

# Frasertown School

## Annual Report

**FOR THE YEAR ENDED 31 DECEMBER 2019**

### School Directory

**Ministry Number:** 2562  
**Principal:** Tangi Geary  
**School Address:** Russell Parade, Wairoa  
**School Postal Address:** Postal Centre, Frasertown 4163  
**School Phone:** 06 838 8844  
**School Email:** office@frasertown.school.nz

### Members of the Board of Trustees

Name	Position	How position gained	Term expired/expires
T Geary	Principal ex officio		
L How	Chairperson	Elected	May 2022
A Powdrell	Parent Rep	Elected	May 2022
M Wilson	Parent Rep	Elected	May 2022
C Bailey	Parent Rep	Elected	May 2019
P Waerehu	Parent Rep	Co-opted	May 2019
S Smith	Staff Rep	Elected	May 2022

**Accountant / Service Provider:** Eclypse Solutions 4 Schools Ltd

# FRASERTOWN SCHOOL

Annual Report - For the year ended 31 December 2019

## Index

### **Page   Financial Statements**

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 19	Notes to the Financial Statements

### **Other Information**

Kiwisport Report

Analysis of Variance

## Frasertown 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 judgement 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.

Luke How

Full Name of Board Chairperson



Signature of Board Chairperson

24.09.2020

Date:

Tangi Cleary

Full Name of Principal



Signature of Principal

24.09.2020

Date:

**Frasertown School**
**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	876,471	846,431	945,528
Locally Raised Funds	3	23,326	27,000	78,717
Interest Earned		9,736	6,000	5,440
		<u>909,533</u>	<u>879,431</u>	<u>1,029,685</u>
<b>Expenses</b>				
Locally Raised Funds	3	30,975	21,000	48,668
Learning Resources	4	665,591	658,350	714,432
Administration	5	65,286	59,040	54,330
Finance		1,247	1,700	1,728
Property	6	104,655	99,021	130,505
Depreciation	7	23,695	23,000	22,557
Loss on Disposal of Property, Plant and Equipment		-	-	851
		<u>891,449</u>	<u>862,111</u>	<u>973,071</u>
<b>Net Surplus / (Deficit) for the Year</b>		18,084	17,320	56,614
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>18,084</u>	<u>17,320</u>	<u>56,614</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.

# Frasertown School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>	<b>648,686</b>	<b>648,687</b>	<b>588,935</b>
Total Comprehensive Revenue and Expense for the Year	18,084	17,320	56,614
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	2,977	-	3,137
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9			
<b>Equity at 31 December</b>	<b>669,747</b>	<b>666,007</b>	<b>648,686</b>
Retained Earnings	669,747	666,007	648,686
Reserves	-	-	-
<b>Equity at 31 December</b>	<b>669,747</b>	<b>666,007</b>	<b>648,686</b>

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.

**Frasertown School**  
**Statement of Financial Position**  
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	343,948	312,807	501,351
Accounts Receivable	9	39,507	39,507	37,183
GST Receivable		11,466	10,000	9,319
Prepayments		1,595	1,000	521
Inventories	10	6,687	5,000	6,687
Investments	11	264,914	250,000	60,152
		<u>668,117</u>	<u>618,314</u>	<u>615,213</u>
<b>Current Liabilities</b>				
Accounts Payable	13	120,410	67,007	50,439
Revenue Received in Advance	14	300	300	300
Finance Lease Liability - Current Portion	16	6,625	6,000	5,889
Funds Held for Capital Works Projects	17	(7,624)	-	12,160
Provision for Cyclical Maintenance	15	43,135	44,000	-
		<u>162,846</u>	<u>117,307</u>	<u>68,788</u>
<b>Working Capital Surplus/(Deficit)</b>		505,271	501,007	546,425
<b>Non-Current Assets</b>				
Property, Plant and Equipment	12	174,310	175,000	152,353
		<u>174,310</u>	<u>175,000</u>	<u>152,353</u>
<b>Non-Current Liabilities</b>				
Provision for Cyclical Maintenance	15	7,952	8,000	46,010
Finance Lease Liability	16	1,882	2,000	4,082
		<u>9,834</u>	<u>10,000</u>	<u>50,092</u>
<b>Net Assets</b>		<u>669,747</u>	<u>666,007</u>	<u>648,686</u>
<b>Equity</b>		<u>669,747</u>	<u>666,007</u>	<u>648,686</u>

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

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

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash Flows from Operating Activities</b>				
Government Grants		262,261	242,934	253,127
Locally Raised Funds		23,412	27,000	71,461
Goods and Services Tax (net)		(2,147)	(2,697)	3,823
Payments to Employees		(110,008)	(95,228)	(158,350)
Payments to Suppliers		(70,862)	(150,304)	(111,125)
Cyclical Maintenance Payments in the Year		-	-	(22,077)
Interest Paid		(1,247)	(1,700)	(1,728)
Interest Received		9,873	5,500	5,440
Net Cash from Operating Activities		111,282	25,505	40,571
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	-	5,000
Purchase of PPE (and Intangibles)		(41,201)	(1,841)	(10,872)
Purchase of Investments		(204,762)	(191,804)	(1,956)
Net Cash from Investing Activities		(245,963)	(193,645)	(7,828)
<b>Cash Flows from Financing Activities</b>				
Furniture and Equipment Grants		2,977	-	3,137
Finance Lease Payments		(5,915)	(34,294)	(4,228)
Funds Held for Capital Works Projects		(19,784)	-	14,210
Net Cash from Financing Activities		(22,722)	(34,294)	13,119
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(157,403)</b>	<b>(202,434)</b>	<b>45,862</b>
Cash and Cash Equivalents at the Beginning of the Year	8	501,351	515,241	455,489
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>8</b>	<b>343,948</b>	<b>312,807</b>	<b>501,351</b>

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.

# **Frasertown School**

## **Notes to the Financial Statements**

For the year ended 31 December 2019

### **1. Statement of Accounting Policies**

#### **a) Reporting Entity**

Frasertown 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.

#### **b) Basis of Preparation**

##### ***Reporting Period***

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

##### ***Basis of Preparation***

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

##### ***Financial Reporting Standards Applied***

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

##### ***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.

#### *Cyclical Maintenance provision*

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 15.

### **Critical Judgements in Applying Accounting Policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

#### **Other Grants**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

#### **d) Use of Land and Buildings Expense**

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

#### **e) Operating Lease Payments**

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

#### **f) Finance Lease Payments**

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

#### **g) Cash and Cash Equivalents**

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

#### **h) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The school applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation.

#### **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.*

#### **i) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

#### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building Improvements to Crown Owned Assets	10-50 years
Furniture and Equipment	3-10 years
Information and Communication Technology	3-5 years
Leased Assets Held Under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

### **j) 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.

### **k) 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.

### **l) 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.

### **m) Revenue Received in Advance**

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

### **n) 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).

**o) Financial Assets and Liabilities**

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

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

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

**p) 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.

**q) Budget Figures**

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

**r) Services received in-kind**

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

## 2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	257,491	240,934	263,041
Teachers' Salaries Grants	570,713	560,000	615,777
Use of Land and Buildings Grants	43,497	43,497	55,384
Other MoE Grants	4,770	2,000	9,239
Other Government Grants	-	-	2,087
	<u>876,471</u>	<u>846,431</u>	<u>945,528</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	100	500	9,985
Fundraising	853	10,000	10,191
Activities	16,958	12,500	53,171
Trading	5,415	4,000	5,370
	<u>23,326</u>	<u>27,000</u>	<u>78,717</u>
<b>Expenses</b>			
Activities	22,678	16,500	43,990
Trading	3,953	4,500	3,534
Fundraising (Costs of Raising Funds)	4,344	-	1,144
	<u>30,975</u>	<u>21,000</u>	<u>48,668</u>
<i>Surplus/(Deficit) for the year Locally Raised Funds</i>	<u>(7,649)</u>	<u>6,000</u>	<u>30,049</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	15,763	16,050	26,299
Equipment Repairs	1,546	1,800	1,099
Information and Communication Technology	1,342	500	501
Library Resources	99	100	58
Employee Benefits - Salaries	644,336	635,900	683,243
Staff Development	2,505	4,000	3,232
	<u>665,591</u>	<u>658,350</u>	<u>714,432</u>

## 5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,590	4,400	4,410
Board of Trustees Fees	2,690	3,500	2,250
Board of Trustees Expenses	1,028	1,200	-
Communication	1,160	1,300	1,169
Consumables	15,615	12,300	13,339
Operating Lease	4,575	-	-
Other	2,693	2,700	4,999
Employee Benefits - Salaries	25,434	25,000	21,730
Insurance	1,096	1,600	1,733
Service Providers, Contractors and Consultancy	5,405	7,040	4,700
	<u>65,286</u>	<u>59,040</u>	<u>54,330</u>

## 6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,941	3,400	2,464
Consultancy and Contract Services	3,083	-	3,041
Cyclical Maintenance Provision	5,077	5,524	28,439
Grounds	13,557	6,700	6,141
Heat, Light and Water	8,887	8,400	10,591
Repairs and Maintenance	-	1,000	-
Use of Land and Buildings	43,497	43,497	55,384
Security	-	500	51
Employee Benefits - Salaries	26,613	30,000	24,394
	<u>104,655</u>	<u>99,021</u>	<u>130,505</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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	2,875	3,000	2,858
Furniture and Equipment	10,819	10,000	8,835
Information and Communication Technology	4,105	4,000	4,307
Leased Assets	5,424	5,500	6,018
Library Resources	472	500	539
	<u>23,695</u>	<u>23,000</u>	<u>22,557</u>

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Bank Current Accounts	188,952	162,807	253,953
Bank Call Accounts	154,996	150,000	247,398
Cash equivalents and bank overdraft for Cash Flow Statement	<u>343,948</u>	<u>312,807</u>	<u>501,351</u>

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

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	-	-	86
Interest Receivable	500	500	637
Banking Staffing Underuse	-	-	8,028
Teacher Salaries Grant Receivable	39,007	39,007	28,432
	<u>39,507</u>	<u>39,507</u>	<u>37,183</u>
Receivables from Exchange Transactions	500	500	723
Receivables from Non-Exchange Transactions	39,007	39,007	36,460
	<u>39,507</u>	<u>39,507</u>	<u>37,183</u>

## 10. Inventories

	2019 Actual \$	2019 Budget \$	2018 Actual \$
School Uniforms	6,687	5,000	6,687
	<u>6,687</u>	<u>5,000</u>	<u>6,687</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	264,914	250,000	60,152
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>264,914</u>	<u>250,000</u>	<u>60,152</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building Improvements	112,605	1,786	-	-	(2,875)	111,516
Furniture and Equipment	24,109	31,617	-	-	(10,819)	44,907
Information and Communication Technology	4,753	7,798	-	-	(4,105)	8,446
Leased Assets	7,112	4,451	-	-	(5,424)	6,139
Library Resources	3,774	-	-	-	(472)	3,302
<b>Balance at 31 December 2019</b>	<b>152,353</b>	<b>45,652</b>	<b>-</b>	<b>-</b>	<b>(23,695)</b>	<b>174,310</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Building Improvements	157,193	(45,677)	111,516
Furniture and Equipment	208,639	(163,732)	44,907
Information and Communication Technology	156,292	(147,846)	8,446
Leased Assets	30,464	(24,325)	6,139
Library Resources	19,640	(16,338)	3,302
<b>Balance at 31 December 2019</b>	<b>572,228</b>	<b>(397,918)</b>	<b>174,310</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Building Improvements	115,463	-	-	-	(2,858)	112,605
Furniture and Equipment	31,537	1,407	-	-	(8,835)	24,109
Information and Communication Technology	4,903	4,157	-	-	(4,307)	4,753
Leased Assets	9,751	3,379	-	-	(6,018)	7,112
Library Resources	4,505	659	(851)	-	(539)	3,774
<b>Balance at 31 December 2018</b>	<b>166,159</b>	<b>9,602</b>	<b>(851)</b>	<b>-</b>	<b>(22,557)</b>	<b>152,353</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2018</b>			
Building Improvements	155,408	(42,803)	112,605
Furniture and Equipment	177,022	(152,913)	24,109
Information and Communication Technology	148,493	(143,740)	4,753
Leased Assets	26,013	(18,901)	7,112
Library Resources	19,640	(15,866)	3,774
<b>Balance at 31 December 2018</b>	<b>526,576</b>	<b>(374,223)</b>	<b>152,353</b>



### 13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	67,825	20,000	16,193
Accruals	4,540	4,500	4,410
Banking Staffing Overuse	5,521	-	-
Employee Entitlements - Salaries	39,007	39,007	28,432
Employee Entitlements - Leave Accrual	3,517	3,500	1,404
	<u>120,410</u>	<u>67,007</u>	<u>50,439</u>
Payables for Exchange Transactions	120,410	67,007	50,439
Payables for Non-Exchange Transactions - Taxes Payable (PAYE and rates)	-	-	-
Payables for Non-Exchange Transactions - Other	-	-	-
	<u>120,410</u>	<u>67,007</u>	<u>50,439</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	300	300	300
	<u>300</u>	<u>300</u>	<u>300</u>

### 15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	46,010	46,010	43,290
Increase/(Decrease) to the Provision During the Year	5,077	5,524	28,439
Use of the Provision During the Year	-	466	(25,719)
Provision at the End of the Year	<u>51,087</u>	<u>52,000</u>	<u>46,010</u>
Cyclical Maintenance - Current	43,135	44,000	-
Cyclical Maintenance - Term	7,952	8,000	46,010
	<u>51,087</u>	<u>52,000</u>	<u>46,010</u>

## 16. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	6,625	6,000	5,889
Later than One Year and No Later than Five Years	2,653	2,000	5,461
Later than Five Years	-	-	-
	<u>9,278</u>	<u>8,000</u>	<u>11,350</u>

## 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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Block J Toilet Upgrade	<i>in progress</i>	12,160	267,248	(287,032)	-	(7,624)
Totals		<u>12,160</u>	<u>267,248</u>	<u>(287,032)</u>	<u>-</u>	<u>(7,624)</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

-  
7,624

(7,624)

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block J Toilet Upgrade	<i>in progress</i>	-	23,500	(11,340)	-	12,160
Totals		<u>-</u>	<u>23,500</u>	<u>(11,340)</u>	<u>-</u>	<u>12,160</u>

## 18. 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.

## 19. 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	2,690	3,190
Full-Time Equivalent Members	0.11	0.11
<i>Leadership Team</i>		
Remuneration	219,656	198,560
Full-Time Equivalent Members	2.00	2.00
Total Key Management Personnel Remuneration	222,346	201,750
Total Full-Time Equivalent Personnel	2.11	2.11

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

### Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	110 - 120
Benefits and Other Emoluments	3 - 4	1 - 10
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	-	-
	-	-

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

## 20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be a trustee, committee member, or employee 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:

	2019 Actual \$0	2018 Actual \$0
Total	-	-
Number of People	-	-

## 21. Contingencies

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

### Holidays Act Compliance – schools payroll

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

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

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board did not have any capital commitments

(Capital commitments at 31 December 2018: nil)

### (b) Operating Commitments

As at 31 December 2019 the Board did not have any operating commitments.

## 23. Managing Capital

The School's capital is its equity and comprises of 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.

## 24. 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 (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	343,948	312,807	501,351
Receivables	39,507	39,507	37,183
Investments - Term Deposits	264,914	250,000	60,152
Total Financial Assets Measured at Amortised Cost	<u>648,369</u>	<u>602,314</u>	<u>598,686</u>

### Financial Liabilities Measured at Amortised Cost

Payables	120,410	67,007	50,439
Finance Leases	8,507	8,000	9,971
Total Financial Liabilities Measured at Amortised Cost	<u>128,917</u>	<u>75,007</u>	<u>60,410</u>

## 25. 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.

## 26. Comparatives

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

## 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.

## 28. Statutory Reporting Deadline Not Met Due to Covid19

Under Section 87C1 of the Education Act 1989, the Board of Trustees is required to forward audited financial statements to the Ministry of Education by 31st May 2020.

Covid19 as noted in note 25, and the lockdown rules at Alert Levels 3 and 4, which restricted access to financial records, meant that the audit could not progress as planned and as a result the deadline could not be met. This situation was beyond the Board's control, and on the 28th May 2020 the Secretary for Education provided assurance that the Board would not be penalised for not meeting the deadline.

# **Frasertown School**

## **Kiwisport Report**

For the year ended 31 December 2019

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2019 the school received total Kiwisport funding of \$1,629 (excluding GST). The funding was spent on sportings fees and equipment.

# Analysis of Variance Reporting



<b>School Name:</b>	Frasertown School	<b>School Number:</b>	2562																				
<b>Strategic Aim:</b>	<p>Students will achieve their potential through a learner focussed, culturally responsive and inclusive curriculum.</p> <p>We will ensure our learners have the best opportunities to establish and build a solid framework for lifelong learning.</p> <p>We will develop and maintain a supportive environment for all to flourish and thrive! Our Maori students will achieve success as Maori.</p> <p>All students will feel connected as active participants in our learning community.</p> <p>We are committed to establishing and maintaining positive and powerful relationships with students, staff, whanau and community</p>																						
<b>Annual Aim:</b>	<p>Students with special learning needs will have their needs met and achieve success across the curriculum.</p> <p>Leaders and teachers will be skilled at adapting to meet the needs of all learners to prepare them for their future – looking ahead!</p> <p>Lifting the lid on expectations and opening our students minds to the possibilities</p>																						
<b>Target:</b>	<p>To reduce disparity between our maori and non-maori, boys and girls by providing the additional support to students who need it, when they need it.</p> <p>Of the 27 students who are not working at the expected level in literacy and numeracy, 12 students will be working within their expected levels by the end of 2019.</p> <p>The other 15 students will have be working at or above in one of the three key areas of reading, writing or maths.</p>																						
<b>Baseline Data:</b>	<p>2018 End of Year Data</p> <table border="1"> <thead> <tr> <th></th> <th>Maths % of Students achieving at and above</th> <th>Reading % of Students achieving at and above</th> <th>Writing % of Students achieving at and above</th> </tr> </thead> <tbody> <tr> <td>Boys</td> <td>80.7</td> <td>82.4</td> <td>76.6</td> </tr> <tr> <td>Girls</td> <td>86.2</td> <td>86.2</td> <td>86</td> </tr> <tr> <td>Maori</td> <td>75.9</td> <td>76</td> <td>81.3</td> </tr> <tr> <td>Non-Maori</td> <td>92.5</td> <td>94.5</td> <td>81.5</td> </tr> </tbody> </table>				Maths % of Students achieving at and above	Reading % of Students achieving at and above	Writing % of Students achieving at and above	Boys	80.7	82.4	76.6	Girls	86.2	86.2	86	Maori	75.9	76	81.3	Non-Maori	92.5	94.5	81.5
	Maths % of Students achieving at and above	Reading % of Students achieving at and above	Writing % of Students achieving at and above																				
Boys	80.7	82.4	76.6																				
Girls	86.2	86.2	86																				
Maori	75.9	76	81.3																				
Non-Maori	92.5	94.5	81.5																				

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Teacher aides in each class will be managed to enable the teacher to have more time with students who need the additional support.</p> <p>Tier 3 students will have an adapted/modified programme within the NZ Curriculum</p> <p>Quality assessment data will be collected each term. Teachers will administer, analyse and use assessment data to inform teaching and learning pathways.</p>	<p>The teacher was able to work more frequently and for longer periods of time with the children who needed it. The Teachers' aide was able to provide support for the more capable students whose needs were not as frequent or in depth.</p> <p>Teachers will Tier 3 students in their classes, designed learning tasks, systems and processes to enable students to complete their learning with greater independence and success. Visual timetables and supports worked well in particular. Students also felt more included and part of the class because they weren't being removed from the class for 1:1 sessions and they also felt a greater sense of pride in their learning because they were scaffolded to be successful on their own.</p> <p>Assessment data was collected termly and teachers discussed their OTJs prior to submitting them to the BOT. We moderated the data of students that Teachers were confident about straight away.</p> <p>The way the Principal reported to the Board changed in term two which gave the board greater clarity of where children were achieving in relation to curriculum levels. This also enabled the Board to see more clearly</p>	<p>Narrowing the focus on specific students worked well. This kept these students in the forefront of our minds and we were deliberate in our actions in relation to their learning.</p> <p>During staff meetings and curriculum PLD we always viewed new information through the lens of our target students.</p> <p>9 students are now working at their expected levels – 3 students short of meeting our target.</p> <p>6 students showed accelerated progress in two areas.</p> <p>3 students showed accelerated progress in one area.</p> <p>3 students showed expected progress in two areas.</p> <p>14 students showed expected progress in one area.</p>	<p>Continue to focus on equity for our students who require more support than others.</p> <p>Continue to develop differentiated learning programs for our most at risk students.</p> <p>Work in partnership with whanau to develop a greater understanding of students with the highest needs. These students require a stronger more solid foundation where all parties are committed and working together.</p> <p>Strengthen work with agencies to support our students with the highest needs.</p>



Track progress within the term and report to the BOT once per term	<p>which students were making necessary shifts and which ones weren't. We could narrow the focus as a board and engage in robust discussions about the achievement of our students throughout the year.</p> <p>Core curriculum is highly valued across the school and occurs on a daily basis. Teachers have the children ability grouped and work through a combination of guided sessions and independent tasks. The core curriculum primarily takes place school wide from the beginning of the day through to lunchtime. Some curriculum integration occurs particularly in years 4-6. A self and peer assessment stamp was introduced school wide as a guide for students. It enabled students to talk about their learning successes and next steps and align themselves with a 4 point scale accordingly.</p> <p>We had difficulty accessing the support of external agencies due to long waitlists. This caused considerable frustration at times, we continued to manage as well as we possible could.</p> <p>Mana enhancement maps were an important step in what we did because it enabled teachers to understand who our students were and also share a piece of themselves as their connected through their stories. A students mana map provides the teacher with vital information to be able to make choices</p>	One student or all target students made minimal gains across all three core curriculum areas.	
Students will benefit from effective teaching of literacy and numeracy on a daily basis.			
Using formative assessment practices, students will develop accountability and ownership of their learning			
Refer students to support agencies in a timely manner.			

<p>Mana enhancement</p>	<p>about their learning that will uplift them and also be meaningful to them. They also change the way we interacted with some students as we quickly came to know what worked and what didn't.</p> <p>Our students were engaged through developing their super powers. Being able to select their learning and also be a voice of decision making when working with their super power lifted their attitude, their motivation and willingness to attend school and engage in learning. Our students felt like they were understood and that we genuinely wanted them to love their learning.</p> <p>The numbers</p>		
<p>Strength and interest focus</p>			
<p><b>Planning for next year:</b></p>			
<p>Assessment – look into with greater detail – the analysis of the information</p>			
<p>Whanau plans using Te Ara Whakamana as a foundation tool</p>			
<p>Review the resources that are available for the students with the highest needs.</p>			

# Analysis of Variance Reporting



<b>School Name:</b>	Frasertown School	<b>School Number:</b>	2562
<b>Strategic Aim:</b>	<p>Students will achieve their potential through a learner focussed, culturally responsive and inclusive curriculum.</p> <p>We will ensure our learners have the best opportunities to establish and build a solid framework for lifelong learning.</p> <p>Students with special learning needs will have their needs met and achieve success across the curriculum.</p>		
<b>Annual Aim:</b>	90% of students across the school will be achieving at or above their expected curriculum level in Mathematics		
<b>Target:</b>	<p>82% of all year 4 students will achieve at or above their expected curriculum level in mathematics</p> <p>90% of all year 5 students will achieve at or above their expected curriculum level in mathematics</p> <p>86% of all year 6 students will achieve at or above their expected curriculum level in mathematics</p>		
<b>Baseline Data:</b>	<p>2018 End of year Data</p> <p>80% of all year 3 students achieve at or above their expected curriculum level in mathematics</p> <p>76% of all year 4 students achieve at or above their expected curriculum level in mathematics</p> <p>86% of all year 5 students achieve at or above their expected curriculum level in mathematics</p>		

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Gather, interpret, analyse and use data to inform leadership, teaching and learning, student goal setting and target plans</p> <p>Facilitate whanau workshops to support whanau to support their children's learning and inform them about the learning pathways.</p> <p>Develop culturally responsive practices through authentic real life contexts and develop strategies to improve equity for our learners who require additional support.</p> <p>Develop a clear picture of what effective teacher practice looks like in mathematics through a culturally responsive lens.</p> <p>Teachers will have in class support from external PLD providers to support them with the DMIC journey.</p> <p>Teachers will have in class support from external PLD providers to support them with the DMIC journey.</p> <p>Teachers will engage in an inquiry based around their target students and effective teacher practice in maths.</p>	<p>94% of Year 4 Students are achieving at or above in Maths</p> <p>90.9 % of Year 5 students are achieving at or above expected levels in Maths</p> <p>52.7 % of Year 6 students are achieving at or above expected levels in maths</p> <p>85.9% of all students across our whole school are achieving at our above expected levels in maths.</p> <p>We have seen a significant shift in our students in year 4 and 5.</p> <p>Students work better in groups and are able to collaborate more effectively to determine accurate solutions to their math problems.</p> <p>Students are more accepting of other people's ideas and navigate different processes.</p> <p>There is decreased competition amongst students to get the answer the fastest.</p>	<p>2018 data was based on the Numeracy Project</p> <p>2019 Data was based on OTJs through DMIC, supported by a triangulation of data</p> <p>There are a number of reasons we have seen the shift in our students</p> <p>The main reasons that sit beneath this are;</p> <p>Deliberate, targeted teaching</p> <p>Increased accountability and participation of all students in maths sessions</p> <p>Teachers are growing in confidence with the DMIC way of teaching maths</p> <p>Students are equally more comfortable and have a greater understanding of what is required of them</p> <p>In our year 6 group we have a larger number of students with more greater learning challenges. We also noticed that our year 6 students showed a greater difficulty in justifying their thinking and truly understanding the process that was</p>	<p>We believe in the DMIC way of teaching and learning maths, teachers and leaders do still require support to cement and embed the pedagogy. We know this is a long process in order to shift practice.</p> <p>One of the biggest shifts required is for the teaching to let go of the locus of control and be the guide by the side. Our teachers are all experienced practitioners and have some teaching practices that align but also some teaching practices that are challenged through DMIC. We accept and acknowledge that this is a work in progress.</p> <p>During 2020 and 2021 we would like to visit schools in Gisborne and Napier that have been working with DMIC for equal or longer periods of time than us.</p>

		followed in order to find appropriate solutions to math problems.	
--	--	---	--

### Planning for next year:

Continue of DMIC journey with the support of our external facilitator from Massey University

Organise school visits in Napier and Gisborne in discussion with our Mentor

Look at how we can incorporate DMIC pedagogies into literacy



## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Frasertown School (the School). The Auditor-General has appointed me, Maxwell John Dixon, using the staff and resources of PricewaterhouseCoopers, 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 issued in New Zealand (PBE Standards RDR).

Our audit was completed on 24 September 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 25 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 information included within the Analysis of Variance, the Kiwisport Statement, and the Board of Trustees List 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.

A handwritten signature in blue ink, appearing to read 'M. John Dixon'.

**Maxwell John Dixon**  
**PricewaterhouseCoopers**  
**On behalf of the Auditor-General**  
**Napier, New Zealand**