor's report thereon.

Other information

Our responsibilities arise from the Public Audit Act 2001.

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.

- 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 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.

However, future events or conditions may cause the School to cease to continue as a going concern.

Accountants &
business advisers

