TE TOTARA PRIMARY SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	577
Principal:	Anne Fraser
School Address:	31 Hector Drive, Hamilton
School Postal Address:	PO Box 28134, Rototuna, Hamilton, 3256
School Phone:	07 853 0039
School Email:	executiveofficer@tetotara.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Terry Singh	Chairperson	Elected	Lawyer	Jun 2022
Anne Fraser	Principal	ex Officio		
Melissa Guy	Parent Rep	Elected	Author	Jun 2022
Mark McMorran	Parent Rep	Elected	Chief Information Offic	Jun 2022
Iain Ings	Parent Rep	Elected	Indistries Division Man	Jun 2022
Deron Sharma	Parent Rep	Elected	Student	Jun 2022
Joanne Stewart	Staff Rep	Elected	Deputy Principal	Jun 2022

Accountant / Service Provider: Education Services Ltd

TE TOTARA PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2019

Index

Page	Statement
	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 - 12	Statement of Accounting Policies
13 - 20	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Te Totara Primary School

Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Terry Singh	ANNE FRANCES FRASER
Full Name of Board Chairperson	Full Name of Principal
Signature of Board Chairperson	Signature of Principal
28.05.20	28.05.2020
Date:	Date:

Te Totara Primary School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Revenue				
Government Grants	2	6,173,903	6,002,325	6,137,666
Locally Raised Funds	3	524,584	410,652	668,682
Interest income		18,426	10,000	21,436
Gain on Sale of Property, Plant and Equipment		-	-	521
		6,716,913	6,422,977	6,828,305
Expenses				
Locally Raised Funds	3	235,773	159,042	305,756
Learning Resources	4	3,875,781	3,819,307	3,897,089
Administration	5	314,941	272,970	307,744
Finance		10,677	9,914	11,122
Property	6	2,060,912	1,990,047	1,927,556
Depreciation	7	206,405	176,036	187,107
Loss on Disposal of Property, Plant and Equipment		1,966	-	-
		6,706,455	6,427,316	6,636,374
Net Surplus / (Deficit) for the year		10,458	(4,339)	191,931
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		10,458	(4,339)	191,931

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

Te Totara Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Notes	Actual 2019 $	Budget (Unaudited) 2019 $	Actual 2018 $
Balance at 1 January		1,691,452	1,504,308	1,499,521
Total comprehensive revenue and expense for the year		10,458	(4,339)	191,931
Capital Contributions from the Ministry of Education				
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	22	1,701,910	1,499,969	1,691,452
Retained Earnings		1,701,910	1,499,969	1,691,452
Equity at 31 December		1,701,910	1,499,969	1,691,452

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

Te Totara Primary School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Current Assets				
Cash and Cash Equivalents	8	247,077	176,663	1,028,620
Accounts Receivable	9	228,372	231,654	238,970
GST Receivable		51	13,551	-
Prepayments		26,046	33,267	13,549
Investments	10	619,676	464,784	309,927
		1,121,222	919,919	1,591,066
Current Liabilities				
GST Payable		-	-	4,624
Accounts Payable	12	311,901	237,634	282,230
Revenue Received in Advance	13	27,582	1,486	-
Provision for Cyclical Maintenance	14	-	17,311	-
Finance Lease Liability - Current Portion	15	65,872	-	63,509
Funds held for Capital Works Projects	16	1,170	-	408,494
		406,525	256,431	758,857
Working Capital Surplus/(Deficit)		714,697	663,488	832,209
Non-current Assets				
Property, Plant and Equipment	11	1,101,972	836,481	957,897
		1,101,972	836,481	957,897
Non-current Liabilities				
Provision for Cyclical Maintenance	14	67,437	-	38,800
Finance Lease Liability	15	47,322	-	59,854
		114,759	-	98,654
Net Assets		1,701,910	1,499,969	1,691,452
Equity		1,701,910	1,499,969	1,691,452

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

Te Totara Primary School
Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Cash flows from Operating Activities				
Government Grants		1,187,263	1,116,284	1,158,481
Locally Raised Funds		553,573	100,127	667,196
Goods and Services Tax (net)		(4,675)	-	18,175
Payments to Employees		(722,973)	(658,244)	(635,867)
Payments to Suppliers		(739,205)	(429,426)	(789,655)
Interest Paid		(10,187)	(8,714)	(11,122)
Interest Received		17,538	10,000	22,105
Net cash from Operating Activities		281,334	130,027	429,313
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(282,969)	(103,000)	(93,971)
Purchase of Investments		(309,749)	-	151,134
Net cash from Investing Activities		(592,718)	(103,000)	57,163
Cash flows from Financing Activities				
Finance Lease Payments		(65,638)	(53,292)	(67,932)
Funds Held for Capital Works Projects		(404,521)	-	407,148
Net cash from Financing Activities		(470,159)	(53,292)	339,216
Net increase/(decrease) in cash and cash equivalents		(781,543)	(26,265)	825,692
Cash and cash equivalents at the beginning of the year	8	1,028,620	202,928	202,928
Cash and cash equivalents at the end of the year	8	247,077	176,663	1,028,620

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.

Te Totara Primary School
Notes to the Financial Statements
For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity
Te Totara Primary 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 26.

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 11.

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 14.

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

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

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

c) Revenue Recognition

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

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

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

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

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

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) 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.

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under $1000 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:

Buildings	18-40 years
Furniture and Equipment	5-15 years
Information and Communication	5 years
Motor Vehicles	5 years
Library Resources	8 years DV

Leased assets are depreciated over the life of the lease.

l) Intangible Assets

Software costs

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under $1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

o) Employee Entitlements

Short-term employee entitlements

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

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.

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

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

s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

t) Financial Assets and Liabilities

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

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

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

u) Borrowings
Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

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

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

2. Government Grants

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Operational Grants	939,922	907,292	950,926
Teachers' Salaries Grants	3,300,186	3,212,470	3,319,177
Use of Land and Buildings Grants	1,669,851	1,662,622	1,646,674
Relief Teacher Reimbursement	2,898	-	-
Resource Teachers Learning and Behaviour Grants	2,600	2,500	4,700
Other MoE Grants	247,952	217,441	215,973
Other Government Grants	10,494	-	216
	6,173,903	6,002,325	6,137,666

3. Locally Raised Funds

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

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Revenue			
Donations	69,826	45,152	117,612
Activities	106,052	54,975	158,336
Trading	7,740	6,000	7,131
Fundraising	2,931	-	100,000
After School Care	338,035	304,525	285,603
	524,584	410,652	668,682
Expenses			
Activities	46,841	642	123,728
Fundraising (Costs of Raising Funds)	1,034	-	1,131
After School Care	187,898	158,400	180,897
	235,773	159,042	305,756
Surplus for the year Locally raised funds	288,811	251,610	362,926

4. Learning Resources

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Curricular	74,893	121,145	105,396
Library Resources	62,932	61,000	63,856
Employee Benefits - Salaries	3,696,581	3,577,162	3,678,668
Staff Development	7,847	28,500	18,273
Information and Communication Technology	33,528	31,500	30,896
	3,875,781	3,819,307	3,897,089

5. Administration

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Audit Fee	6,294	6,027	6,027
Board of Trustees Fees	3,958	4,500	3,185
Board of Trustees Expenses	4,527	1,700	1,223
Communication	8,263	7,000	9,679
Consumables	38,702	34,200	42,022
Operating Lease	154	619	10,796
Other	15,143	17,430	16,086
Employee Benefits - Salaries	208,112	169,490	191,343
Insurance	8,644	12,000	6,239
Service Providers, Contractors and Consultancy	21,144	20,004	21,144
	314,941	272,970	307,744

6. Property

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Caretaking and Cleaning Consumables	21,250	15,400	14,472
Cyclical Maintenance Expense	63,066	7,563	(14,642)
Grounds	5,269	16,700	10,702
Heat, Light and Water	61,693	51,000	61,996
Repairs and Maintenance	44,133	37,700	32,394
Use of Land and Buildings	1,669,851	1,662,622	1,646,674
Employee Benefits - Salaries	117,561	124,062	84,748
Consultancy & Contract Service	78,089	75,000	91,212
	2,060,912	1,990,047	1,927,556

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

7. Depreciation

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Buildings	1,948	1,805	1,918
Building Improvements	2,737	2,286	2,430
Furniture and Equipment	100,443	85,184	90,542
Information and Communication Technology	14,970	14,618	15,537
Motor Vehicles	2,773	2,494	2,651
Leased Assets	73,886	61,246	65,098
Library Resources	9,648	8,403	8,931
	206,405	176,036	187,107

8. Cash and Cash Equivalents

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Cash on Hand	60	-	60
Bank Current Account	66,847	176,663	104,418
Bank Call Account	24,294	-	771,618
Short-term Bank Deposits	155,876	-	152,524
Cash equivalents for Cash Flow Statement	247,077	176,663	1,028,620

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

Of the $247,077 Cash and Cash Equivalents, $1,170 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Receivables	-	29,160	-
Receivables from the Ministry of Education	1,407	-	-
Banking Staffing Underuse	-	7,529	-
Interest Receivable	4,724	292	3,836
Teacher Salaries Grant Receivable	222,241	194,673	235,134
	228,372	231,654	238,970
Receivables from Exchange Transactions	4,724	29,452	3,836
Receivables from Non-Exchange Transactions	223,648	202,202	235,134
	228,372	231,654	238,970

10. Investments

The School's investment activities are classified as follows:

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Current Asset			
Short-term Bank Deposits	619,676	464,784	309,927
Total Investments	619,676	464,784	309,927

11. Property, Plant and Equipment

2019	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Buildings	36,986	-	-	-	(1,948)	**35,038**
Building Improvements	74,854	181,552	-	-	(2,737)	**253,669**
Furniture and Equipment	620,252	81,903	(1,966)	-	(100,443)	**599,747**
Information and Communication Tech	30,158	4,362	-	-	(14,970)	**19,550**
Motor Vehicles	9,127	-	-	-	(2,773)	**6,354**
Leased Assets	126,291	71,521	-	-	(73,886)	**123,926**
Library Resources	60,228	13,108	-	-	(9,648)	**63,688**
Balance at 31 December 2019	957,896	352,446	(1,966)	-	(206,405)	**1,101,972**

The net carrying value of equipment held under a finance lease is **$123,926 (2018: $126,291)**

2019	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Buildings	50,109	(15,071)	**35,038**
Building Improvements	266,615	(12,946)	**253,669**
Furniture and Equipment	1,209,165	(609,418)	**599,747**
Information and Communication	250,979	(231,429)	**19,550**
Motor Vehicles	13,865	(7,511)	**6,354**
Leased Assets	221,912	(97,986)	**123,926**
Library Resources	129,053	(65,365)	**63,688**
Balance at 31 December 2019	2,141,698	(1,039,726)	**1,101,972**

2018	Opening Balance (NBV) $	Additions $	Disposals $	Impairment $	Depreciation $	Total (NBV) $
Buildings	37,154	1,750	-	-	(1,918)	**36,986**
Building Improvements	77,285	-	-	-	(2,430)	**74,854**
Furniture and Equipment	640,067	70,727	-	-	(90,542)	**620,252**
Information and Communication Tech	45,695	-	-	-	(15,537)	**30,158**
Motor Vehicles	3,517	8,261	-	-	(2,651)	**9,127**
Leased Assets	78,420	112,970	-	-	(65,098)	**126,291**
Library Resources	55,926	13,232	-	-	(8,931)	**60,229**
Balance at 31 December 2018	938,064	206,940	-	-	(187,107)	**957,897**

The net carrying value of equipment held under a finance lease is **$126,291 (2017: $78,420)**

2018	Cost or Valuation $	Accumulated Depreciation $	Net Book Value $
Buildings	50,109	(13,123)	**36,986**
Building Improvements	85,064	(10,210)	**74,854**
Furniture and Equipment	1,129,781	(509,529)	**620,252**
Information and Communication	246,617	(216,459)	**30,158**
Motor Vehicles	13,865	(4,738)	**9,127**
Leased Assets	353,923	(227,632)	**126,291**
Library Resources	115,945	(55,716)	**60,229**
Balance at 31 December 2018	1,995,304	(1,037,407)	**957,897**

12. Accounts Payable

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Operating Creditors	72,715	24,567	28,836
Accruals	6,208	6,629	5,941
Capital Accruals for PPE items	460	-	-
Employee Entitlements - Salaries	222,241	194,673	235,134
Employee Entitlements - Leave Accrual	10,277	11,765	12,319
	311,901	237,634	282,230
Payables for Exchange Transactions	311,901	237,634	282,230
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	311,901	237,634	282,230

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Income in Advance	27,582	1,486	-
	27,582	1,486	-

14. Provision for Cyclical Maintenance

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Provision at the Start of the Year	38,800	9,748	53,442
Increase/(decrease) to the Provision During the Year	63,066	7,563	(14,642)
Use of the Provision During the Year	(34,429)	-	-
Provision at the End of the Year	67,437	17,311	38,800
Cyclical Maintenance - Current	-	17,311	-
Cyclical Maintenance - Term	67,437	-	38,800
	67,437	17,311	38,800

15. Finance Lease Liability

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

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
No Later than One Year	73,998	-	74,471
Later than One Year and no Later than Five Years	50,432	-	62,406
Fixture Finance Charges	(11,238)	-	(13,514)
	113,192	-	123,363

16. 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:

2019		Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
5YA Property Plan	*completed*	(1,928)	-	(1,928)	-	-
Acoustic Upgrade	*completed*	207	-	207	-	-
Staff Toilet Block+Drainage Works	*in progress*	18,383	6,512	23,725	-	1,170
Drainage Works	*completed*	(23,725)	-	(23,725)	-	-
Canopy Structure	*completed*	290,439	37,014	327,453	-	-
Floor Covering	*completed*	125,118	48,497	173,615	-	-
Totals		408,494	92,023	499,347	-	1,170

Represented by:

Funds Held on Behalf of the Ministry of Education	1,170
Funds Due from the Ministry of Education	-
	1,170

2018		Opening Balances $	Receipts from MoE $	Payments $	BOT Contribution/ (Write-off to R&M)	Closing Balances $
5YA Property Plan	*in progress*	1,346	-	3,274	-	(1,928)
Acoustic Upgrade	*in progress*	-	5,787	5,580	-	207
Staff Toilet Block+Drainage Works	*in progress*	-	60,739	42,356	-	18,383
Drainage Works	*in progress*	-	-	23,725	-	(23,725)
Canopy Structure	*in progress*	-	333,122	42,683	-	290,439
Floor Covering	*in progress*	-	129,618	4,500	-	125,118
Totals		1,346	529,266	122,118	-	408,494

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

	2019 Actual $	2018 Actual $
Board Members		
Remuneration	3,958	3,185
Full-time equivalent members	0.35	0.22
Leadership Team		
Remuneration	962,877	384,013
Full-time equivalent members	10.00	3.00
Total key management personnel remuneration	966,835	387,198
Total full-time equivalent personnel	10.35	3.22

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

Principal

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

Salaries and Other Short-term Employee Benefits:	2019 Actual $000	2018 Actual $000
Principal A		
Salary and Other Payments	130 - 140	150 - 160
Benefits and Other Emoluments	3 - 4	20 - 21
Termination Benefits	-	-
Principal B		
Salary and Other Payments	0 - 10	-
Benefits and Other Emoluments	0 - 1	-
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
120 - 130	0.00	-
100 - 110	2.00	1.00
	2.00	1.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2019 Actual	2018 Actual
Total	-	-
Number of People	-	-

20. Contingencies

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

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

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

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

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2019 (Capital commitments at 31 December 2018: nil).

(b) Operating Commitments

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

(a) operating lease of photocopiers;

	2019 Actual $	2018 Actual $
No later than One Year	-	33
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	-	33

22. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but attempts to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

23. Financial Instruments

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

Financial assets measured at amortised cost (2018: Loans and receivables)

	2019 Actual $	2019 Budget (Unaudited) $	2018 Actual $
Cash and Cash Equivalents	247,077	176,663	1,028,620
Receivables	228,372	231,654	238,970
Investments - Term Deposits	619,676	464,784	309,927
Total Financial assets measured at amortised cost	1,095,125	873,101	1,577,517
Financial liabilities measured at amortised cost			
Payables	311,901	237,634	282,230
Borrowings - Loans	-	-	-
Finance Leases	113,194	-	123,363
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	425,095	237,634	405,593

24. 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.

25. Comparatives

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

26. 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 10 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.

CURRICULUM OBJECTIVES / TARGETS

- The attainment of NCEA 1 -3 for at least 75% of eligible candidates
- To raise the number of course and certificate endorsements attained at all NCEA levels.
- To maintain NCEA L1 Literacy and Numeracy levels of achievement at 90%+ attainment level.
- At Years 7 – 10 to continue to raise each student's Literacy and Numeracy progress towards Curriculum Level 6 by the end of Year 10 in readiness for NCEA L1.
- To continue to lift Māori student achievement in Reading at Years 7 and 8 from "Below" to "At" the appropriate curriculum level.
- To increase the number of Maori students entering S.T.E.M. subjects
- To continue with C.R.R.P. programme raising awareness and practice against the Rongohia Te Hau standards.

Objective	What we achieved	Why / How the variance	What we are doing about it.
• The attainment of NCEA 1 -3 for at least 75% of eligible candidates	• We fell below this target, at overall level of achievement of 41% • Achievement at Level 1 and level 3 declined slightly, whilst level 2 improved slightly • When we consider the achievement of eligible candidates as opposed those on roll at July, then levels of achievement are slightly better. • There were a number of students (16%) within 8 credits of L.1 being worked with in February 2020. • There are a number students (12%) who are within 8 credits of L.2 and are also being worked with.	• Possibly lost some focus on the senior area of the school as we focussed energies on developing connected curriculum across Years 9/10 • Still dependent on non traditional standards for substantial number of credits • Concern at amount of time that students have had out of school for a variety of activities, including courses and like. • We lost a number of students to employment before they had attained NCEA's at L. 2 and 3. These are also considered successes for us.	• Introduction of formalised Senior Academic Mentor / Dean role • Further tracking and reporting to staff on regular basis. • Catch-up weeks for students who are behind long term. • Catch-up sessions for students behind in immediate situation • Active involvement with RMP for targeted Maori at Yr 12. • Active support of students within 8 credits attaining a NCEA. • Reducing the amount of time that senior students have out of scheduled class time, through revised compliance process.
• To raise the number of course and certificate endorsements attained at all NCEA levels.	• There was a substantial increase in the number of Excellence grades attained (almost doubled at Level 1 to 23%) plus increase at Level 2 • Merit grades remained static, except at Level 3 where there was an improvement, but no Excellence endorsements.	• Greater Teacher focus on individual student responsibility • Intense revision / extension programmes for selected students • Identifying and further supporting students who show the potential to achieve the higher grades. • Greater emphasis on quality rather than quantity of credits attained	**Continue:** • Greater Teacher focus on individual student responsibility • Intense revision programmes for selected students • Identifying and further supporting students who show the potential to achieve the higher grades. • Greater emphasis on quality rather than quantity of credits attained
• To maintain NCEA L1 Literacy and Numeracy levels of achievement at 90%+ attainment level.	• Literacy and Numeracy levels at Level 1 improved on previous year to 78% and 75% respectively. • By end of Yr 13, 93% of students had attained the L1	• Possibly lost some focus on the senior area of the school as we focussed energies on developing connected curriculum across Years 9/10	• Greater awareness for students and staff of where literacy and numeracy credits can be attained. • Continued increased awareness of basic literacy and numeracy requirements

	Literacy and numeracy requirement.		• Continued termly catch-up weeks with literacy and numeracy focus. • Addition of two focus weeks (T.2 and T.3) at Year 11, aimed purely at Literacy and Numeracy achievement.
• At Years 7 - 10 to continue to raise each student's Literacy and Numeracy progress towards Curriculum Level 6 by the end of Year 10 in readiness for NCEA L1.	• Positive increase in e-asttle results at Years 9 and 10; • EoY testing of Yr 10 indicated 60%+ were at Level 5/6 and NCEA ready., a substantial reduction on the 80% who came into school below their chronological level. • E-asttle testing indicated improved literacy levels at Yr 7/8	• Active reading programmes at Yr 7/8 • Reading Eggs, Reading Flyers and STEPS programmes for readers needing additional support • Introduction of SSR across entire school • Increased staff overt awareness of literacy and numeracy in curriculum areas. • Regular staff feedback on literacy and numeracy levels of achievement through the year.	**Continue:** • Active reading programmes at Yr 7/8 • Reading Eggs, Learning Flyers and STEPS programmes for readers needing additional support – to be expanded in 2020 • SSR (STAR) across entire school • Increased staff overt awareness of literacy and numeracy in curriculum areas. • Regular staff feedback on literacy and numeracy levels of achievement through the year. • Regular staff PLD around reading and literacy in general / wider sharing of strategies.
• To continue to lift Māori student achievement in Reading at Years 7 and 8 from "Below" to "At" the appropriate curriculum level.	• It is concerning that almost four in ten Year 9 students are well below the expected curriculum level. Girls achieve more highly than boys, with nearly six in ten girls at or above the expected level. The reading achievement of Māori students needs to be a focus as nearly 72% of Māori students are below or well below in reading. • The average score at Putaruru College (3A) is equal to the curriculum expectation at mid-Year 7.	• Active reading programmes at Yr 7/8 • Reading EGGS, Reading Flyers and STEPS programmes for readers needing additional support • Introduction of SSR across entire school	**Continue:** • use of active reading programmes and software. • Reading EGGS, Reading Flyers and STEPS programmes for readers needing additional support to be expanded • Overt acknowledgement of Maori Te Reo and Tikanga within school. • Raised profile of "Maori" Dept in the school.
• To increase the number of Maori students entering S.T.E.M. subjects	Data not available •	• Increased exposure to employment and tertiary options thru Gateway, STP's, etc. • Connected curriculum giving students greater exposure to experiences that may previously been avoided	• Increased exposure to employment and tertiary options thru Gateway, STP's, etc. • Yr.11 involvement with tertiary taster courses. • Introduction of STEM partnership with SMART Waikato at Year 10.
• To continue with C.R.R.P. programme raising awareness and practice against the Rongohia Te Hau standards.	• Observations across the school indicate that although we still rate 3 on the 5 point scale, as per last year.	• Made a conscious effort to be more culturally responsive and to develop relational pedagogy within school as a whole and within classrooms.	**Continue:** • PLD and focus on the Maori aspect/s of our school • Greater connection with Whanau and the remainder of our Rohe.

	• Raised profile of things Maori within the school and normalised such practice. • Staff Hikoi around our rohe and introduction to our marae/s. • Fostering links with whanau roopu group • Permanently established Maori Dept with fully fledged C.L. • Introduction of the connected curriculum and working together across "subject" areas in a collective / cooperative way.	• Progress stilted somewhat by the taking on of 11 new staff and getting them up to speed with the thinking and practice in our school; and, school culture. • Overt acknowledgement of Maori Te Reo and Tikanga within school.	• Continued staff education on the importance of culture and relationship building • Revised role for Learning Advisors / Tutors; now active timetabled teaching time. • Overt actions of Maori Te Reo and Tikanga within school as accepted practice. • Increased presence and visibility of C.L. for Maori in school activities. • Raised profile of "Maori" Dept in the school.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TE TOTARA PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Te Totara Primary School (the School). The Auditor-General has appointed me, Bernard Lamusse, using the staff and resources of PKF Hamilton Audit Ltd, 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 21, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

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

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

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 21 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 arises 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 on pages 22 to 25, but does not include the financial statements, and our auditor's report thereon.

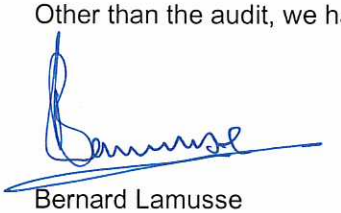
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Bernard Lamusse
Director
PKF Hamilton Audit Ltd
On behalf of the Auditor-General
Hamilton, New Zealand