

TOTARA NORTH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 1116

Principal: Jennifer Williams

School Address: 32 Totara School Road

School Postal Address: Totara School Road RD 2, Kaeo, 0479

School Phone: 09 405 1852

School Email: office@totaranorth.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Cian Henwood	Chairperson	Appointed	Jun 2022
Jennifer Williams	Principal	ex Officio	
Justin Fitton	Parent Rep	Elected	Jun 2022
Bryan Burkett	Parent Rep	Elected	Jun 2022
Rhonda Teixeira	Staff Rep	Elected	Jun 2022

Accountant / Service Provider: Education Services Ltd

TOTARA NORTH SCHOOL

Annual Report - For the year ended 31 December 2020

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Totara North School

Statement of Responsibility

For the year ended 31 December 2020

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2020 fairly reflects the financial position and operations of the school.

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

Full Name of Board Chairperson

Full Name of Principal

Signature of Board Chairperson

Signature of Principal

26/07/2021

Date:

26/07/2021

Date:

Totara North School
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	409,379	342,421	362,935
Locally Raised Funds	3	3,783	4,300	22,188
Interest income		1,516	2,000	2,858
		<hr/>	<hr/>	<hr/>
		414,678	348,721	387,981
Expenses				
Locally Raised Funds	3	408	1,000	1,064
Learning Resources	4	250,820	201,426	221,987
Administration	5	38,106	36,800	38,027
Finance		1,297	960	1,253
Property	6	40,753	93,405	90,230
Depreciation	7	19,773	21,298	21,471
Loss on Disposal of Property, Plant and Equipment		263	-	-
		<hr/>	<hr/>	<hr/>
		351,420	354,889	374,032
Net Surplus / (Deficit) for the year		63,258	(6,168)	13,949
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		63,258	(6,168)	13,949

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

Totara North School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		215,639	190,340	200,490
Total comprehensive revenue and expense for the year		63,258	(6,168)	13,949
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	1,200
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	21	278,897	184,172	215,639
Retained Earnings		278,897	184,172	215,639
Equity at 31 December		278,897	184,172	215,639

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.

Totara North School Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	8	286,513	43,580	86,912
Accounts Receivable	9	18,784	9,962	14,951
GST Receivable		6,550	1,023	1,496
Prepayments		757	482	368
Investments	10	58,732	58,732	58,732
		<hr/>	<hr/>	<hr/>
		371,336	113,779	162,459
Current Liabilities				
Accounts Payable	12	38,325	21,220	19,014
Provision for Cyclical Maintenance	13	-	14,939	49,472
Finance Lease Liability - Current Portion	14	3,912	3,245	3,479
Funds held for Capital Works Projects	15	172,325	-	16,616
		<hr/>	<hr/>	<hr/>
		214,562	39,404	88,581
Working Capital Surplus/(Deficit)		156,774	74,375	73,878
Non-current Assets				
Property, Plant and Equipment	11	147,589	117,094	162,901
		<hr/>	<hr/>	<hr/>
		147,589	117,094	162,901
Non-current Liabilities				
Provision for Cyclical Maintenance	13	19,620	-	11,383
Finance Lease Liability	14	5,846	7,297	9,757
		<hr/>	<hr/>	<hr/>
		25,466	7,297	21,140
Net Assets		<hr/>	<hr/>	<hr/>
		278,897	184,172	215,639
Equity		<hr/>	<hr/>	<hr/>
		278,897	184,172	215,639

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

Totara North School
Statement of Cash Flows
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		136,228	107,073	107,198
Locally Raised Funds		3,772	4,300	19,127
Goods and Services Tax (net)		(5,054)	-	(473)
Payments to Employees		(58,115)	(46,100)	(45,727)
Payments to Suppliers		(39,328)	(54,807)	(52,614)
Cyclical Maintenance Payments in the year		-	(31,900)	-
Interest Paid		(1,297)	(960)	(1,253)
Interest Received		1,680	2,000	2,881
Net cash from/(to) Operating Activities		37,886	(20,394)	29,139
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(4,724)	-	(20,740)
Net cash from/(to) Investing Activities		(4,724)	-	(20,740)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	1,200
Finance Lease Payments		(3,605)	(3,132)	(3,941)
Funds Held for Capital Works Projects		170,044	-	14,148
Net cash from/(to) Financing Activities		166,439	(3,132)	11,407
Net increase/(decrease) in cash and cash equivalents		199,601	(23,526)	19,806
Cash and cash equivalents at the beginning of the year	8	86,912	67,106	67,106
Cash and cash equivalents at the end of the year	8	286,513	43,580	86,912

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

Totara North School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

a) Reporting Entity

Totara North School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

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.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

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 11.

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.

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

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

i) Inventories

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

j) Investments

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

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.

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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	4-18 years
Information and Communication	4 years
Leased Assets	3-5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

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

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

m) Impairment of property, plant, and equipment and intangible assets

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

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

n) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

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

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

p) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants received 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 the School's 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 Instruments

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

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

The School's financial liabilities comprise accounts payable, borrowings, 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.

Borrowings include but are 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.

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

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operational Grants	112,056	106,203	101,838
Teachers' Salaries Grants	214,554	174,476	191,294
Use of Land and Buildings Grants	59,581	60,872	58,219
Resource Teachers Learning and Behaviour Grants	-	-	1,800
Other MoE Grants	23,188	870	9,784
	<u>409,379</u>	<u>342,421</u>	<u>362,935</u>

The school has opted in to the donations scheme for this year. Total amount received was \$3,750.

Other MOE Grants total includes additional COVID-19 funding totalling \$18,363 for the year ended 31 December 2020.

3. Locally Raised Funds

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

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	-	-	16,832
Activities	3,242	4,300	4,923
Fundraising	541	-	433
	<u>3,783</u>	<u>4,300</u>	<u>22,188</u>
Expenses			
Activities	30	1,000	670
Fundraising (Costs of Raising Funds)	378	-	394
	<u>408</u>	<u>1,000</u>	<u>1,064</u>
<i>Surplus for the year Locally raised funds</i>	<u>3,375</u>	<u>3,300</u>	<u>21,124</u>

4. Learning Resources

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	8,556	6,700	14,586
Library Resources	546	550	516
Employee Benefits - Salaries	236,151	187,576	204,019
Staff Development	1,732	2,800	1,232
Equipment Repairs	3,835	3,800	1,634
	<u>250,820</u>	<u>201,426</u>	<u>221,987</u>

5. Administration

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	3,780	3,780	3,690
Board of Trustees Fees	2,250	2,400	2,415
Board of Trustees Expenses	966	1,870	2,176
Communication	1,231	1,000	1,233
Consumables	1,453	1,600	1,277
Other	3,421	2,500	1,834
Employee Benefits - Salaries	18,472	18,600	18,785
Insurance	2,177	300	2,321
Service Providers, Contractors and Consultancy	4,356	4,750	4,296
	<u>38,106</u>	<u>36,800</u>	<u>38,027</u>

6. Property

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	1,460	1,850	1,772
Cyclical Maintenance Expense	(41,235)	5,583	4,107
Grounds	202	2,100	1,839
Heat, Light and Water	4,192	5,500	6,271
Repairs and Maintenance	728	2,100	2,420
Use of Land and Buildings	59,581	60,872	58,219
Employee Benefits - Salaries	15,825	14,400	12,977
Consultancy And Contract Services	-	1,000	2,625
	<u>40,753</u>	<u>93,405</u>	<u>90,230</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.

7. Depreciation

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Buildings	2,129	3,131	3,156
Building Improvements	1,357	1,346	1,357
Furniture and Equipment	6,179	7,617	7,680
Information and Communication Technology	6,942	5,819	5,866
Leased Assets	3,134	3,353	3,380
Library Resources	32	32	32
	<u>19,773</u>	<u>21,298</u>	<u>21,471</u>

8. Cash and Cash Equivalents

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Bank Current Account	286,513	43,580	86,912
Cash and cash equivalents for Statement of Cash Flows	<u>286,513</u>	<u>43,580</u>	<u>86,912</u>

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

Of the \$286,513 Cash and Cash Equivalents \$190,033 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	82	9	71
Banking Staffing Underuse	838	-	2,391
Interest Receivable	183	370	347
Teacher Salaries Grant Receivable	17,681	9,583	12,142
	<u>18,784</u>	<u>9,962</u>	<u>14,951</u>
Receivables from Exchange Transactions	265	379	418
Receivables from Non-Exchange Transactions	18,519	9,583	14,533
	<u>18,784</u>	<u>9,962</u>	<u>14,951</u>

10. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	58,732	58,732	58,732
	<u>58,732</u>	<u>58,732</u>	<u>58,732</u>
Total Investments	<u>58,732</u>	<u>58,732</u>	<u>58,732</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2020						
Land	15,000	-	-	-	-	15,000
Buildings	51,506	-	-	-	(2,129)	49,377
Building Improvements	35,622	-	-	-	(1,357)	34,265
Furniture and Equipment	32,252	-	-	-	(6,179)	26,073
Information and Communication Tech	18,639	4,724	(263)	-	(6,942)	16,158
Leased Assets	9,751	-	-	-	(3,134)	6,617
Library Resources	131	-	-	-	(32)	99
Balance at 31 December 2020	<u>162,901</u>	<u>4,724</u>	<u>(263)</u>	<u>-</u>	<u>(19,773)</u>	<u>147,589</u>

The net carrying value of equipment held under a finance lease is \$6,617 (2019: \$9,751)

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2020			
Land	15,000	-	15,000
Buildings	103,644	(54,267)	49,377
Building Improvements	54,290	(20,025)	34,265
Furniture and Equipment	185,751	(159,678)	26,073
Information and Communication	30,769	(14,611)	16,158
Leased Assets	11,422	(4,805)	6,617
Library Resources	47,567	(47,468)	99
Balance at 31 December 2020	<u>448,443</u>	<u>(300,854)</u>	<u>147,589</u>

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	15,000	-	-	-	-	15,000
Buildings	54,662	-	-	-	(3,156)	51,506
Building Improvements	36,979	-	-	-	(1,357)	35,622
Furniture and Equipment	33,111	6,821	-	-	(7,680)	32,252
Information and Communication Technology	7,587	16,918	-	-	(5,866)	18,639
Leased Assets	6,661	6,470	-	-	(3,380)	9,751
Library Resources	163	-	-	-	(32)	131
Balance at 31 December 2019	154,163	30,209	-	-	(21,471)	162,901

The net carrying value of equipment held under a finance lease is \$9,751 (2018: \$6,661)

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	15,000	-	15,000
Buildings	103,644	(52,138)	51,506
Building Improvements	54,291	(18,669)	35,622
Furniture and Equipment	189,034	(156,782)	32,252
Information and Communication Technology	30,761	(12,122)	18,639
Leased Assets	11,422	(1,671)	9,751
Library Resources	47,567	(47,436)	131
Balance at 31 December 2019	451,719	(288,818)	162,901

12. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	15,742	1,950	676
Accruals	2,780	2,600	2,690
Banking Staffing Overuse	-	4,730	-
Employee Entitlements - Salaries	17,681	9,583	12,142
Employee Entitlements - Leave Accrual	2,122	2,357	3,506
	38,325	21,220	19,014
Payables for Exchange Transactions	38,325	21,220	19,014
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	38,325	21,220	19,014

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	60,855	9,356	56,748
Increase to the Provision During the Year	4,363	5,583	4,107
Adjustment to the Provision	(45,598)	-	-
Provision at the End of the Year	<u>19,620</u>	<u>14,939</u>	<u>60,855</u>
Cyclical Maintenance - Current	-	14,939	49,472
Cyclical Maintenance - Term	19,620	-	11,383
	<u>19,620</u>	<u>14,939</u>	<u>60,855</u>

14. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	4,776	3,245	4,514
Later than One Year and no Later than Five Years	6,392	7,297	10,966
	<u>11,168</u>	<u>10,542</u>	<u>15,480</u>

15. Funds Held (Owed) for Capital Works Projects

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Geotechnical Investigation	<i>completed</i>	14,148	-	(14,148)	-	-
AMS Upgrade	<i>in progress</i>	-	127,031	(7,000)	-	120,031
Sports Shed/Shade Structure	<i>in progress</i>	-	45,000	(11,741)	-	33,259
Re-Roof & Guttering Repairs	<i>in progress</i>	2,468	-	-	-	2,468
Main Block and Court Canopy	<i>in progress</i>	-	29,700	(2,634)	-	27,066
Partial Stormwater Infrastructure Upgr	<i>in progress</i>	-	54,000	(46,791)	-	7,209
Toilet Block Slipworks	<i>in progress</i>	-	-	(15,258)	-	(15,258)
Fire Alarm Upgrade	<i>in progress</i>	-	-	(2,450)	-	(2,450)
Totals		<u>16,616</u>	<u>255,731</u>	<u>(100,022)</u>	<u>-</u>	<u>172,325</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	190,033
Funds Due from the Ministry of Education	(17,708)
	<u>172,325</u>

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Geotechnical Investigation	<i>in progress</i>	-	25,585	(11,437)	-	14,148
Re-Roof & Guttering Repairs	<i>in progress</i>	2,468	-	-	-	2,468
Totals		<u>2,468</u>	<u>25,585</u>	<u>(11,437)</u>	<u>-</u>	<u>16,616</u>

16. 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.

17. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	2,250	2,415
Full-time equivalent members	0.04	0.05
<i>Leadership Team</i>		
Remuneration	117,228	101,985
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	<u>119,478</u>	<u>104,400</u>
Total full-time equivalent personnel	<u>1.04</u>	<u>1.05</u>

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:

	2020 Actual \$000	2019 Actual \$000
<i>Salaries and Other Short-term Employee Benefits:</i>		
Salary and Other Payments	110 - 120	90 - 100
Benefits and Other Emoluments	3 - 4	2 - 3
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	-	-
	<u>0.00</u>	<u>0.00</u>

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

18. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

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

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

Holidays Act Compliance – schools payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

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

20. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into contract agreements for capital works as follows:

(a) \$141,146 contract for the AMS Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$127,031 has been received of which \$7,000 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) \$50,000 contract for the Sports Shed/Shade Structure as agent for the Ministry of Education. This project is fully funded by the Ministry and \$45,000 has been received of which \$11,741 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$7,883 contract for the Re-Roof & Guttering Repairs as agent for the Ministry of Education. This project is fully funded by the Ministry and \$7,883 has been received of which \$5,415 has been spent on the project to balance date. (2019: as in 2020.) This project has been approved by the Ministry; and

(d) \$33,000 contract for the Main Block and Court Canopy as agent for the Ministry of Education. This project is fully funded by the Ministry and \$29,700 has been received of which \$2,634 has been spent on the project to balance date. This project has been approved by the Ministry; and

(e) \$60,000 contract for the Partial Stormwater Infrastructure Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$54,000 has been received of which \$46,791 has been spent on the project to balance date. This project has been approved by the Ministry; and

(f) contract for the Toilet Block Slipworks as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$15,258 has been spent on the project to balance date. This project has been approved by the Ministry; and

(g) contract for the Fire Alarm Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$2,450 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2019:

(a) \$25,585 contract for the Geotechnical Investigation as agent for the Ministry of Education. This project is fully funded by the Ministry and \$25,585 has been received of which \$11,437 has been spent on the project to balance date. This project has been approved by the Ministry.)

(b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

(a) operating lease of photocopiers;

	2020 Actual \$	2019 Actual \$
No later than One Year	1,185	1,185
Later than One Year and No Later than Five Years	4,742	4,742
Later than Five Years	-	-
	<u>5,927</u>	<u>5,927</u>

21. 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.

22. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	286,513	43,580	86,912
Receivables	18,784	9,962	14,951
Investments - Term Deposits	58,732	58,732	58,732
Total Financial assets measured at amortised cost	<u>364,029</u>	<u>112,274</u>	<u>160,595</u>

Financial liabilities measured at amortised cost

Payables	38,325	21,220	19,014
Borrowings - Loans	-	-	-
Finance Leases	9,758	10,542	13,236
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>48,083</u>	<u>31,762</u>	<u>32,250</u>

23. Events After Balance Date

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

24. Comparatives

There have been a number of prior period comparatives which have been reclassified to make disclosure consistent with the current year.

Totara North School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of \$359 (excluding GST). The funding was spent on sporting endeavours.

Analysis of Variance Reporting 2020



School Name:	Totara North School	School Number:	1116
Strategic Aim:	Improve student achievement in core learning areas of reading, writing, spelling and maths		
Annual Aim:	100% of learners to progress in writing		
Target:	<p>Writing: 85% (24/28) achieving the expected level. 75% (13/17) of Māori achieving the expected level. 80% (10/14) of boys achieving the expected level.</p> <p>For students with specific learning difficulties to achieve their IEP goals</p>		
Baseline Data:	Writing achievement at the end of 2019:78% (21/26) total, 86% (12/14) boys, 71% (12/17) Māori		

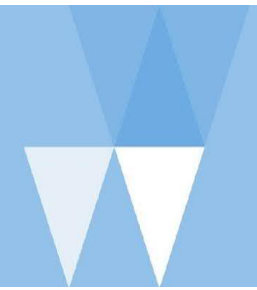


Tātaritanga raraunga

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>
<p>5 learners were identified as ‘target’ learners because they were either not on track to achieving the expected level in 2019. Four of them were identified as Maori.</p> <p>We continue to ensure that our writing programme is designed to give the children many experiences to enhance engagement and developing different skills to write in a variety of genre.</p> <p>Teachers tracked the progress of target learners every 3 weeks and discussed what was working and what changes were needed.</p>	<p>93% (26/28) of all learners achieved their expected level. 88% (15/17) Maori learners achieved their expected level. 100% (14/14) male learners achieved their expected level.</p> <p>1 Maori male identified as targeted left in T2 and 1 Maori Female at expected level left in T3. 2 Maori Male, 1 Male enrolled in Term 2, 1 Maori Female and 1 Maori Male enrolled in T3 and 1 Maori female enrolled in T4 and identified as well below.</p> <p>All targets were achieved even though we had the disruption of lockdown.</p> <p>2 targeted children achieved their target. The other 2 did not achieve the expected level but they did make some progress and were 2 were very close. Our students continue to display a great improvement in confidence and attitude towards writing.</p>	<p>Having 1 target learner who needed a 2 year progress in 2020 was also going to be a challenge but this did not happen as the child left in T2.</p> <p>As a staff we continued to feel that the children’s confidence and attitude to writing is due to the fact we keep giving the children many experiences and hands on activities through science experiences and we are giving them choices of what to write. Teachers also taught the skills required for the different genres separately from the experiences.</p>	<p>Continue to track those children who are not achieving the expected level every three weeks and continue to have staff discussions on progress.</p> <p>We will continue to focus on Maori learner achievement.</p> <p>Maori Female to be a targeted child 2021.</p> <p>We have 2 students that will require ongoing support from specialist services they are receiving.</p> <p>Continue to design a programme that will ensure the children have experiences and hands on activities to strengthen their writing abilities.</p> <p>To review whole school spelling programme in 2021.</p>
<p>Planning for next year:</p>			

Tātaritanga raraunga

Writing 85% (23/27) achieving their expected level, 75% (12/16) of Maori achieving their expected level, 80% (11/14) of boys achieving their expected level. Focus on Maori learners and boys and put in place specific measures for them. Continue to give all children hands on experiences and meaningful contexts.



Tātaritanga raraunga

Strategic Aim:	Improve student achievement in core learning areas of reading, writing, spelling and maths
Annual Aim:	100% of learners to progress in reading
Target:	<p>Reading: 90% (26/28) achieving at/above their chronological age. 80% (14/17) of Māori achieving at/above their chronological age. 80% (11/14) of boys achieving at/above their chronological age.</p> <p>For students with specific learning difficulties to achieve their IEP goals</p>
Baseline Data:	Reading achievement at the end of 2019:85% (23/27) total, 86% (12/14) boys, 82% (14/17) Māori



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>
<p>5 learners were identified as ‘target’ learners because they were either not on track to achieving the expected level in 2019 or were identified as at risk of not achieving the expected reading level in 2019 and 4 of them identified as Maori.</p> <p>Teachers tracked the progress of these learners every 3 week and discussed what changes were needed.</p>	<p>79% (22/28) of all learners achieved reading at their chronological age. 76% (13/17) Maori achieved reading at their chronological age. 86% (12/14) boys achieved reading at their chronological age. Targets were met for boys.</p> <p>1 Maori male identified as targeted left in T2 and 1 Maori Female at expected level left in T3. 2 Maori Male, 1 Male enrolled in Term 2, 1 Maori Female and 1 Maori Male enrolled in T3 and 1 Maori female enrolled in T4 and identified as well below.</p> <p>Our overall target was not met but it was in Boys and very close in /Maori. 3 of our target learners met their Target and 1 of these learners made some progress.</p>	<p>With an emphasis on just reading, reading a variety of material, discussions and quite a lot of research reading the children were surrounded in print, We continue to push for whanau to work on reading at home and to complete home reading.</p> <p>Having 1 target learner who needed a 2 year progress in 2020 was also going to be a challenge but this did not happen as the child left in T2.</p> <p>The use of the programmes of Reading Eggs and Reading Eggspress and Sunshine Classics-children could access this programme at home also.</p> <p>Not being able to monitor their reading or provide a guided reading programme during lockdown</p>	<p>In 2021 we plan to continue to identify those children at risk and track their progress every three weeks throughout the year.</p> <p>Continue to use Reading Eggs/Eggspress and Sunshine Classis</p> <p>We have 2 students that will require ongoing support from specialist services in 2021.</p>
<p>Planning for next year:</p>			
<p>90% (24/27) achieving at/above their chronological age, 80%(13/16) of Maori achieving at/above their chronological age, 80% (11/14) of boys achieving at/above their chronological age</p>			



Tātaritanga raraunga

Strategic Aim:	Improve student achievement in core learning areas of reading, writing, spelling and maths
Annual Aim:	100% of learners to progress in mathematics
Target:	<p>Maths: 90% (26/28) achieving the standard. 80% (14/17) of Māori achieving the expected level. 75% (10/14) of boys achieving the expected level.</p> <p>For students with specific learning difficulties to achieve their IEP goals.</p>
Baseline Data:	Maths achievement at the end of 2019 – 78% (21/27) total, 86% (12/14) boys, 71% (12/17) Māori



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>
<p>4 learners were identified as 'target' learners because they were wither not on track to achieving the expected level in 2019 or were identified as at risk of not achieving the expected mathematics level and 3 of them identified as Maori.</p> <p>Teachers tracked the progress of target learners every 3 weeks and discussed what was working and what changes were needed.</p> <p>A group of 6 female Year 4/5 were involved in an intervention programme Prime Maths with the RTLB in T4. 3 target learners were included in this group!</p>	<p>82% (23/27) of all learners achieved their expected level. 82% (14/17) Maori achieved their expected level. 93% (14/15) boys achieved their expected level.</p> <p>1 Maori male identified as targeted left in T2 and 1 Maori Female at expected level left in T3. 2 Maori Male, 1 Male enrolled in Term 2, 1 Maori Female and 1 Maori Male enrolled in T3 and 1 Maori female enrolled in T4 and identified as well below.</p> <p>Our overall target was not met but it was in Boys and in /Maori. 3 of our target learners met the beginning of their expected maths level.</p> <p>Basic facts was a focus</p>	<p>Having 1 target learner who needed a 2 year progress in 2020 was also going to be a challenge but this did not happen has the child left in T2.</p> <p>Intervention programme proved successful with this group and there was accelerated learning by all.</p>	<p>Basic facts and number knowledge will still have an emphasis throughout the school in 2021.</p> <p>We have 2 students that will require ongoing support from specialist services in 2021.</p> <p>Continue to track the progress of these learners in 2021.</p>
<p>Planning for next year:</p>			
<p>90% (24/27) achieving the expected level, 80% (13/16) of Maori achieving the expected level, 75% (10/14) of boys achieving the expected level.</p>			

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Totara North School (the School). The Auditor-General has appointed me, Angela Edwards, using the staff and resources of BDO Northland, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2020, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2020; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 26 July 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board 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: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

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

Angela Edwards
BDO Northland
On behalf of the Auditor-General
Kerikeri, New Zealand