

BELLEVUE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 2806
Principal: Karen Hardie
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School Postal Address: 12 Bancroft Terrace, Newlands, Wellington
School Phone: 04 487 7037
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Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Kelvin Russell	Chair Person	Elected	Consultant	Jun-22
Karen Hardie	Principal	Ex Officio	Principal	Jun-22
Mandy MacKay	Secretary	Elected	Senior Analyst	Jun-22
Matthew Lange	Treasurer	Elected	Deputy Registrar	Jun-22
Ian Dickson	Property	Elected	Building Compliance Officer	Jun-22
Feta Laulau	Board Member	Elected	Maintenance Contractor	Jun-22
Avi Jayasekara	Staff Rep	Elected	Staff	Dec-19

Accountant / Service Provider: Miles Group

BELLEVUE SCHOOL

Annual Report - For the year ended 31 December 2019

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Bellevue School

Statement of Responsibility

For the year ended 31 December 2019


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

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

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

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

Kelvin-James Russell
Full Name of Board Chairperson


Signature of Board Chairperson

3/06/2020
Date:

Karen Hardie
Full Name of Principal


Signature of Principal

3 June 2020
Date:

Bellevue School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	2,391,255	4,877,085	2,245,706
Locally Raised Funds	3	143,824	127,000	116,545
Interest Income		18,756	14,000	19,118
International Students	4	1,957	9,000	13,870
		<u>2,555,792</u>	<u>5,027,085</u>	<u>2,395,239</u>
Expenses				
Locally Raised Funds	3	47,404	37,000	48,784
International Students	4	84	-	168
Learning Resources	5	1,837,490	4,322,420	1,615,986
Administration	6	143,567	124,500	139,706
Finance		2,938	2,100	3,365
Property	7	450,404	469,449	451,745
Depreciation	8	81,120	84,234	83,512
		<u>2,563,007</u>	<u>5,039,703</u>	<u>2,343,266</u>
Net Surplus / (Deficit) for the year		(7,215)	(12,618)	51,973
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(7,215)</u>	<u>(12,618)</u>	<u>51,973</u>

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

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

Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	<u>992,593</u>	<u>926,647</u>	<u>926,648</u>
Total comprehensive revenue and expense for the year	(7,215)	(12,618)	51,973
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	5,659	1,174	13,972
Equity at 31 December	<u>991,037</u>	<u>915,203</u>	<u>992,593</u>
Retained Earnings	991,037	915,203	992,593
Equity at 31 December	<u>991,037</u>	<u>915,203</u>	<u>992,593</u>

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.

Bellevue School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	9	320,764	383,907	215,271
Accounts Receivable	10	143,500	71,000	74,305
Prepayments		-	4,000	4,748
Inventories	11	1,375	1,800	2,271
Investments	12	436,273	400,000	422,568
		<u>901,912</u>	<u>860,707</u>	<u>719,163</u>
Current Liabilities				
GST Payable		29,076	(800)	(634)
Accounts Payable	14	167,770	64,500	97,624
Revenue Received in Advance	15	-	15,000	1,957
Provision for Cyclical Maintenance	16	27,699	27,000	21,600
Finance Lease Liability - Current Portion	17	18,281	8,000	9,081
Funds held in Trust	18	32,288	(23,100)	14,897
Funds held for Capital Works Projects	19	5,558	-	(2,809)
Funds for RTLB services	20	133,866	240,726	-
		<u>414,538</u>	<u>331,326</u>	<u>141,716</u>
Working Capital Surplus/(Deficit)		487,374	529,381	577,447
Non-current Assets				
Property, Plant and Equipment	13	537,471	414,822	444,810
		<u>537,471</u>	<u>414,822</u>	<u>444,810</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	16	15,375	25,000	25,630
Finance Lease Liability	17	18,433	4,000	4,034
		<u>33,808</u>	<u>29,000</u>	<u>29,664</u>
Net Assets		<u><u>991,037</u></u>	<u><u>915,203</u></u>	<u><u>992,593</u></u>
Equity		<u><u>991,037</u></u>	<u><u>915,203</u></u>	<u><u>992,593</u></u>

