MAHANA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Ministry Number:	3201
Principal:	Paul Shand
School Address:	15 Mahana School Road, RD1 Upper Moutere, Nelson 7173
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MAHANA SCHOOL

Annual Report - For the year ended 31 December 2020

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MAHANA SCHOOL

Statement of Responsibility
For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

TAMMY PEGG	PAUL BRYAN SHAND
Full Name of Board Chairperson	Full Name of Principal
Signature of Board Chairperson	Signature of Principal
31/5/21	31/5/21
Date:	Date:

MAHANA SCHOOL

Statement of Responsibility
For the year ended 31 December 2020

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Full Name of Board Chairperson	Full Name of Principal
Signature of Board Chairperson	Signature of Principal
Date:	Date:

MAHANA SCHOOL

Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue				
Government Grants	2	644,290	594,227	616,089
Locally Raised Funds	3	21,190	17,950	21,000
Interest income		1,820	1,300	2,773
		667,300	613,477	639,862
Expenses				
Locally Raised Funds	3	10,976	9,800	12,355
Learning Resources	4	406,564	369,350	360,153
Administration	5	56,329	55,500	50,196
Finance		298	-	488
Property	6	191,220	185,260	177,556
Depreciation	7	19,501	22,000	21,420
Loss on Disposal of Property, Plant and Equipment		-	-	465
		684,888	641,910	622,633
Net Surplus / (Deficit) for the year		(17,588)	(28,433)	17,229
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		(17,588)	(28,433)	17,229

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

MAHANA SCHOOL

Statement of Changes in Net Assets/Equity
For the year ended 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Balance at 1 January		168,609	168,609	149,706
Total comprehensive revenue and expense for the year		(17,588)	(28,433)	17,229
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	1,674
Equity at 31 December		151,021	140,176	168,609
Retained Earnings		151,021	140,176	168,609
Reserves		-	-	-
Equity at 31 December		151,021	140,176	168,609

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

MAHANA SCHOOL

Statement of Financial Position
As at 31 December 2020

	Notes	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Assets				
Cash and Cash Equivalents	8	164,845	70,335	186,631
Accounts Receivable	9	25,399	25,300	52,301
Prepayments		3,142	3,000	2,847
Inventories	10	2,486	2,000	2,180
Investments	11	80,667	80,000	78,687
		276,539	180,635	322,646
Current Liabilities				
GST Payable		12,424	20,000	19,799
Accounts Payable	13	33,067	37,000	38,010
Provision for Cyclical Maintenance	14	11,202	45,759	40,388
Finance Lease Liability - Current Portion	15	7,416	7,000	7,049
Funds held for Capital Works Projects	16	102,483	-	134,669
		166,592	109,759	239,915
Working Capital Surplus/(Deficit)		109,947	70,876	82,731
Non-current Assets				
Property, Plant and Equipment	12	87,902	85,000	101,964
		87,902	85,000	101,964
Non-current Liabilities				
Provision for Cyclical Maintenance	14	39,768	5,200	5,211
Finance Lease Liability	15	7,060	10,500	10,874
		46,828	15,700	16,085
Net Assets		151,021	140,176	168,610
Equity		151,021	140,176	168,609

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

MAHANA SCHOOL
Statement of Cash Flows
For the year ended 31 December 2020

	Note	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash flows from Operating Activities				
Government Grants		183,678	166,279	106,453
Locally Raised Funds		21,190	17,950	21,000
Goods and Services Tax (net)		(7,375)	201	13,127
Payments to Employees		(82,970)	(69,329)	(31,764)
Payments to Suppliers		(94,983)	(91,267)	(81,063)
Interest Paid		(298)	-	-
Interest Received		2,024	1,311	2,816
Net cash from Operating Activities		21,266	25,145	30,569
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	(466)
Purchase of PPE (and Intangibles)		(1,203)	(5,036)	(812)
Purchase of Investments		(1,980)	(1,313)	(2,490)
Net cash from Investing Activities		(3,183)	(6,349)	(3,769)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	1,674
Finance Lease Payments		(7,683)	(423)	(7,963)
Funds Held for Capital Works Projects		(32,186)	(134,669)	61,687
Net cash from Financing Activities		(39,869)	(135,092)	55,398
Net increase/(decrease) in cash and cash equivalents		(21,786)	(116,296)	82,198
Cash and cash equivalents at the beginning of the year	8	186,631	186,631	104,432
Cash and cash equivalents at the end of the year	8	164,845	70,335	186,631

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 excluded.

