

ARIA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 1687

Principal: Pam Voyce

School Address: Barclay Road, ARIA

School Postal Address: Barclay Road, ARIA, 3979

School Phone: 07 877 7857

School Email: office@aria.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Catherine Terry	Chairperson	Elected	Dairy Farmer	Jun 2021
Pam Voyce	Principal	ex Officio		
Dani Darke	Parent Rep	Elected	Farmer	Jun 2021
Apolline Komene	Parent Rep	Elected	Operational Excellence	Jun 2021
Bevan Brown	Parent Rep	Elected	Dairy Farmer	Jun 2021
Steve Bodger	Parent Rep	Elected	Teacher	Jun 2021
Natasha Richardson	Parent Rep	Co-opted	Farmer	Jun 2021
John Roper	Parent Rep	Co-opted	Assistant Dairy Farm M	Jun 2021
Richard Newton	Parent Rep	Co-opted	Unemployed	Jun 2021
Sarah O'Connor	Staff Rep	Appointed	Teacher	Jun 2021

Accountant / Service Provider: Education Services Ltd

ARIA SCHOOL

Annual Report - For the year ended 31 December 2019

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Aria 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.

Catherine Louise Terry
Full Name of Board Chairperson


Signature of Board Chairperson

7-5-2020
Date:

Pamela Jean Voyce
Full Name of Principal


Signature of Principal

7-5-2020
Date:

Aria 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	547,409	504,378	569,509
Locally Raised Funds	3	57,753	49,895	57,911
Interest income		936	450	875
Gain on Sale of Property, Plant and Equipment		109	-	-
		<u>606,207</u>	<u>554,723</u>	<u>628,295</u>
Expenses				
Locally Raised Funds	3	19,348	16,890	21,447
Learning Resources	4	361,038	328,953	396,715
Administration	5	56,725	50,904	55,239
Finance		1,162	1,500	1,284
Property	6	144,539	134,705	130,777
Depreciation	7	17,280	17,000	21,235
Loss on Disposal of Property, Plant and Equipment		-	-	623
Transport		8,040	10,000	11,665
		<u>608,132</u>	<u>559,952</u>	<u>638,985</u>
Net Surplus / (Deficit) for the year		(1,925)	(5,229)	(10,690)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(1,925)</u>	<u>(5,229)</u>	<u>(10,690)</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.



Aria 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		171,857	170,117	180,739
Total comprehensive revenue and expense for the year		(1,925)	(5,229)	(10,690)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	1,808
Mapiu Dispersal Funding		10,000	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	23	179,932	164,888	171,857
Retained Earnings		179,932	164,888	171,857
Equity at 31 December		179,932	164,888	171,857

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.



Aria School
Statement of Financial Position
As at 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	32,519	41,237	28,417
Accounts Receivable	9	21,515	19,099	27,743
GST Receivable		6,751	2,794	2,282
Prepayments		1,168	523	684
Inventories	10	1,462	1,288	1,087
Investments	11	-	-	24,097
Funds owed for Capital Works Projects	17	4,949	-	-
		<u>68,364</u>	<u>64,941</u>	<u>84,310</u>
Current Liabilities				
Accounts Payable	13	32,366	36,231	41,034
Revenue Received in Advance	14	889	758	805
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability - Current Portion	16	4,037	4,082	3,170
		<u>37,292</u>	<u>41,071</u>	<u>45,009</u>
Working Capital Surplus/(Deficit)		31,072	23,870	39,301
Non-current Assets				
Investments (more than 12 months)	11	25,422	23,708	-
Property, Plant and Equipment	12	146,753	140,649	152,495
		<u>172,175</u>	<u>164,357</u>	<u>152,495</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	14,700	17,314	12,250
Finance Lease Liability	16	8,615	6,025	7,689
		<u>23,315</u>	<u>23,339</u>	<u>19,939</u>
Net Assets		<u>179,932</u>	<u>164,888</u>	<u>171,857</u>
Equity		<u>179,932</u>	<u>164,888</u>	<u>171,857</u>

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



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

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		149,095	122,700	130,017
Locally Raised Funds		57,884	49,895	57,958
Goods and Services Tax (net)		(4,469)	-	512
Payments to Employees		(95,612)	(68,150)	(74,196)
Payments to Suppliers		(94,385)	(67,734)	(102,994)
Interest Paid		(1,162)	(1,500)	(1,284)
Interest Received		956	450	418
Net cash from Operating Activities		12,307	35,661	10,431
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(8,356)	(5,500)	(3,292)
Purchase of Investments		(1,325)	-	-
Net cash from Investing Activities		(9,681)	(5,500)	(3,292)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	1,808
Owners Contributions		10,000	-	-
Finance Lease Payments		(3,575)	(10,660)	(2,266)
Funds Held for Capital Works Projects		(4,949)	-	-
Net cash from Financing Activities		1,476	(10,660)	(458)
Net increase/(decrease) in cash and cash equivalents		4,102	19,501	6,681
Cash and cash equivalents at the beginning of the year	8	28,417	21,736	21,736
Cash and cash equivalents at the end of the year	8	32,519	41,237	28,417

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.