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

Bellevue School
Statement of Cash Flows
For the year ended 31 December 2019

	2019	2019	2018
Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants			
Locally Raised Funds	522,368	1,008,056	526,047
International Students	136,734	144,000	101,381
Goods and Services Tax (net)	1,957	9,000	13,870
Payments to Employees	29,708	(800)	10,595
Payments to Suppliers	(136,041)	(314,759)	(258,192)
Cyclical Maintenance Payments in the year	(466,607)	(419,493)	(278,958)
Interest Paid	-	(75,000)	(5,302)
Interest Received	(2,938)	(2,100)	(3,363)
	18,914	13,000	19,139
Net cash from Operating Activities	<u>104,095</u>	<u>361,904</u>	<u>125,217</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	3,257	-	5,000
Purchase of PPE (and Intangibles)	(135,884)	(155,701)	(43,084)
Purchase of Investments	(13,705)	(262,456)	(14,573)
Proceeds from Sale of Investments	-	60,000	-
Net cash from Investing Activities	<u>(146,332)</u>	<u>(358,157)</u>	<u>(52,657)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	5,659	1,174	-
Finance Lease Payments	(14,744)	(37,354)	(9,326)
Painting contract payments	-	(61,000)	(9,138)
Funds Administered on Behalf of Third Parties	151,256	217,625	14,897
Funds Held for Capital Works Projects	5,559	-	(4,017)
Net cash from Financing Activities	<u>147,730</u>	<u>120,445</u>	<u>(7,584)</u>
Net increase/(decrease) in cash and cash equivalents	<u>105,493</u>	<u>124,192</u>	<u>64,976</u>
Cash and cash equivalents at the beginning of the year	9 215,271	259,715	150,295
Cash and cash equivalents at the end of the year	<u>9 320,764</u>	<u>383,907</u>	<u>215,271</u>

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..

Bellevue School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Bellevue School is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

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 13.

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.

For Non-integrated schools only:

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

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

Interest Revenue earned on cash and cash equivalents and investments is recorded as revenue in the period it is earned.

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

f) Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, 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. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

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.

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
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

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, annual leave earned to but not yet taken at balance date.

p) Revenue Received in Advance

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

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

q) 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.

r) Shared Funds

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

s) 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).

t) Financial Assets and Liabilities

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

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

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

u) Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. 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 balance date.

Grants determined by the Minister of Education for operational activities includes all items (core components) included in the Operational Funding notice.

Borrowings include but not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

v) 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.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	452,733	431,409	424,789
Teachers' Salaries Grants	1,511,247	4,043,160	1,373,454
Use of Land and Buildings Grants	332,516	332,516	346,205
Other Government Grants	94,759	70,000	101,258
	2,391,255	4,877,085	2,245,706

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	30,911	29,000	28,325
Activities	20,142	15,000	13,692
Trading	11,276	12,000	7,085
Fundraising	18,449	20,000	15,445
Other Revenue	63,046	51,000	51,998
	143,824	127,000	116,545
Expenses			
Activities	34,543	12,000	25,483
Trading	3,531	13,000	8,216
Fundraising (Costs of Raising Funds)	9,330	12,000	15,085
	47,404	37,000	48,784
	96,420	90,000	67,761

Surplus/ (Deficit) for the year Locally raised funds

4. International Student Revenue and Expenses

	2019 Actual Number	2019 Budget (Unaudited) Number	2018 Actual Number
International Student Roll	1	2	1

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
International Student Fees	1,957	9,000	13,870
Expenses			
International Student Levy	84	-	168
	84	-	168
	1,873	9,000	13,702

Surplus/ (Deficit) for the year International Students'

5. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	255,575	209,760	205,990
Information and Communication Technology	29,640	39,500	24,315
Library Resources	3,883	5,000	4,051
Employee Benefits - Salaries	1,511,248	4,043,160	1,368,937
Staff Development	37,144	25,000	12,693
	<u>1,837,490</u>	<u>4,322,420</u>	<u>1,615,986</u>

6. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	7,200	7,200	6,398
Board of Trustees Fees	3,006	3,000	3,051
Board of Trustees Expenses	2,186	2,000	887
Communication	1,412	2,000	1,624
Consumables	15,595	11,500	16,729
Other	8,543	7,800	8,318
Employee Benefits - Salaries	98,104	84,000	96,823
Service Providers, Contractors and Consultancy	7,521	7,000	5,876
	<u>143,567</u>	<u>124,500</u>	<u>139,706</u>

7. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	5,864	7,000	5,867
Consultancy and Contract Services	9,395	8,350	340
Cyclical Maintenance Provision	(4,156)	24,000	5,302
Heat, Light and Water	8,780	10,000	10,253
Rates	8,267	7,583	3,492
Repairs and Maintenance	25,045	25,000	17,271
Use of Land and Buildings	332,516	332,516	346,205
Employee Benefits - Salaries	64,693	55,000	63,015
	<u>450,404</u>	<u>469,449</u>	<u>451,745</u>

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

8. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	25,511	61,834	25,441
Furniture and Equipment	39,626	22,400	43,825
Leased Assets	13,139	-	10,779
Library Resources	2,844	-	3,467
	<u>81,120</u>	<u>84,234</u>	<u>83,512</u>

9. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	416	700	569
Bank Current Account	320,432	383,207	168,458
Bank Call Account	(84)	-	46,244
Cash and cash equivalents for Cash Flow Statement	<u>320,764</u>	<u>383,907</u>	<u>215,271</u>

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

The following notes should be used where applicable:

Of the \$186,899 Cash and Cash Equivalents, \$17,391 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

10. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	5,403	-	270
Interest Receivable	3,012	1,000	3,170
Banking Staffing Underuse	-	-	-
Teacher Salaries Grant Receivable	135,085	70,000	70,865
	<u>143,500</u>	<u>71,000</u>	<u>74,305</u>
Receivables from Exchange Transactions	8,415	1,000	3,440
Receivables from Non-Exchange Transactions	135,085	70,000	70,865
	<u>143,500</u>	<u>71,000</u>	<u>74,305</u>

11. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,375	1,800	2,271
	<u>1,375</u>	<u>1,800</u>	<u>2,271</u>

12. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset	436,273	400,000	422,568
Short-term Bank Deposits			
Total Investments	<u>436,273</u>	<u>400,000</u>	<u>422,568</u>

13. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Building Improvements	326,597	100,833			(25,511)	401,919
Furniture and Equipment	36,930	3,643	-		(39,626)	947
Information and Communication	63,597	31,333			-	94,930
Leased Assets	8,710	38,342			(13,139)	33,913
Library Resources	8,976		(1,470)	1,100	(2,844)	5,762
Balance at 31 December 2019	444,810	174,151	(1,470)	1,100	(81,120)	537,471

The following note can be used for each class of asset that are held under a finance lease:
The net carrying value of equipment held under a finance lease is **\$33,913 (2018: \$8710)**

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Buildings Improvements	619,301	(217,380)	401,921
Furniture and Equipment	370,810	(305,033)	65,777
Information and Communication	509,532	(479,179)	30,353
Leased Assets	68,697	(34,783)	33,914
Library Resources	115,304	(109,798)	5,506
Balance at 31 December 2019	1,683,644	(1,146,173)	537,471

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Building Improvements	323,603	28,435			(25,441)	326,597
Furniture and Equipment	47,534				(43,825)	3,709
Information and Communication Technology	87,167	9,650			-	96,817
Leased Assets	17,208	2,280			(10,778)	8,710
Library Resources	12,444				(3,467)	8,977
Balance at 31 December 2018	487,956	40,365	-	-	(83,511)	444,810

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Building Improvements	518,467	(191,870)	326,597
Furniture and Equipment	302,580	(265,660)	36,930
Information and Communication Technology	542,776	(479,179)	63,597
Leased Assets	30,354	(21,644)	8,710
Library Resources	116,775	(107,799)	8,976
Balance at 31 December 2018	1,510,962	(1,065,152)	444,810

14. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	9,711	(8,000)	-
Accruals	11,063	-	16,481
Banking Staffing Overuse	-	-	-
Employee Entitlements - Salaries	141,440	70,000	78,644
Employee Entitlements - Leave Accrual	5,556	2,500	2,499
	<u>167,770</u>	<u>64,500</u>	<u>97,624</u>
Payables for Exchange Transactions	167,770	64,500	97,624
	<u>167,770</u>	<u>64,500</u>	<u>97,624</u>

The carrying value of payables approximates their fair value.

15. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
International Student Fees	-	15,000	1,957
	<u>-</u>	<u>15,000</u>	<u>1,957</u>

16. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	47,230	47,230	56,368
Increase/ (decrease) to the Provision During the Year	(4,156)	24,000	5,302
Use of the Provision During the Year		(19,230)	(14,440)
Provision at the End of the Year	<u>43,074</u>	<u>52,000</u>	<u>47,230</u>
Cyclical Maintenance - Current	27,699	27,000	21,600
Cyclical Maintenance - Term	15,375	25,000	25,630
	<u>43,074</u>	<u>52,000</u>	<u>47,230</u>

17. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	18,281	8,000	9,081
Later than One Year and no Later than Five Years	18,433	4,000	4,034
	<u>36,714</u>	<u>12,000</u>	<u>13,115</u>

18. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	32,288	(23,100)	14,897
	<u>32,288</u>	<u>(23,100)</u>	<u>14,897</u>

These funds are tagged where the school is acting as an agent. This relates to the Pelorus funds received for the playground. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue

19. 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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Refurbish Classroom & Toilets Block 2	<i>completed</i>	(15,994)	278,865	(332,984)	70,113	-
Special Needs Modification	<i>completed</i>	13,185	-	(7,627)	-	5,558
Totals		<u>(2,809)</u>	<u>278,865</u>	<u>(340,611)</u>	<u>70,113</u>	<u>5,558</u>
Represented by: Funds Held on Behalf of the Ministry of Education						5,558
						<u>5,558</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Switchboard	<i>completed</i>	1,209			(1,209)	-
Replace Roofing & Sprouting; Refurbish Classroom & Toilets Block 2	<i>completed</i>		23,061	(23,061)	-	-
Special Needs Modification	<i>work in progress</i>		10,763	(26,757)	-	(15,994)
	<i>work in progress</i>		60,000	(46,815)		13,185
Totals		<u>1,209</u>	<u>93,824</u>	<u>(96,633)</u>	<u>(1,209)</u>	<u>(2,809)</u>

20. Funds for RTLB Services

Bellevue School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

	2019 Actual \$	2019 (Unaudited) \$	2018 Actual \$
Funds held at beginning of the year	280,726	280,726	270,495
Revenue			
Teachers' Salary Grant	3,379,124	100,000	3,112,453
Administration Grant	126,425	250,000	126,425
Learning Support Funding	240,667		222,262
Year 11-13 Funding	-		
Travel Grant	141,390	50,000	139,068
Study Awards/PD			22,511
Other Revenue			92,797
	<u>3,887,606</u>	<u>400,000</u>	<u>3,715,516</u>
Total funds available	<u>4,168,332</u>	<u>680,726</u>	<u>3,986,011</u>
Expenses			
Employee Benefit - Salaries	3,379,124	100,000	3,112,993
Administration	215,938	245,000	217,266
Learning Support	244,065		214,548
Year 11-13			
Travel	132,274	45,000	126,073
Other Expenses	-		
	<u>3,971,401</u>	<u>390,000</u>	<u>3,670,880</u>
Purchase of Assets	63,065	50,000	34,405
Funds Held at Year End	<u>133,866</u>	<u>240,726</u>	<u>280,726</u>
Current Assets			
Cash at bank	133,866	10,000	280,725
Income Accrues	3,782		1,230
GST Refund	35,340		22,546
Non Current Assets			
Property Plant and Equipment	113,734	80,000	45,308
Current Liabilities			
Operating Creditors	41,266	20,000	46,138
Finance Lease	17,647		5,379
Non Current Liabilities			
Finance Lease	16,837	15,000	323
Equity	<u>210,972</u>	<u>55,000</u>	<u>297,968</u>

Bellevue school became the lead school of the RTLB cluster in 2019. Funds totalling \$280,726 were transferred to Bellevue school from previous RTLB fundholding schools.

21. Related Party Transactions

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

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

22. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,006	3,051
Full-time equivalent members	-	-
<i>Leadership Team</i>		
Remuneration	351,709	341,362
Full-time equivalent members	3	3
Total key management personnel remuneration	354,715	344,413
Total full-time equivalent personnel	3	3

The full time equivalent for Board members has NOT been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	130 - 140
Benefits and Other Emoluments	3-4	3-4

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1	0
	1.00	0.00

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

23. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

24. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has NOT entered into contract agreements for capital works because Ministry of Education's capital projects for Block 2 refurbishment and special needs modifications have all been completed.

(b) Operating Commitments

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

(a) finance lease of photocopying machine and TELA leases

	2019 Actual \$	2018 Actual \$
No later than One Year	18,281	9,081
Later than One Year and No Later than Five Years	18,433	4,034
	<u>36,714</u>	<u>13,115</u>

25. 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.

26. Financial Instruments

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

Financial assets measured at amortised cost

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash and Cash Equivalents	320,764	383,907	215,271
Receivables	143,500	71,000	74,305
Investments - Term Deposits	436,273	400,000	422,568
Total Financial assets measured at amortised cost	900,537	854,907	712,144

Financial liabilities measured at amortised cost

Payables	167,770	64,500	97,624
Finance Leases	36,714	12,000	13,115
Total Financial Liabilities Measured at Amortised Cost	204,484	76,500	110,739

27. Events After Balance Date

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

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely. At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

28. Comparatives

There has been minor differences in the locally raised funds category and the Accounts receivable figures for 2018. As they are less than a \$1,000, it is considered immaterial.

29. Failure to comply with section 87 of the Education Act 1989

The Board of Trustees has failed to comply with Section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF BELLEVUE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Bellevue School (the School). The Auditor-General has appointed me, Geoff Potter, using the staff and resources of BDO Wellington Audit Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2019; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 3 June 2020. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 27 on page 20 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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

A handwritten signature in blue ink, appearing to read 'Geoff Potter', written over a light blue horizontal line.

Geoff Potter
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand

**Statement on KiwiSport Funding
For the year ended 31 December 2019**

In the 2019 year, KiwiSport funding was spent as follows:

Taking all students for swimming lessons at Keith Spry Pool in Johnsonville or Rewa Rewa School pool (junior school).