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

MAHANA SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity
Mahana School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. 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 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as “having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders”.

Standard early adopted

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.

1. Statement of Accounting Policies

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

Cyclical Maintenance
A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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

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

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

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.

1. Statement of Accounting Policies

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, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable
Short-term receivables are recorded at the amount due, less an allowance for credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

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

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

1. Statement of Accounting Policies

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.

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

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

The estimated useful lives of the assets are:

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

1. Statement of Accounting Policies

l) Intangible Assets
Software costs
Computer software acquired by the School are 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 a material amount. It's 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 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 held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

BDO Christchurch

1. Statement of Accounting Policies

Long-term employee entitlements
Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

• likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and

• the present value of the estimated future cash flows.

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

q) Financial Instruments
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 'financial assets measured at amortised cost' for accounting purposes in accordance with financial reporting standards.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

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

2. Government Grants

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operational Grants	125,590	138,227	126,566
Teachers' Salaries Grants	356,171	325,000	355,459
Use of Land and Buildings Grants	131,493	130,000	127,125
Other MoE Grants	31,036	1,000	6,939
	644,290	594,227	616,089

Other MOE Grants total includes additional COVID-19 funding totalling $21,500 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Revenue			
Donations	12,230	8,500	8,144
Activities	5,599	6,600	10,421
Trading	3,361	2,850	2,435
	21,190	17,950	21,000
Expenses			
Activities	7,845	7,000	9,886
Trading	3,131	2,800	2,469
	10,976	9,800	12,355
Surplus/ (Deficit) for the year Locally raised funds	10,214	8,150	8,645

4. Learning Resources

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Curricular	8,278	9,500	7,407
Library Resources	701	800	758
Employee Benefits - Salaries	394,064	354,800	348,773
Staff Development	3,521	4,250	3,215
	406,564	369,350	360,153

MAHANA SCHOOL
Notes to the Financial Statements
For the year ended 31 December 2020

5. Administration

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Audit Fee	3,026	4,000	1,936
Board of Trustees Fees	2,615	4,000	3,530
Board of Trustees Expenses	4,194	4,600	3,437
Communication	1,288	1,250	1,358
Consumables	1,010	1,300	1,420
Other	5,494	4,350	5,180
Employee Benefits - Salaries	32,582	30,000	29,357
Insurance	2,320	2,500	378
Service Providers, Contractors and Consultancy	3,800	3,500	3,600
	56,329	55,500	50,196

6. Property

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Caretaking and Cleaning Consumables	807	750	783
Consultancy and Contract Services	18,711	17,000	13,618
Cyclical Maintenance Provision	5,371	5,360	6,957
Grounds	7,556	9,750	5,410
Heat, Light and Water	5,915	8,150	5,623
Repairs and Maintenance	7,781	4,000	6,989
Use of Land and Buildings	131,493	130,000	127,125
Security	722	750	1,440
Employee Benefits - Salaries	12,864	9,500	9,611
	191,220	185,260	177,556

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

7. Depreciation

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Building Improvements - Crown	1,464	1,500	1,465
Furniture and Equipment	7,449	7,500	7,415
Information and Communication Technology	2,911	4,500	4,456
Leased Assets	7,601	8,000	7,929
Library Resources	76	500	155
	19,501	22,000	21,420

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8. Cash and Cash Equivalents

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Bank Current Account	122,094	70,335	186,363
Bank Call Account	42,751	-	268
Cash and cash equivalents for Cash Flow Statement	164,845	70,335	186,631

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

Of the $164,845 Cash and Cash Equivalents, $102,483 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Interest Receivable	107	300	311
Banking Staffing Underuse	-	-	27,052
Teacher Salaries Grant Receivable	25,292	25,000	24,938
	25,399	25,300	52,301
Receivables from Exchange Transactions	107	300	311
Receivables from Non-Exchange Transactions	25,292	25,000	51,990
	25,399	25,300	52,301

10. Inventories

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Stationery	1,913	2,000	1,720
School Uniforms	573	-	460
	2,486	2,000	2,180

11. Investments

The School's investment activities are classified as follows:

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Current Asset			
Short-term Bank Deposits	80,667	80,000	78,687
Total Investments	80,667	80,000	78,687

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MAHANA SCHOOL

Notes to the Financial Statements

For the year ended 31 December 2020

12. Property, Plant and Equipment

2020	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	42,684	-	-	-	(1,464)	41,219
Furniture and Equipment	35,940	-	-	-	(7,449)	28,491
Information and Communication Technology	4,468	1,076	-		(2,911)	2,634
Leased Assets	17,787	4,236	-	-	(7,601)	14,422
Library Resources	1,085	127	-	-	(76)	1,136
Balance at 31 December 2020	101,964	5,439	-	-	(19,501)	87,902

The net carrying value of equipment held under a finance lease is $14,422 (2019: $17,787).

2020	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Building Improvements	69,322	(28,103)	41,219
Furniture and Equipment	118,550	(90,059)	28,491
Information and Communication Technology	39,420	(36,787)	2,634
Leased Assets	41,556	(27,134)	14,422
Library Resources	46,345	(45,208)	1,136
Balance at 31 December 2020	315,193	(227,291)	87,902

2019	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Building Improvements	44,149	-	-	-	(1,465)	42,684
Furniture and Equipment	42,078	1,277	-	-	(7,415)	35,940
Information and Communication Technology	9,389	361	(826)	-	(4,456)	4,468
Leased Assets	25,715	-	-	-	(7,929)	17,787
Library Resources	1,240	-	-	-	(155)	1,085
Balance at 31 December 2019	122,571	1,638	(826)	-	(21,420)	101,964

2019	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Building Improvements	69,322	(26,639)	42,684
Furniture and Equipment	118,550	(82,610)	35,940
Information and Communication Technology	38,344	(33,876)	4,468
Leased Assets	37,320	(19,533)	17,787
Library Resources	46,217	(45,132)	1,085
Balance at 31 December 2019	309,753	(207,790)	101,964

BDO Christchurch

13. Accounts Payable

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Operating Creditors	4,601	8,250	9,355
Accruals	2,026	3,000	2,938
Employee Entitlements - Salaries	25,292	25,000	24,938
Employee Entitlements - Leave Accrual	1,148	750	779
	33,067	37,000	38,010
Payables for Exchange Transactions	33,067	37,000	38,010
	33,067	37,000	38,010

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Provision at the Start of the Year	45,599	45,599	38,642
Increase/ (decrease) to the Provision During the Year	5,371	5,360	6,957
Provision at the End of the Year	50,970	50,959	45,599
Cyclical Maintenance - Current	11,202	45,759	40,388
Cyclical Maintenance - Term	39,768	5,200	5,211
	50,970	50,959	45,599

15. Finance Lease Liability

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

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
No Later than One Year	7,416	7,000	7,049
Later than One Year and no Later than Five Years	7,060	10,500	10,874
	14,476	17,500	17,923

BDO Christchurch

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:

2020		Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions $	Closing Balances $
LSC Project	*in progress*	-	71,701	(185)	-	71,516
Pool Pump Project	*completed*	3,970	2,624	(6,594)	-	-
Septic System Upgrade	*completed*	130,699	1,186	(131,885)	-	-
Siter Project	*in progress*	-	45,000	(14,033)	-	30,967
Totals		134,669	120,511	(152,697)	-	102,483

Represented by:

Funds Held on Behalf of the Ministry of Education	102,483
Funds Due from the Ministry of Education	-
	102,483

2019		Opening Balances $	Receipts from MoE $	Payments $	BOT Contributions $	Closing Balances $
Kotuku Upgrade	*completed*	72,982	5,631	(78,613)	-	-
Pool Pump Project	*in progress*	-	12,902	(8,932)	-	3,970
Septic System Upgrade	*in progress*	-	147,106	(16,407)	-	130,699
Totals		72,982	165,639	(103,952)	-	134,669

17. 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 Heads of Departments.

	2020 Actual $	2019 Actual $
Board Members		
Remuneration	2,615	4,000
Full-time equivalent members	0.10	0.30
Leadership Team		
Remuneration	199,044	173,308
Full-time equivalent members	2.00	1.81
Total key management personnel remuneration	201,659	177,308
Total full-time equivalent personnel	2.10	2.11

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:

Salaries and Other Short-term Employee Benefits:	2020 Actual $000	2019 Actual $000
Salary and Other Payments	100 - 110	70 - 80
Benefits and Other Emoluments	3 - 4	2 - 3

Other Employees
There were no other employees with remuneration greater than $100,000 (2019: nil).

