

Te Kopuru School

Annual Report for the year ended 31 December 2019

Ministry Number:	1111
Principal:	Lee Anderson
School Address:	Norton Street, Te Kopuru
School Postal Address:	PO Box 20, Te Kopuru 0341
School Phone:	09 439 1802
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Service Provider:	Edtech Financial Services Ltd

Te Kopuru School

Members of the Board of Trustees

For the year ended 31 December 2019

Name	Position	How position on Board gained	Occupation	Term expired/expires
Anthony Nelson	Board Chairperson	Elected	Farmer	13.06.2022
Robin Robertson	Parent Rep	Selection	RTLB Teacher	13.06.2019
Brenden Nathan	Parent Rep	Elected	Car salesman	13.06.2019
Kerry Little	Staff Rep	Elected	Teacher aide	13.06.2022
Lee Anderson	Principal			
Kathie Fletcher	Parent Rep	Elected	Council worker	13.06.2022
Jessie Moffett	Parent Rep	Elected	Mother	13.06.2022
Missy Hokai	Parent Rep	Elected	Council worker	13.06.2022
Charles Samuels	Parent Rep	Elected	Farmer	13.06.2022

Te Kopuru School

Annual Report

For the year ended 31 December 2019

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Kiwisport

Te Kopuru 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.

Anthony Nelson
Full Name of Board Chairperson


Signature of Board Chairperson

26/5/20
Date:

Susan Lee Anderson
Full Name of Principal


Signature of Principal

26/5/20
Date:

Te Kopuru 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	1,083,048	1,142,526	1,127,876
Locally Raised Funds	3	45,104	23,010	45,300
Interest Income		11,956	12,604	11,818
		<u>1,140,108</u>	<u>1,178,140</u>	<u>1,184,994</u>
Expenses				
Locally Raised Funds	3	7,801	7,000	21,818
Learning Resources	4	706,259	814,853	735,412
Administration	5	75,333	83,691	75,824
Finance		725	-	256
Property	6	283,004	325,610	307,950
Depreciation	7	50,126	45,000	46,035
Loss on Disposal of Property, Plant and Equipment		-	-	1,634
		<u>1,123,248</u>	<u>1,276,154</u>	<u>1,188,929</u>
Net (Deficit) for the year		16,860	(98,014)	(3,935)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>16,860</u>	<u>(98,014)</u>	<u>(3,935)</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.



Te Kopuru School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Balance at 1 January		982,749	982,749	982,656
Total comprehensive revenue and expense for the year		16,860	(98,014)	(3,935)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	4,028
Equity at 31 December	24	999,609	884,735	982,749
Retained Earnings		999,609	884,735	982,749
Equity at 31 December		999,609	884,735	982,749

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.



Te Kopuru School

Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	504,242	256,713	286,530
Accounts Receivable	9	60,609	34,500	63,431
GST Receivable		-	5,000	4,286
Prepayments		6,862	5,000	4,805
Inventories	10	316	320	325
Investments	11	349,236	210,000	219,298
		<u>921,265</u>	<u>511,533</u>	<u>578,675</u>
Current Liabilities				
GST Payable		31,765	-	-
Accounts Payable	13	89,282	45,600	53,198
Revenue Received in Advance	14	749	500	472
Finance Lease Liability - Current Portion	16	3,668	3,300	3,305
Funds Held for Capital Works Projects	17	215,603	-	3,957
Funds Held on Behalf of Learning Network Cluster	18	2,900	2,900	2,900
		<u>343,967</u>	<u>52,300</u>	<u>63,832</u>
Working Capital Surplus/(Deficit)		577,298	459,233	514,843
Non-current Assets				
Property, Plant and Equipment	12	489,679	479,102	524,102
		<u>489,679</u>	<u>479,102</u>	<u>524,102</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	63,997	50,500	50,430
Finance Lease Liability	16	3,371	3,100	5,766
		<u>67,368</u>	<u>53,600</u>	<u>56,196</u>
Net Assets		<u><u>999,609</u></u>	<u><u>884,735</u></u>	<u><u>982,749</u></u>
Equity	24	<u><u>999,609</u></u>	<u><u>884,735</u></u>	<u><u>982,749</u></u>