Aria School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Aria 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) 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 \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	20-50 years
Building Improvements	20-50 years
Furniture and Equipment	5-10 years
Information and Communication	4-5 years
Motor Vehicles	5 years
Library Resources	8 years

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. Its 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.

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial Assets and Liabilities

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

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

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



u) Borrowings

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

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

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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

2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	118,791	120,000	123,109
Teachers' Salaries Grants	295,479	284,223	299,851
Use of Land and Buildings Grants	100,872	96,155	87,209
Other MoE Grants	32,267	4,000	59,340
	<u>547,409</u>	<u>504,378</u>	<u>569,509</u>

3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	33,683	31,500	33,494
Activities	14,204	10,045	15,340
Trading	4,666	3,150	3,877
School House	5,200	5,200	5,200
	<u>57,753</u>	<u>49,895</u>	<u>57,911</u>
Expenses			
Activities	14,008	10,940	15,596
Trading	4,058	3,750	4,746
School House	1,282	2,200	1,105
	<u>19,348</u>	<u>16,890</u>	<u>21,447</u>
<i>Surplus for the year Locally raised funds</i>	<u>38,405</u>	<u>33,005</u>	<u>36,464</u>

4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	12,493	10,630	10,692
Library Resources	15	250	104
Employee Benefits - Salaries	343,569	312,373	381,222
Staff Development	1,626	4,200	2,990
Ict	3,335	1,500	1,707
	<u>361,038</u>	<u>328,953</u>	<u>396,715</u>



5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Audit Fee	3,938	3,654	3,480
Board of Trustees Fees	4,345	3,790	3,625
Board of Trustees Expenses	2,533	800	1,401
Communication	2,348	1,600	1,706
Consumables	3,532	3,300	2,955
Operating Lease	-	600	425
Other	4,633	5,400	5,334
Employee Benefits - Salaries	30,121	28,000	29,050
Insurance	475	-	484
Service Providers, Contractors and Consultancy	4,800	3,760	6,779
	<u>56,725</u>	<u>50,904</u>	<u>55,239</u>

6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Caretaking and Cleaning Consumables	3,465	3,000	3,109
Cyclical Maintenance Expense	2,450	2,450	359
Grounds	9,867	7,100	7,903
Heat, Light and Water	10,065	8,200	9,123
Rates	231	-	220
Repairs and Maintenance	2,986	5,800	8,580
Use of Land and Buildings	100,872	96,155	87,209
Employee Benefits - Salaries	14,603	12,000	14,274
	<u>144,539</u>	<u>134,705</u>	<u>130,777</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)	\$
	\$	\$	\$
Buildings	2,177	1,742	2,176
Building Improvements	2,823	2,260	2,823
Furniture and Equipment	3,903	3,155	3,940
Information and Communication Technology	2,675	2,987	3,731
Leased Assets	4,123	3,209	4,009
Library Resources	1,579	3,647	4,556
	<u>17,280</u>	<u>17,000</u>	<u>21,235</u>

8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Bank Current Account	21,288	33,194	14,255
Bank Call Account	11,231	8,043	14,162
Cash equivalents for Cash Flow Statement	<u>32,519</u>	<u>41,237</u>	<u>28,417</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 from the Ministry of Education	-	-	1,208
Banking Staffing Underuse	4,589	-	-
Interest Receivable	92	112	569
Teacher Salaries Grant Receivable	16,834	18,987	25,966
	<u>21,515</u>	<u>19,099</u>	<u>27,743</u>
Receivables from Exchange Transactions	92	112	569
Receivables from Non-Exchange Transactions	21,423	18,987	27,174
	<u>21,515</u>	<u>19,099</u>	<u>27,743</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	400	598	396
Uniforms	671	438	638
Canteen	391	252	53
	<u>1,462</u>	<u>1,288</u>	<u>1,087</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	-	-	24,097
Non-current Asset			
Long-term Bank Deposits	25,422	23,708	-
Total Investments	<u>25,422</u>	<u>23,708</u>	<u>24,097</u>

12. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Buildings	62,621	-	-	-	(2,177)	60,444
Building Improvements	52,286	-	-	-	(2,823)	49,463
Furniture and Equipment	18,575	3,180	(377)	-	(3,903)	17,475
Information and Communication Tech	4,668	2,222	-	-	(2,675)	4,215
Leased Assets	10,095	5,693	-	-	(4,123)	11,665
Library Resources	4,250	820	-	-	(1,579)	3,491
Balance at 31 December 2019	<u>152,495</u>	<u>11,915</u>	<u>(377)</u>	<u>-</u>	<u>(17,280)</u>	<u>146,753</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Buildings	87,058	(26,614)	60,444
Building Improvements	112,929	(63,466)	49,463
Furniture and Equipment	136,596	(119,121)	17,475
Information and Communication	34,794	(30,579)	4,215
Leased Assets	16,957	(5,292)	11,665
Library Resources	37,283	(33,792)	3,491
Balance at 31 December 2019	425,617	(278,864)	146,753

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Buildings	64,797	-	-	-	(2,176)	62,621
Building Improvements	55,110	-	-	-	(2,823)	52,286
Furniture and Equipment	23,138	-	(623)	-	(3,940)	18,575
Information and Communication Tech	8,399	-	-	-	(3,731)	4,668
Leased Assets	2,839	11,264	-	-	(4,009)	10,095
Library Resources	7,648	1,158	-	-	(4,556)	4,250
Balance at 31 December 2018	161,931	12,422	(623)	-	(21,235)	152,495

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Buildings	87,058	(24,437)	62,621
Building Improvements	112,929	(60,643)	52,286
Furniture and Equipment	133,902	(115,327)	18,575
Information and Communication	32,572	(27,904)	4,668
Leased Assets	16,907	(6,812)	10,095
Library Resources	36,463	(32,213)	4,250
Balance at 31 December 2018	419,831	(267,336)	152,495

13. Accounts Payable

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
	\$	\$	\$
Operating Creditors	4,140	9,187	5,747
Accruals	3,764	3,480	3,480
Employee Entitlements - Salaries	16,834	18,987	25,966
Employee Entitlements - Leave Accrual	7,628	4,577	5,841
	32,366	36,231	41,034
Payables for Exchange Transactions	32,366	36,231	41,034
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	32,366	36,231	41,034

The carrying value of payables approximates their fair value.



14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Income in Advance	-	50	-
Other	889	708	805
	889	758	805

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	12,250	14,864	11,891
Increase to the Provision During the Year	2,450	2,450	359
Provision at the End of the Year	14,700	17,314	12,250
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	14,700	17,314	12,250
	14,700	17,314	12,250

16. 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	4,697	4,082	4,082
Later than One Year and no Later than Five Years	9,183	6,025	8,917
	13,880	10,107	12,999

17. Funds Owed (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/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Covered Deck & Door Upgrade	<i>in progress</i>	-	115,278	120,227	-	4,949
Totals		-	115,278	120,227	-	4,949

Represented by:

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

-
4,949
4,949

	2018	Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Totals		-	-	-	-	-

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	4,345	3,625
Full-time equivalent members	0.17	0.23
<i>Leadership Team</i>		
Remuneration	112,185	108,318
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	116,530	111,943
Total full-time equivalent personnel	1.17	1.23

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	100 - 110	100 - 110
Benefits and Other Emoluments	2 - 3	2 - 3
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	-	-
	<u>0.00</u>	<u>0.00</u>

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 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	-	-

21. 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.

22. 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 laptops;

	2019 Actual \$	2018 Actual \$
No later than One Year	-	1,467
Later than One Year and No Later than Five Years	-	-
Later than Five Years	-	-
	<u>-</u>	<u>1,467</u>

23. 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.

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	32,519	41,237	28,417
Receivables	21,515	19,099	27,743
Investments - Term Deposits	25,422	23,708	24,097
Total Financial assets measured at amortised cost	<u>79,456</u>	<u>84,044</u>	<u>80,257</u>

Financial liabilities measured at amortised cost

Payables	32,366	36,231	41,034
Borrowings - Loans	-	-	-
Finance Leases	12,652	10,107	10,859
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>45,018</u>	<u>46,338</u>	<u>51,893</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. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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.

- 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



School name: Aria Primary

School number: 1687

Strategic Aim: All students are able to access The New Zealand Curriculum as evidenced by achievement in relation to NZ Curriculum levels.

Annual Aim: To raise the rate of progress for all students deemed at risk of not achieving at the appropriate level for **Writing**.

To increase the number of students achieving at or above the appropriate level for **Writing** to 85% across the school.

Achievement Target 1:

- **All 18 students who were below the standard at the end of 2018 will make more than one year's progress in Writing by the end of 2019.**
- **To improve the standards (content) of Writing (including the surface features of spelling and punctuation) and proofreading.**
- **To focus on improving spelling and building usable vocabulary.**
- **To increase the teachers' knowledge and skills for teaching Writing.**

Baseline Data:

- Analysis of school wide writing data in November identified ongoing concerns in spelling, and vocabulary development.
- A group of 18 students across all year groups has been selected as our target group. 6 out of 18 (33%) are in year 4 and 4 out of 18 (22%) are in year 6.
- Composition 10 Maori, 8 NZ European / 11 male, 7 female / 3 x yr 1, 2 x yr 2, 1 x yr 3, **6 x yr 4**, 2 x yr 5, **4 x yr 6**.

Analysis of the data indicates:

- Overall achievement levels remained the same at 75% (30) at or above in 2018 and 76% (28) in 2019.
- Boys' achievement levels improved from 67% (14) in 2018 to 71% (12) in 2019.
- Girls' achievement levels dropped from - 83.3% (15) in 2018 to 80% (16) in 2019.
- Writing intervention programmes, particularly ALL are addressing the specific needs of our low achieving students.
- Our students are not reluctant writers, they lack the skills required to be good writers, specifically vocab, spelling, proofreading, and editing.
- Our spelling / vocab development programmes need to be a continued focus in 2020.

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>Reviewed all existing documentation.</p> <p>Set target groups for ALL intervention (Sarah and Pam). Assessed target students every 3 weeks. Attended ALL feedback days.</p> <p>Assessed whole school twice during year using AsTTle / Exemplar, OTJs.</p> <p>On-going Professional Development for all staff.</p> <p>Focused staff meeting sessions.</p> <p>Writing groups (ability and specific needs based) continued in class.</p> <p>Students were more involved in their own goal setting using the "Child speak Writing Progressions".</p> <p>Collated data and decided on 2020 development.</p> <p>Decided on continuation of ALL into 2020 for two staff.</p>	<p>Used "The Writing Book" and "Oral Language Book" as our teaching references.</p> <p>Shared and evaluated writing successes regularly during staff meetings e.g. lesson plans – why did they work?</p> <p>Teachers' knowledge and skills for teaching writing improved.</p> <p>ALL. Target students were monitored more regularly than other students so progress was clear and changes could be made in a more timely fashion.</p>	<p>New entrants have significant language and behavioural deficits.</p> <p>All teachers embraced the ALL writing focus and worked hard to improve their skills in teaching writing.</p> <p>Some students identified own goals and focused on these more clearly than in the past.</p> <p>Writing was more of a focus than in past years.</p> <p>More regular discussion / reflection / teacher inquiry at staff meetings proved beneficial.</p>	<p>Student goals need to be more specific and clearly understood. Priority students' progress needs to be measured at least each term to ensure that programmes are successful and progress is being accelerated at appropriate rate to meet EOY goals.</p> <p>Continue with ALL for 2 staff members.</p> <p>Discuss Priority Students' progress at each staff meeting.</p> <p>Students need to have a checklist of relevant writing progressions (in child speak) so that they can check their own progress and use them well.</p> <p>Continue with regular PD at staff meetings developing self-reflection.</p> <p>Attend PD with Sheena Cameron and Louise Dempsey based on "The Writing Book" text.</p> <p>Targeted writing groups with Teacher Aides focusing on yesterday's writing – accurate proof-reading, editing and vocab development focus to continue.</p> <p>Develop use of <i>The Oral Language Book</i> as reference (Sheena Cameron/Louise Dempsey).</p> <p>Continue to explore use of PaCT Writing Framework to assist with moderation.</p>
<p>Planning for 2020:</p> <p>Timetabling writing groups at Dec 2019 planning day. Select term 1 students in advance. Use added Teacher Aide hours more effectively (see T/Aide Intervention Programme)</p> <p>Discuss the <i>Writing Progressions</i> checklists in child speak – so that staff understand them and can clearly explain them to students.</p> <p>Review the <i>Literacy Programme</i> (Writing) – what does writing look like at our school?</p> <p>Set goals for learning (next steps) for Priority students not achieving at appropriate level.</p> <p>Continue to explore ways of improving spelling programmes and developing vocabulary (review Learning Matters PD).</p>			



Analysis of variance reporting

School name: Aria Primary	School number: 1687
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Strategic Aim: All students are able to access The New Zealand Curriculum as evidenced by achievement in relation to the NZ Curriculum levels.

Annual Aim: To raise the rate of progress for all students deemed at risk of not achieving at the appropriate level in **Maths**.
To increase the number of students achieving at or above the appropriate level in **Maths** to 85% across the school.

Achievement Target 2:
- **All 15 students who were below the appropriate level at the end of 2018 will make more than one year's progress by the end of 2019.**
- **To maintain focus on the knowledge and rapid recall of basic number facts across the school.**
- **To improve the understanding of Grouping and Place Value across the school.**
- **To increase the teachers' knowledge and skills for teaching Maths.**

Baseline Data:
- Analysis of school wide numeracy data in November identified ongoing concerns in basic facts' knowledge across the school. A weakness in the understanding of Grouping and Place value continues to be of concern.
- No particular year group stood out as a target group. A group of 15 students across all year groups has been selected as our target group including 5 (33%) in year 4.
Composition 8 Maori, 7 NZ European / 7 male, 8 female / 3 x year 1, 2 x year 2, 5 x year 4, 2 x year 5 and 3 x year 6.

Analysis of the data indicates:

- Overall achievement levels improved to 82% (from 66%) at or above the expected level (30 students).
- Of those below expected level, 3 students were Boys - 82% at or above level.
- Of those below expected level, 4 students were Girls - 80% at or above level.
- Maths intervention programmes such as ALiM were meeting the specific needs of our low achieving students as well as accelerating the achievement of most other students.
- Our students are not yet achieving at the appropriate level for knowledge of Basic Facts.
- A new approach to Basic Number Facts learning is required for 2020.

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
<p>Analysed all data collected at end of 2018 and beginning of 2019.</p> <p>Identified Target group – set goals.</p> <p>Selected ALiM students – max 5 in each group, half hour daily for 5 weeks.</p> <p>Daily maintenance activities-regular assessment to monitor progress.</p> <p>Used GLOSS testing format to familiarise students with unpacking of word problems.</p> <p>Staff meeting PD- readings etc.</p> <p>Parent meetings held – Basic Facts knowledge focus – how to help at home.</p> <p>Reviewed Target group progress, ALiM data etc.</p> <p>School wide assessment –MY/EOY using AsTTle, PAT, GLOSS, JAM, OTJs</p> <p>Teacher Only Day – PD</p> <p>Collated data, reported to Board/Community on progress, set goals for 2020.</p>	<p>Little improvement in basic facts knowledge and recall.</p> <p>ALiM results showed that this intervention was successful. Students grouped by identified gaps in their learning.</p> <p>Small attendances (although great interest shown) at Basic Facts evenings for parents.</p>	<p>Little “buy in” from students and caregivers so little practice completed at home.</p> <p>Absences in year 1 students were higher than acceptable or expected.</p> <p>ALiM happened most days and all students had a “turn”. Consistent and effective focused teaching by Whaea Marie.</p> <p>People overcommitted or forget.</p>	<p>Targeted groups of 4 during school time with Teacher Aide – see Teacher Aide timetable. Focus on the learning of all basic number facts.</p> <p>ALiM groups will continue into 2020.</p> <p>Will phone all parents to remind.</p> <p>Encourage attendance with “Goody Bags” full of maths games, activities to do at home.</p> <p>Use Learning Matters programme for students with Dyscalculia.</p> <p>Continue as in 2019.</p>
<p>Planning for 2020:</p> <p>Review “Aria School Numeracy Programme”.</p> <p>Select Targeted Maths groups - 4 per group focusing on Basic Facts (Teacher Aide).</p> <p>Select ALiM groups (Whaea Ana) – 5 per group for 30 mins from 8.30-9 each morning for 5 weeks per group.</p>			

Aria School

KiwiSport Funding for the year ended 31 December 2019

Kiwisport is a Government funding initiative to support student's participation in organised sport.
The school received total Kiwisport funding of \$705.85 excl gst.
The whole school benefited from participation in organised sport.

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Aria School (the School). The Auditor-General has appointed me, Jonathan Hurst, using the staff and resources of Finnz Limited, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 21 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue & expense, statement of changes in net assets/equity, and statement of cashflows 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
 - financial performance and cashflows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector - Public Benefit Entity (PBE) Standards, Reduced Disclosure Regime.

Our audit was completed on 14th May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw your attention to other matters. 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 20 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance Report, Kiwisport Note, and Trustee list, 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.



Jonathan Hurst
Finnz Audit Limited
On behalf of the Auditor-General
Te Awamutu, New Zealand