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

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

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20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.
(a) $79,667 contract to create an LSC space to be completed in 2021, which will be fully funded by the Ministry of Education. $71,701 has been received of which $185 has been spent on the project to date; and
(b) $50,000 contract for bike track and exercise equipment to be completed in 2021. This project is fully funded by the Ministry. $45,000 has been received of which $14,033 has been spent on the project to balance date.
(Capital commitments at 31 December 2019: $176,353).

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any contracts.

(Operating commitments at 31 December 2019: $nil)

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.

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23. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual $	2020 Budget (Unaudited) $	2019 Actual $
Cash and Cash Equivalents	164,845	70,335	186,631
Receivables	25,399	25,300	52,301
Investments - Term Deposits	80,667	80,000	78,687
Total Financial assets measured at amortised cost	270,911	175,635	317,619
Financial liabilities measured at amortised cost			
Payables	33,067	37,000	38,010
Finance Leases	14,476	17,500	17,923
Total Financial Liabilities Measured at Amortised Cost	47,543	54,500	55,933

24. Events After Balance Date

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

BDO Christchurch

MAHANA SCHOOL

Members of the Board of Trustees

For the year ended 31 December 2020

Name	Position	How position on Board gained	Occupation	Term expired/expires
Tammy Pegg	Chairperson	Elected		May 2022
Paul Shand	Principal		Principal	
Jenny Robinson	Staff Rep	Elected		May 2022
Tricia Cuthertson	Parent Rep	Elected		May 2022
Mel Babe	Parent Rep	Elected		May 2022
Ian Benbow	Parent Rep	Elected		May 2022
Jane Durry	Parent Rep	Elected		May 2022
Cathie Gould	Parent Rep	Elected		May 2022

MAHANA SCHOOL

Kiwisport Funding

For the year ended 31 December 2020

Kiwisport is a Government funding initiative to support sport for school aged children.

In 2020 the School received Kiwi Sport funding of $719 (2019: $950).

Kiwisport funding was used to fund the No Child Left Inside Programme and the purchase of sporting equipment. The whole school participated in the NCLI Programme and organised sport.

MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Analysis of Variance Reporting 2020

School Name:	Mahana School	School Number:	3201

Strategic Aims:	To improve learning outcomes in mathematics for all students. To improve engagement in mathematics for all our students.
Annual Aims:	Improve achievement in maths for all students, particularly Māori, and children with special needs. Improve confidence in maths by at least one score using a 1-4 scale.
Target:	By November 2020; To have all students 'below' achieving 'at' their expected level in mathematics by the end of the year. To have all students 'well below' in maths to progress at least one maths stage by the end of the year. To improve confidence in maths by at least one score using a 1-4 scale.
Baseline Data:	**Achievement** Overall Teacher Judgement placed student achievement in Maths as: 2018; 24% Below, 5% Well Below. 2019; 24% Below, 10% Well Below. From 2018 to 2019 the percentage of students 'Below' stayed the same and the percentage deemed 'Well Below' doubled. 34% of all students were assessed as 'Below or Well Below'. **Engagement/Confidence**

Maths Confidence Score / Year	T1 2020	T1 by Gender	**T4 2020 target**
1 Low	5%	M=0% F=8%	0%
2 Not Great	5%	M=11% F=0%	0%
3 OK	51%	M=44% F=52%	10%
4 High	39%	M=44% F=40%	90%

Students selected from a 1-4 scale to rate confidence in maths with 1 low and 4 high; 5% rated 1, 5% rate 2, 51% rated 3 and 39% rated 4.