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



Te Kopuru School

Statement of Cash Flows

For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		372,716	353,807	328,328
Locally Raised Funds		45,381	23,038	45,352
Goods and Services Tax (net)		36,051	(714)	(476)
Payments to Employees		(196,436)	(213,302)	(154,625)
Payments to Suppliers		(117,420)	(207,755)	(197,853)
Interest Paid		(725)	-	(256)
Interest Received		11,847	12,439	11,663
Net cash from Operating Activities		151,414	(32,487)	32,133
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(15,566)	(10,753)	(18,411)
Purchase of Investments		(129,938)	-	39,887
Proceeds from Sale of Investments		-	9,298	-
Net cash from Investing Activities		(145,504)	(1,455)	21,476
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	4,028
Finance Lease Payments		156	8,082	(387)
Funds Held for Capital Works Projects		211,646	(3,957)	3,957
Net cash from Financing Activities		211,802	4,125	7,598
Net increase/(decrease) in cash and cash equivalents		217,712	(29,817)	61,207
Cash and cash equivalents at the beginning of the year	8	286,530	286,530	225,323
Cash and cash equivalents at the end of the year	8	504,242	256,713	286,530

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.



Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

Reporting Entity

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

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".

Standard Early Adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 27.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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 carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

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.

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.

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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.

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

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.

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.

Prior Year Policy

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

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

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

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

Property, Plant and Equipment

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

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

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

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

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



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

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	40 years
Furniture and equipment	5–15 years
Information and communication technology	4 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value

Impairment of property, plant, and equipment

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 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.

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.

Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an 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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

Revenue Received in Advance

Revenue received in advance relates to fees received from School Hall bonds 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 this revenue received in advance, should the School be unable to provide the services to which they relate.

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 Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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).

Financial Assets and Liabilities

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

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

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

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 Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget Figures

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

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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

2 Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	290,336	285,226	283,164
Teachers' Salaries Grants	523,064	600,000	589,453
Use of Land and Buildings Grants	187,824	210,000	206,883
Resource Teachers Learning and Behaviour Grants	9,783	-	1,391
Other MoE Grants	70,541	47,300	45,985
Other Government Grants	1,500	-	1,000
	<u>1,083,048</u>	<u>1,142,526</u>	<u>1,127,876</u>

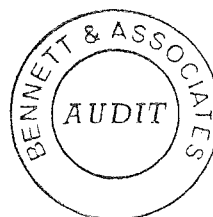
3 Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	10,966	11,000	19,702
Bequests & Grants	-	-	485
Activities	13,683	11,460	23,680
Trading	1,755	550	1,433
Other Revenue	18,700	-	-
	<u>45,104</u>	<u>23,010</u>	<u>45,300</u>
Expenses			
Activities	5,757	7,000	20,031
Trading	2,044	-	1,787
	<u>7,801</u>	<u>7,000</u>	<u>21,818</u>
<i>Surplus/ (Deficit) for the year Locally Raised Funds</i>	<u>37,303</u>	<u>16,010</u>	<u>23,482</u>

4 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	47,208	54,271	38,466
Equipment Repairs	904	-	1,808
Information and Communication Technology	340	3,581	2,622
Extra-Curricular Activities	1,068	2,000	-
Library Resources	430	1,000	783
Employee Benefits - Salaries	653,420	748,001	687,158
Staff Development	2,889	6,000	4,575
	<u>706,259</u>	<u>814,853</u>	<u>735,412</u>



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

5 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	4,410	4,500	4,870
Board of Trustees Fees	2,560	2,800	1,825
Board of Trustees Expenses	925	900	803
Communication	2,646	3,200	2,426
Consumables	720	2,400	1,417
Operating Lease	7,021	7,500	8,492
Other	7,467	11,450	8,349
Employee Benefits - Salaries	33,872	33,690	29,655
Insurance	3,930	3,751	5,394
Service Providers, Contractors and Consultancy	11,782	13,500	12,593
	<u>75,333</u>	<u>83,691</u>	<u>75,824</u>

6 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	4,333	5,200	4,627
Consultancy and Contract Services	18,698	18,500	21,366
Cyclical Maintenance Expense	13,567	25,000	14,325
Grounds	3,878	3,000	5,866
Heat, Light and Water	9,677	13,000	11,426
Rates	2,095	2,000	1,970
Repairs and Maintenance	12,880	17,910	14,367
Use of Land and Buildings	187,824	210,000	206,883
Employee Benefits - Salaries	30,052	31,000	27,120
	<u>283,004</u>	<u>325,610</u>	<u>307,950</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 nationwide revaluation exercise that is conducted every 30 June for the Ministry of Education's year end reporting purposes.

7 Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Buildings - School	12,621	11,500	11,295
Furniture and Equipment	22,063	20,000	20,933
Information and Communication Technology	11,230	10,000	12,110
Leased Assets	3,555	3,000	975
Library Resources	657	500	722
	<u>50,126</u>	<u>45,000</u>	<u>46,035</u>



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Account	380,069	13,713	44,135
Bank Call Account	124,173	123,000	123,975
Short-term Bank Deposits	-	120,000	118,420
Cash and cash equivalents for Cash Flow Statement	<u>504,242</u>	<u>256,713</u>	<u>286,530</u>

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

Of the \$504,242 Cash and Cash Equivalents, \$215,603 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Interest Receivable	2,444	2,500	2,335
Bank Staffing Underuse	18,400	-	21,281
Teacher Salaries Grant Receivable	39,765	32,000	39,815
	<u>60,609</u>	<u>34,500</u>	<u>63,431</u>
Receivables from Exchange Transactions	2,444	2,500	2,335
Receivables from Non-Exchange Transactions	58,165	32,000	61,096
	<u>60,609</u>	<u>34,500</u>	<u>63,431</u>

10 Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	316	320	325
	<u>316</u>	<u>320</u>	<u>325</u>

11 Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	349,236	210,000	219,298
Total Investments	<u>349,236</u>	<u>210,000</u>	<u>219,298</u>



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Land	13,300	-	-	-	-	13,300
Buildings	340,546	-	-	-	(12,621)	327,925
Furniture and Equipment	122,319	13,997	-	-	(22,063)	114,253
Information and Communication Technology	33,672	-	-	-	(11,230)	22,442
Leased Assets	9,213	1,496	-	-	(3,555)	7,154
Library Resources	5,052	210	-	-	(657)	4,605
Balance at 31 December 2019	524,102	15,703	-	-	(50,126)	489,679

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Land	13,300	-	13,300
Buildings	504,845	(176,920)	327,925
Furniture and Equipment	354,275	(240,022)	114,253
Information and Communication Technology	125,103	(102,661)	22,442
Leased Assets	10,890	(3,736)	7,154
Library Resources	22,686	(18,081)	4,605
Balance at 31 December 2019	1,031,099	(541,420)	489,679

The Board considers that no assets have suffered an impairment during the year.

The net carrying value of equipment held under a finance lease is \$7,154 (2018: \$9,213).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land	13,300	-	-	-	-	13,300
Buildings	298,809	53,032	-	-	(11,295)	340,546
Furniture and Equipment	128,579	14,673	-	-	(20,933)	122,319
Information and Communication Technology	42,393	3,388	-	-	(12,109)	33,672
Leased Assets	793	9,395	-	-	(975)	9,213
Library Resources	7,059	350	(1,635)	-	(722)	5,052
Balance at 31 December 2018	490,933	80,838	(1,635)	-	(46,034)	524,102

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	13,300	-	13,300
Buildings	504,845	(164,299)	340,546
Furniture and Equipment	340,281	(217,962)	122,319
Information and Communication Technology	125,103	(91,431)	33,672
Leased Assets	10,753	(1,540)	9,213
Library Resources	22,476	(17,424)	5,052
Balance at 31 December 2018	1,016,758	(492,656)	524,102



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

13 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	40,779	6,000	5,122
Accruals	10,283	7,600	7,650
Employee Entitlements - Salaries	38,220	32,000	40,426
	<u>89,282</u>	<u>45,600</u>	<u>53,198</u>
Payables for Exchange Transactions	89,282	45,600	53,198
	<u>89,282</u>	<u>45,600</u>	<u>53,198</u>

The carrying value of payables approximates their fair value.

14 Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	749	500	472
	<u>749</u>	<u>500</u>	<u>472</u>

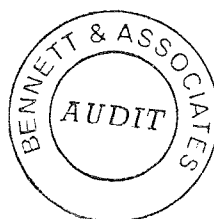
15 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	50,430	50,430	59,888
Increase/(decrease) to the Provision During the Year	13,567	25,000	14,325
Use of the Provision During the Year	-	(24,930)	(23,783)
Provision at the End of the Year	<u>63,997</u>	<u>50,500</u>	<u>50,430</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	<u>63,997</u>	<u>50,500</u>	<u>50,430</u>

16 Finance Lease Liability

The school has entered into a number of finance lease agreements for Tela Leases.
Minimum lease payments payable (includes interest portion):

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	4,151	3,300	3,969
Later than One Year and no Later than Five Years	<u>3,541</u>	<u>3,100</u>	<u>6,266</u>
	<u>7,692</u>	<u>6,400</u>	<u>10,235</u>



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

17 Funds Held for Capital Works Projects

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

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2019	\$	\$	\$		\$
5YA Roofing Project	<i>In progress</i>	3,957	-	397	-	3,560
5YA Food Tech Project	<i>In progress</i>	-	271,995	51,914	-	220,081
5YA Electrical & Heat Pum[Project	<i>In progress</i>	-	23,601	20,001	-	3,600
5YA Property Project	<i>In progress</i>	-	-	11,638	-	(11,638)
Totals		3,957	295,596	83,950	-	215,603

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

227,241

(11,638)

215,603

		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
	2018	\$	\$	\$	\$	\$
5YA Roofing Project	<i>In progress</i>	-	17,100	13,143	-	3,957
Totals		-	17,100	13,143	-	3,957

18 Funds Held on Behalf of Learning Network Cluster

Re Kopuru School is the lead school and holds the funds on behalf of the Learning Network cluster, a group of schools funded by the Ministry.

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	2,900	2,900	2,900
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	-	-	-
Funds Spent on Behalf of the Cluster	-	-	-
Funds Held at Year End	2,900	2,900	2,900

19 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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

20 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	2,560	1,825
Full-time equivalent members	0.05	0.05
<i>Leadership Team</i>		
Remuneration	292,848	290,209
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	295,408	292,034
Total full-time equivalent personnel	3.05	3.05

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120-130	130-140
Benefits and Other Emoluments	3-4	3-4
Termination Benefits	-	-

Other Employees

No other employee received total remuneration over \$100,000 (2018: Nil).

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

21 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

22 Contingencies

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

(Contingent liabilities and assets as 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.

23 Commitments

(a) Capital Commitments

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

(a) \$26,300 contract for RE Roofing to be completed which will be fully funded by the Ministry of Education. \$26,300 has been received of which \$22,740 has been spent on the project to date.

(b) \$161,572 contract for Food Tech Project to be completed which will be fully funded by the Ministry of Education. \$271,995 has been received of which \$51,914 has been spent on the project to date.

(c) \$26,230 contract for Electrical & Heatpump Project to be completed which will be fully funded by the Ministry of Education. \$23,601 has been received of which \$20,001 has been spent on the project to date.

(d) \$114,345 contract for 5YA Project to be completed which will be fully funded by the Ministry of Education. \$11,639 has been spent on the project to date.

(Capital commitments as at 31 December 2018: nil)

24 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.



Notes to the Financial Statements (cont.)

For the year ended 31 December 2019

25 Financial Instruments

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

	2019	2019	2018
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Financial assets measured at amortised cost (2018: Loans and receivables)			
Cash and Cash Equivalents	504,242	256,713	286,530
Receivables	60,609	34,500	63,431
Investments - Term Deposits	349,236	210,000	219,298
Total Financial assets measured at amortised cost	914,087	501,213	569,259
Financial liabilities measured at amortised cost			
Payables	89,282	45,600	53,198
Finance Leases	7,039	6,400	9,071
Total Financial Liabilities Measured at Amortised Cost	96,321	52,000	62,269

26 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. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

27 Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 11 Investments: Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements





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07 February 2020

Kiwisport Report:

Kiwisport is a Government Funding Initiative to support student's participation in organised sport. In 2019, the school received total Kiwisport funding of \$1656.02

Ritchies Coachlines - Sportsville day	\$78.26
Rebel sports -Net and post set and bats	\$93.71
SportsClub Ltd- Sports equipment	\$863.11
SportsClub Ltd- Sport equipment	\$271.54
SportsClub Ltd- Sport gear	\$427.80
Fosters Ltd- Norski no.2 Fibreglass repair kit high jump pole	\$37.48
Total	\$1771.90

Analysis of Variance Reporting



School Name:		Te Kopuru School	School Number: 1111
Strategic Aim:	Students will become engaged and self-directed in a learning environment which effectively integrates the use of ICT through the learning process of Ki Ako (to learn) Ki te Waihanga (to create) Ki Whakapiri (to share)		
Annual Aim:	Teachers will utilize innovative learning practices with a strong emphasis on literacy and numeracy to accelerate and strengthen student achievement		
Target:	Reading To accelerate seven Year 2 students to reading level 16 by the end of 2019		
Baseline Data:	.Historical Data 2019 Fourteen target students (Year 1 and 2)) reading between levels 2 - 16		



MINISTRY OF EDUCATION

Te Kaitiaki Take Kōwhiri

Tātaritanga raraunga

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none">Regular monitoring of target student progress and next steps in learning aligned to reading progressionsReading Recovery programmeTutor teacher mentoring beginning teacher through classroom observations and specific feedbackProfessional development for teachers: unpacking cultural competences, five discursive practices, relationship based learningBuddy reading across classesPlay based learningPMP to develop perceptual movementpromote the love of readingDuffy BooksTe reo Maori me ona Tikanga maori interwoven across curriculum, school and wider community	<p>Thirteen Year 2 target students: (expected level 16)</p> <p>By the end of 2019 6 students reading level 16+</p> <p>3 students were reading between levels 12 - 15</p> <p>4 students were reading @ level 6</p> <p>Shift of 6 target students) from below reading level expectations to at/above expected level in reading</p> <p>One student withdrawn from target group</p> <p>Target achieved</p>	<p>Accelerate programme focused on target students with on-going monitoring progress and achievement. Terms 2,3</p> <p>Continued commitment to Reading Recovery through Board of Trustee top up so that 4 students can take part in the programme. The reading recovery teacher also teaches in the year 2 class so students were able to consolidate their reading skills in the class reading programme.</p> <p>Accelerate reading mileage programme in junior classes in term 3 run by senior students. This consolidated reading skills and students really enjoyed the interaction with senior students. This made reading fun.</p> <p>Grandparents reading with students</p> <p>Word work daily programme</p> <p>Utilisation of teacher aides in the language programme</p> <p>Including parents of our priority learners in the learning progress, by</p>	<p>Continue with the same programmes, targeting priority learners with ongoing monitoring of progress and achievement</p> <p>Commitment of Board of Trustees to fund extra hour for reading recovery.</p> <p>Promotion of the love of reading</p> <p>Promotion of library</p> <p>Board commitment to continue with Duffy Books programmes to promote books in the home</p> <p>Introduction of STEPS programme</p> <p>Commitment of Board of Trustees to fund teacher aides</p> <p>Buddy classes</p> <p>Peer Reading</p> <p>Utilisation of specialist services such as RTLB</p>

	working together to achieve progress
Planning for next year:	
Continue to group students across the junior hub on a needs basis. Guided reading, shared reading, personal reading, reading to, promotion of the love of reading Preparation in year one cohort for a solid foundation in reading. This will include play based learning, oral language programme to promote conversation and to increase vocabulary, the rhythm of language e.g. nursery rhymes, song, dance, drama Continue with reading recovery programme, duffy books, teacher aide support through Board commitment Continue to identify target students through detailed analysis; programme implementation in consultation with whanau, ongoing monitoring and goal setting with student. Focus on students as agents of their own learning, emerging reciprocal peer to peer learning across the school with students as teachers	

Analysis of Variance Reporting



School Name:	Te Kopuru	School Number: 1111
Strategic Aim:	Students will become engaged and self-directed in a learning environment which effectively integrates the use of ICT through the learning process of Ki Ako (to learn) Ki te Waihanga (to create) Ki Whakapiri (to share)	
Annual Aim:	Teachers will utilize innovative learning practices with a strong emphasis on literacy and numeracy to accelerate and strengthen student achievement	
Target:	To accelerate writing achievement:- To shift 10 students to expected writing levels	
Baseline Data:	2018 Data: 34 students are identified as writing below their expected writing level	



MINISTRY OF EDUCATION
Te Kaitiaki Take Kōwhiri

Tātaritanga raraunga



Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<ul style="list-style-type: none">● Identification and regular monitoring of target student progress and next steps in learning aligned to writing progressions● Whole school professional learning on analysis of writing samples using progressions and next steps● Professional development for teachers: unpacking cultural competences, five discursive practices, relationship based learning● Teacher modeling● Individual student conferencing● Tutor teacher mentoring● beginning teacher through classroom observations and specific feedback● Te reo Maori me ona Tikanga maori interwoven across curriculum, school and wider community● A strong focus in the junior area on oracy, building a large database of vocabulary as a student resource for their personal writing	<p><u>2018 Data</u> 34 students are writing below expected level</p> <p><u>2019 Data:</u> 23 students are writing below expected level</p>	<p>Tier 3 Students: 1 student Learning Support from RTLB services</p> <p>High transience in 2019</p> <p>Some students do not find writing easy. They have difficulty "thinking" about what to write about - particularly our boys. Teachers sharing writing strategies to support, e.g. visible thinking</p> <p>Limited vocabulary, poor spelling and untidy handwriting are barriers that cause reluctant writers.</p> <p>Introduction of STEPs programme to support spelling, grammar skills in middle school</p> <p>Areas of teaching focus:</p> <ul style="list-style-type: none">● awareness of writing for an audience● writing simple sentences with clear meaning and accurate punctuation● editing and recrafting skills● Inferring not telling● punctuation and grammar knowledge	<p>Teacher emphasis on target students, with regular monitoring of student progress, including student conferencing and goal setting</p> <p>Ongoing prof learning for staff.</p> <p>Moderation of student writing samples</p> <p>Relationship building so that teacher has a good knowledge and understanding of student cultural capital.</p> <p>Writing topics must be student driven</p> <p>Set students up for success with writing plan (graphic organisers), vocab prior to writing task</p> <p>Small group mentoring rather than whole class teaching</p> <p>Full utilisation of teacher aides</p> <p>Wordwork programme, and building vocabulary</p> <p>STEP's programme school wide</p>

	<ul style="list-style-type: none"> ● focusing on a moment in time ● using rich language for impact
Planning for next year:	
<p>Preparation in year one/two cohort for a solid foundation in literacy. This will include play based learning, oral language programme to promote conversation and to increase vocabulary, the rhythm of language e.g. nursery rhymes, song, dance drama</p> <p>Continue,teacher aide support through Board commitment</p> <p>Continue to identify target students through detailed analysis; programme implementation in consultation with whanau, ongoing monitoring and goal setting with student - using writing progressions with students so that they are able to identify the writing skills they are using and their next steps</p> <p>Focus on students as agents of their own learning, emerging reciprocal peer to peer learning across the school with students as teachers</p> <p>Celebrating and sharing writing success with in class, in assemblies, to parents and whanau, in school newsletters, school website.</p> <p>Focus on Joy Allcock spelling programme and STEPS programme to increase spelling skills and spelling conscience. Teacher only Day Term 1 STEP's</p> <p>Focus on high standard of work presentation</p> <p>Utilising I.C.technologies within the learning programmes to promote writing</p>	

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF
TE KOPURU SCHOOL'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Auditor-General is the auditor of Te Kopuru School (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, 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 19 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 Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 28 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 26 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our opinion

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

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

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



Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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



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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, the List of Trustees and Statement of Responsibility which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

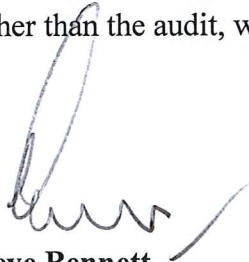
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Steve Bennett

BENNETT & ASSOCIATES

On behalf of the Auditor-General
Whangarei, New Zealand