Progress and Achievement

Maths Achievement Term 3 2020

Term 3 2020		MATHS (# and %)			
	Student #	Well Below	Below	At	Above
Total	48	3	8	33	4
Percent		6%	17%	69%	8%
Assessment Grouping		23%		77%	
Maori	2	0, 0%	0, 0%	2, 100%	0%
Paclfic	2	0, 0%	0, 0%	2, 100%	0%
Male	20	2, 10%	4, 20%	11, 55%	3, 15%
Female	28	1, 4%	4, 14%	22, 79%	1, 4%

Maths Achievement Shift Summary T1 to T3

Maths 'Well Below and Below' T1 to T3 dropped from **34% to 23%**

Maths 'At and Above' T1 to T3 increased from **66% to 77%**

Engagement/Confidence

Maths Confidence Survey 2020: Using 1-4 scale to rate confidence in maths with 1 Low, 2 Not Great, 3 OK, and 4 High

Term 1 (44 students)		Term 4 (41)		Improvement	2020 Target
Score	*% of students*	*Score*	% of students		
1 =	*5%*	1	0%	Down 5%	0%
2 =	*5%*	2	2%	Down 3%	0%
3 =	*51%*	3	39%	Down 12%	10%
4 =	*39%*	4	59%	Up 20%	90%
T1 Score of 1 or 2 = 10%		T4 Score of 1 or 2 = 2%		Decrease of 8%	
T1 Score of 3 or 4 = 90%		T4 Score of 3 or 4 = 98%		Increase of 8%	

Students' perceived confidence in maths, (a score of 3 or 4), increased from 90% in T1 to 98% in T3. Scores of 1 and 2, (low confidence), decreased from 10% T1 to 2% in T3. While we must consider the reliability of the survey, these results were pleasing as each score from 1 to 3 decreased and the total scoring 4 increased reflecting increased confidence at all levels.

Actions *What did we do?*	Outcomes *What happened?*	Reasons for the variance *Why did it happen?*	Evaluation *Where to next?*
• Applied for PLD through the Ministry to provide focus, time and resourcing to our strategic goals. This was successful. • Summative assessments in February aTTle & GloSS tests • Identification of 'focus' students group within each class • Kept maths as a priority area • Make learning more 'visible' or clear to students by providing examples of learning progressions and/or goals • Attempted to allow students multiple & regular opportunities to work things out as opposed to showing them • Using seesaw as a tool for students to communicate their learning with home • Gathered student voice • Reflecting on lessons	• In November 2020 assessment showed the percentage of students 'Well Below and Below' dropped from 34% in Term 1 to 23% in Term 3. Those 'At and Above rose from 66% in Term 1 to 77% in Term 3. • By the end of the year, 3 students remained well below, (was 5), 8 were 'below' (was 12), 33 were 'at' (was 29) and 4 remained 'above as they were in T1). • Teachers feel they have developed confidence in their practice to provide quality maths conversations • Students' voice shows more positive attitudes & confidence towards maths with 98% feeling OK or Great, (up 8%). • PLD has begun with Cognition Education looking at learning progressions and how to make these more visual and clear.	• Prioritising maths and specifically the focus on the target students • Developing quality maths conversations and sharing learning • Collaboration amongst staff with maths goals and practice	• Continue our PLD with Cognition Education including observing modelled lessons and developing rich tasks • Share with our community our intended direction and methods of teaching and learning in maths • Apply for more MOE funding to continue with our PLD with Cognition Education and Louise as it it clear change and sustainability takes time • Funding / resourcing identified and allocated for effective specific maths professional development • Observe & discuss with other schools with effective classroom maths practice • Continue to use Impact Coaching to reflect on teaching practice and our Kahui Ako commitments • Timeline our commitments to 'must dos' to develop our understanding and use of identified effective practice and develop sustainability

Planning for next year:
• Apply for continued MOE funding for further PLD with Cognition Education once this round is complete • The BOT will prioritise release as required for all staff needing to attend professional learning development. Maths will be a specific area of learning focus in 2021 to develop understanding of PLD, identify effective practice and impact coaching that will remain a focus • School Wide Learning Progressions in Maths are to be established across Year levels to be used across classrooms • Continue our involvement with Kahui Ako goals and collaboration • Focus area(s) of the Relationship Based Learning Profile (RBLP) to be identified to develop improved understanding and practice • Impact Coaching to be used as a reflective tool for teachers to monitor their development of teaching using the RBL profile • Regular staff monitoring meetings around focus students and effectiveness of strategies/practice • GPILSEO model used to track the effectiveness of strategies

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MAHANA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Mahana School (the School). The Auditor-General has appointed me, Michael Rondel, using the staff and resources of BDO Christchurch, 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 20, that comprise the statement of financial position as at 31 December 2020, 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 2020; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 31 May 2021. 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 and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 21 to 27, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International 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.

Michael Rondel
BDO Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand