

TAIPA AREA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

School Directory

Ministry Number: 2

Principal: Doreen Bailey

School Address: 578 SH 10, TAIPA

School Postal Address: 578 SH 10, TAIPA, 0420

School Phone: 09 406 0159

School Email: lisab@taipa.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Term Expires/ Expired
Donna Yates	Chairperson	Elected	Jun 2019
-Doreen Bailey	Principal	ex Officio	
Nick Duval	Parent Rep	Elected	Jun 2019
Carol Moffat	Parent Rep	Elected	Jun 2019
Haina Parata	Parent Rep	Co-opted	Jun 2019
Toni Dane	Parent Rep	Elected	Jun 2019
Hannah Thompson	Parent Rep	Elected	Jun 2019
Sarah Russell	Parent Rep	Elected	Jun 2019
-Shane Dormer	Staff Rep	Elected	Jun 2019
-Drew Parata	Student Rep	Elected	Dec 2018

Accountant / Service Provider: Education Services Ltd

TAIPA AREA SCHOOL

Annual Report - For the year ended 31 December 2018

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 - 11	Statement of Accounting Policies
12 - 21	Notes to the Financial Statements
	Other Information
	Analysis of Variance
	Kiwisport

Taipa Area School

Statement of Responsibility

For the year ended 31 December 2018

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 2018 fairly reflects the financial position and operations of the school.

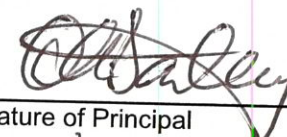
The School's 2018 financial statements are authorised for issue by the Board.


Full Name of Board Chairperson Deputy


Signature of Board Chairperson

31/5/19
Date:


Full Name of Principal


Signature of Principal

31/5/19
Date:

VISION
Vibrant Dynamic
Hub of the
Community.

Taipa Area School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue				
Government Grants				
Locally Raised Funds	2	4,102,669	3,604,262	3,907,140
Interest Earned	3	195,607	74,652	158,230
Gain on Sale of Property, Plant and Equipment		4,824	1,800	4,857
		1,370	-	191
		4,304,470	3,680,714	4,070,418
Expenses				
Locally Raised Funds	3	92,236	44,550	91,225
Learning Resources	4	2,831,449	2,490,704	2,775,420
Administration	5	243,372	220,812	241,126
Finance Costs		5,089	11,692	6,046
Property	6	876,691	811,590	810,233
Depreciation	7	121,667	85,000	130,838
Loss on Disposal of Property, Plant and Equipment		517	-	1,258
Loss on Uncollectable Accounts Receivable		-	-	48
Transport		6,199	7,800	9,211
		4,177,220	3,672,148	4,065,405
Net Surplus / (Deficit)				
		127,250	8,566	5,013
Other Comprehensive Revenue and Expenses				
		-	-	-
Total Comprehensive Revenue and Expense for the Year				
		127,250	8,566	5,013

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

Taipa Area School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2018

	Actual 2018 \$	Budget (Unaudited) 2018 \$	Actual 2017 \$
Balance at 1 January	1,329,457	1,315,231	1,309,899
Total comprehensive revenue and expense for the year	127,250	8,566	5,013
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	9,076	-	-
School Network Upgrade Project (SNUP)	-	-	14,545
Equity at 31 December	1,465,783	1,323,797	1,329,457
 Retained Earnings	 1,465,783	 1,323,797	 1,329,457
Equity at 31 December	1,465,783	1,323,797	1,329,457

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Taipa Area School
Statement of Financial Position
As at 31 December 2018

	Notes	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Assets				
Cash and Cash Equivalents	8	396,656	137,590	306,395
Accounts Receivable	9	161,574	317,866	301,098
GST Receivable		-	16,583	17,315
Prepayments		34,236	19,641	22,931
Inventories	10	5,125	11,434	4,165
Investments	11	134,876	-	129,543
		<u>732,467</u>	<u>503,114</u>	<u>781,447</u>
Current Liabilities				
GST Payable		4,576	-	-
Accounts Payable	13	202,450	273,878	324,023
Revenue Received in Advance	14	5,789	-	4,513
Provision for Cyclical Maintenance	15	168,026	18,329	120,264
Painting Contract Liability - Current Portion	16	-	-	11,125
Finance Lease Liability - Current Portion	17	48,234	-	48,452
Funds held in Trust	18	-	14,043	3,918
Funds held for Capital Works Projects	19	50,825	-	5,076
Funds for RTLB services	20	-	127,372	152,801
		<u>479,900</u>	<u>433,622</u>	<u>670,172</u>
Working Capital Surplus/(Deficit)		<u>252,567</u>	<u>69,492</u>	<u>111,275</u>
Non-current Assets				
Property, Plant and Equipment	12	1,383,277	1,254,305	1,452,922
		<u>1,383,277</u>	<u>1,254,305</u>	<u>1,452,922</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	128,519	-	151,087
Finance Lease Liability	17	41,542	-	83,653
		<u>170,061</u>	<u>-</u>	<u>234,740</u>
Net Assets		<u>1,465,783</u>	<u>1,323,797</u>	<u>1,329,457</u>
Equity				
		<u>1,465,783</u>	<u>1,323,797</u>	<u>1,329,457</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Taipa Area School
Statement of Cash Flows
For the year ended 31 December 2018

		2018	2018	2017
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		1,224,506	1,028,786	1,286,585
Locally Raised Funds		198,516	75,752	156,951
Goods and Services Tax (net)		21,891	-	(732)
Payments to Employees		(551,690)	(397,051)	(562,595)
Payments to Suppliers		(755,256)	(405,522)	(653,011)
Cyclical Maintenance Payments in the year		(1,200)	(222,348)	-
Interest Paid		(5,089)	(11,692)	(6,046)
Interest Received		5,811	1,800	3,829
Net cash from / (to) the Operating Activities		137,489	69,725	224,981
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	191
Purchase of PPE (and Intangibles)		(44,953)	(29,000)	(63,628)
Net cash from / (to) the Investing Activities		(44,953)	(29,000)	(63,437)
Cash flows from Financing Activities				
Furniture and Equipment Grant		9,076	-	-
Finance Lease Payments		(39,664)	(51,557)	(34,523)
Painting contract payments		(11,125)	(11,125)	(29,641)
Funds Administered on Behalf of Third Parties		(9,120)	-	(11,425)
Funds Held for Capital Works Projects		48,558	-	60,893
Net cash from Financing Activities		(2,275)	(62,682)	(14,696)
Net increase/(decrease) in cash and cash equivalents		90,261	(21,957)	146,848
Cash and cash equivalents at the beginning of the year	8	306,395	159,547	159,547
Cash and cash equivalents at the end of the year	8	396,656	137,590	306,395

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.

Taipa Area School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2018

a) Reporting Entity

Taipa Area 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 2018 to 31 December 2018 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".

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.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 17.

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

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

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

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

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

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.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

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

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication	4-5 years
Motor Vehicles	5 years
Leased Assets	5-7 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 are recognised at the amount borrowed. 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 the balance date.

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational grants	988,681	937,690	923,696
Teachers' salaries grants	2,239,047	1,987,238	2,050,939
Use of Land and Buildings grants	621,331	539,589	567,448
Gateway Income	47,031	48,649	60,391
Resource teachers learning and behaviour grants	11,954	8,000	36,445
Other MoE Grants	174,858	61,096	222,257
Other government grants	19,767	22,000	45,964
	<u>4,102,669</u>	<u>3,604,262</u>	<u>3,907,140</u>

3. Locally Raised Funds

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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations	6,592	600	2,110
Bequests & Grants	24,779	-	8,778
Activities	60,811	8,300	41,891
Trading	11,819	7,000	23,801
Fundraising	13,565	-	688
Other Revenue	78,041	58,752	80,962
	<u>195,607</u>	<u>74,652</u>	<u>158,230</u>
Expenses			
Activities	28,072	5,400	23,842
Trading	12,088	7,000	31,847
Fundraising costs	300	-	677
Other Expenses	51,776	32,150	34,859
	<u>92,236</u>	<u>44,550</u>	<u>91,225</u>
<i>Surplus for the year Locally raised funds</i>	<u>103,371</u>	<u>30,102</u>	<u>67,005</u>

4. Learning Resources

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	125,703	101,238	134,108
Library resources	1,038	1,030	896
Employee benefits - salaries	2,585,649	2,269,633	2,503,321
Staff development	18,228	39,300	26,226
Alternative Education	4,634	5,137	3,801
R&m & Purchases <\$1000	49,715	41,000	32,941
S T A R	10,816	23,050	13,690
Careers	2,821	4,816	1,470
Ors	32,845	5,500	58,967
	<u>2,831,449</u>	<u>2,490,704</u>	<u>2,775,420</u>

5. Administration

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,940	6,050	5,775
Board of Trustees Fees	4,835	4,500	4,945
Board of Trustees Expenses	16,748	4,600	32,801
Communication	11,632	15,550	10,175
Consumables	17,763	20,500	19,478
Operating Lease	8,304	5,702	13,370
Legal Fees	-	500	-
Other	26,204	19,350	22,640
Employee Benefits - Salaries	125,628	114,300	106,512
Insurance	13,058	16,500	13,070
Service Providers, Contractors and Consultancy	13,260	13,260	12,360
	<u>243,372</u>	<u>220,812</u>	<u>241,126</u>

6. Property

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	14,932	13,000	13,462
Cyclical Maintenance Expense	26,394	41,050	(11,349)
Grounds	14,382	18,100	16,457
Heat, Light and Water	57,201	55,600	58,274
Rates	6,969	7,400	6,191
Repairs and Maintenance	40,659	40,000	55,487
Use of Land and Buildings	621,331	539,589	567,448
Security	719	900	1,475
Employee Benefits - Salaries	89,219	80,951	81,964
Consultancy And Contract Services	4,885	15,000	20,824
	<u>876,691</u>	<u>811,590</u>	<u>810,233</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Buildings	24,553	15,951	24,553
Building Improvements	3,357	2,076	3,196
Furniture and Equipment	31,285	22,447	34,551
Information and Communication Technology	14,369	12,220	18,810
Motor Vehicles	-	109	168
Leased Assets	45,878	30,509	46,961
Library Resources	2,225	1,688	2,599
	<u>121,667</u>	<u>85,000</u>	<u>130,838</u>

8. Cash and Cash Equivalents

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Cash on Hand	84	-	84
ANZ Main Account	389,753	96,269	266,739
ANZ Housing Account	6,819	21,589	17,875
ANZ RTLB Account	-	19,732	21,697
Cash equivalents and bank overdraft for Cash Flow Statement	396,656	137,590	306,395

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

Of the \$396,656 Cash and Cash Equivalents, \$50,825 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2019 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Receivables	4,269	1,548	9,619
Receivables from the Ministry of Education	-	85,730	2,242
Interest Receivable	1,661	1,620	2,648
Teacher Salaries Grant Receivable	155,644	228,968	286,589
	161,574	317,866	301,098
Receivables from Exchange Transactions	5,930	3,168	14,509
Receivables from Non-Exchange Transactions	155,644	314,698	286,589
	161,574	317,866	301,098

10. Inventories

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Stationery	1,495	3,257	3,159
Uniforms	3,630	8,177	1,006
	5,125	11,434	4,165

11. Investments

The School's investment activities are classified as follows:

	2018	2018 Budget (Unaudited)	2017
	Actual \$	\$	Actual \$
Current Asset			
Short-term Bank Deposits	134,876	-	129,543

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Land	320,370	-	-	-	-	320,370
Buildings	658,786	-	-	-	(24,553)	634,233
Building Improvements	64,549	13,506	-	-	(3,357)	74,697
Furniture and Equipment	248,353	14,273	-	-	(31,285)	231,342
Information and Communication Tech	35,962	23,360	-	-	(14,369)	44,953
Leased Assets	118,670	8,406	(8,458)	-	(45,878)	72,740
Library Resources	6,232	934	-	-	(2,225)	4,942
Balance at 31 December 2018	1,452,922	60,479	(8,458)	-	(121,667)	1,383,277

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Land	320,370	-	320,370
Buildings	982,122	(347,889)	634,233
Building Improvements	141,348	(66,651)	74,697
Furniture and Equipment	811,546	(580,204)	231,342
Information and Communication	165,486	(120,533)	44,953
Motor Vehicles	59,592	(59,592)	-
Leased Assets	249,906	(177,166)	72,740
Library Resources	152,523	(147,581)	4,942
Balance at 31 December 2018	2,882,893	(1,499,616)	1,383,277

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land	320,370	-	-	-	-	320,370
Buildings	683,339	-	-	-	(24,553)	658,786
Building Improvements	67,745	-	-	-	(3,196)	64,549
Furniture and Equipment	245,318	38,844	(1,258)	-	(34,551)	248,353
Information and Communication Technology	21,182	33,590	-	-	(18,810)	35,962
Motor Vehicles	168	-	-	-	(168)	-
Leased Assets	47,628	118,003	-	-	(46,961)	118,670
Library Resources	7,555	1,277	-	-	(2,599)	6,232
Balance at 31 December 2017	1,393,305	191,714	(1,258)	-	(130,838)	1,452,922

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	320,370	-	320,370
Buildings	982,122	(323,336)	658,786
Building Improvements	127,842	(63,293)	64,549
Furniture and Equipment	823,355	(575,002)	248,353
Information and Communication	142,126	(106,164)	35,962
Motor Vehicles	59,592	(59,592)	-
Leased Assets	258,717	(140,047)	118,670
Library Resources	151,589	(145,357)	6,232
Balance at 31 December 2017	2,865,713	(1,412,791)	1,452,922

13. Accounts Payable

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operating creditors	30,326	31,213	24,554
Accruals	4,940	6,555	5,775
Capital accruals for PPE items	2,448	-	-
Employee Entitlements - salaries	155,644	228,968	286,589
Employee Entitlements - leave accrual	9,092	7,142	7,105
	<u>202,450</u>	<u>273,878</u>	<u>324,023</u>
Payables for Exchange Transactions	202,450	273,878	324,023
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>202,450</u>	<u>273,878</u>	<u>324,023</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Revenue Received In Advance	5,789	-	4,513
	<u>5,789</u>	<u>-</u>	<u>4,513</u>

15. Provision for Cyclical Maintenance

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Provision at the Start of the Year	271,351	103,279	284,200
Increase/(decrease) to the Provision During the Year	26,394	41,050	(12,849)
Use of the Provision During the Year	(1,200)	(126,000)	-
Provision at the End of the Year	<u>296,545</u>	<u>18,329</u>	<u>271,351</u>
Cyclical Maintenance - Current	168,026	18,329	120,264
Cyclical Maintenance - Term	128,519	-	151,087
	<u>296,545</u>	<u>18,329</u>	<u>271,351</u>

16. Painting Contract Liability

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Current Liability	-	-	11,125
Non Current Liability	-	-	-
	<u>-</u>	<u>-</u>	<u>11,125</u>

In 2011 the Board signed an agreement with Programmed Maintenance Services (the contractor) for an agreed programme of work covering a 7 year period. The programme provides for one exterior paint of the Ministry owned buildings in 2011, with regular maintenance in subsequent years. The agreement has an annual commitment of \$44,500. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

17. Finance Lease Liability

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

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
No Later than One Year	50,101	-	51,917
Later than One Year and no Later than Five Years	42,512	-	86,491
	<u>92,613</u>	<u>-</u>	<u>138,408</u>

18. Funds held in Trust

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	-	14,043	3,918
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>-</u>	<u>14,043</u>	<u>3,918</u>

These funds are held where the school is agent for representative amounts and therefore these are not included in the Statement of Comprehensive Revenue and Expense.

19. 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:

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Yr12 Project <i>completed</i>		5,076	(5,076)	-	-	-
Heat Pumps <i>completed</i>		-	46,534	46,534	-	-
212596 Junior Block Roofing Replace <i>in progress</i>		-	52,817	1,992	-	50,825
Totals		<u>5,076</u>	<u>94,275</u>	<u>48,526</u>	<u>-</u>	<u>50,825</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	50,825
Funds Due from the Ministry of Education	-
	<u>50,825</u>

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Upgrade of Main Block <i>completed</i>		(26,543)	19,441	(7,102)	-	-
Remediation Science, Gym & Fire Do <i>completed</i>		(29,274)	29,274	-	-	-
Yr12 Project <i>in progress</i>		-	5,076	-	-	5,076
Totals		<u>(55,817)</u>	<u>53,791</u>	<u>(7,102)</u>	<u>-</u>	<u>5,076</u>

20. Funds for RTLB Services

Taipa Area School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

The Ministry of Education provides funds to Taipa Area School School to provide Resource Teachers of Learning and Behaviour (RTLB) services to the schools listed in 'Schedule A' of the cluster's Funding and Service Agreement.

The cluster employs specially trained RTLB teachers who itinerate between the schools in the cluster to support the learning needs of individual students, groups of students and schools. The cluster also provides resources including funding to support students with additional learning needs on an as-needs basis.

This note sets out the income and expenditure of the RTLB cluster for the year.

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Funds held at beginning of the year	152,799	127,372	127,374
<i>Revenue</i>			
Teachers' Salary Grant	754,156	-	2,132,815
Administration Grant	22,210	84,577	88,839
Learning Support Funding	40,070	160,280	160,280
Year 11-13 Funding	-	77,220	77,220
Travel Grant	41,591	165,403	166,368
Other Revenue	135	-	10,808
	858,162	487,480	2,636,330
Total funds available	1,010,961	614,852	2,763,704
<i>Expenses</i>			
Employee Benefits - Salaries	754,156	-	2,132,815
Administration	40,752	487,480	109,513
Learning Support	51,830	-	147,751
Year 11-13	-	-	68,526
Travel	42,636	-	152,298
Balance of Cluster Funds Transferred	121,587	-	-
	1,010,961	487,480	2,610,903
Purchase of Assets	-	-	-
Funds Held at Year End	-	127,372	152,801

21. 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.

22. Remuneration

Key management personnel compensation

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

	2018 Actual \$	2017 Actual \$
<i>Board Members</i>		
Remuneration	4,835	4,945
Full-time equivalent members	0.15	0.10
<i>Leadership Team</i>		
Remuneration	797,621	689,690
Full-time equivalent members	8.11	8.00
Total key management personnel remuneration	802,456	694,635
Total full-time equivalent personnel	8.26	8.10

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:

	2018 Actual \$000	2017 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	4 - 5	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2018 FTE Number	2017 FTE Number
100 - 110	1.00	1.00
	1.00	1.00

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

23. 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:

	2018 Actual	2017 Actual
Total	\$7,390	-
Number of People	1	-

24. Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2018 (Contingent liabilities and assets at 31 December 2017: 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

25. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2018 (Capital commitments at 31 December 2017: nil).

(b) Operating Commitments

As at 31 December 2018 the Board has entered into the following contracts:

(a) operating lease of laptops;

	2018 Actual \$	2017 Actual \$
No later than One Year	5,729	7,889
Later than One Year and No Later than Five Years	14,799	20,528
Later than Five Years	-	-
	<u>20,528</u>	<u>28,417</u>

26. 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.

27. Financial Instruments

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

Loans and receivables

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	396,656	137,590	306,395
Receivables	161,574	317,866	301,098
Investments - Term Deposits	134,876	-	129,543
Total Loans and Receivables	<u>693,106</u>	<u>455,456</u>	<u>737,036</u>

Financial liabilities measured at amortised cost

Payables	202,450	273,878	324,023
Borrowings - Loans	-	-	-
Finance Leases	89,776	-	132,105
Painting Contract Liability	-	-	11,125
Total Financial Liabilities Measured at Amortised Cost	<u>292,226</u>	<u>273,878</u>	<u>467,253</u>

28. Events After Balance Date

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

29. Comparatives

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

TAIPA AREA SCHOOL

Analysis of Variance 2018

Goals/Targets/Aims	Planned Actions	Variance- the actions we do, the outcomes of these actions, the reason for the variance between the targets set and what was achieved, an evaluation and planning for next year.
Measures <ul style="list-style-type: none"> All students in Yrs 0 - 8 will be at or above the National Standard by end of 2017 	Improve assessment practice	<p>Only 37% of our year 8 students were at or above the expected NZC level in writing compared to 51% in 2018. Examining assessment practices showed that staff were unable to form fair and valid OTJs based on good evidence and questioned the 2018 measurements. A Literacy Team was developed who have taken teachers through training to improve assessment practices to clean up our data and evidence. The Literacy Team works closely with the Kahui Ako and Manaiakalani teams. This work was only at the beginning stages towards the end of 2018.</p> <p>Students in the Bilingual Unit were not assessed well and their programmes of work have been poorly planned developed. A change of staffing in the unit towards the latter part of 2018 is expected to show a marked improvement in student achievement, there has been little to no data entered into TWA.</p>
<ul style="list-style-type: none"> At least 85% of school leavers will achieve NCEA L2 	Quality NCEA programmes and target at-risk students for mentoring in NCEA Improved focus on attendance	<p>NCEA Level 1 20/34 achieved L1 (59%)</p> <ul style="list-style-type: none"> 3/20 endorsed with Excellence (all female, Maori, NZ and Australian) 7/20 endorsed with Merit 15/20 Maori <p>24 returning to TAS in 2019 11 of the 14 who did not achieve are Maori, 1 Asian, 2 NZers</p> <ul style="list-style-type: none"> one special needs student 5 with extreme attendance issues <p>NCEA Level 2 23 students counted in 2018 NZQA results</p>

		<ul style="list-style-type: none"> • 14/23 achieved L2 (60%) • 10 of the 14 are Maori • 1/23 achieved L2 with Merit endorsement (0.4%) • 14 have returned to TAS in 2019 <p>All who did not achieve L2 are Maori</p> <ul style="list-style-type: none"> • 2 are working • 3 are returning to TAS • 3 to unknown destinations <p>NCEA Level 3</p> <p>21 students counted in NZQA 2018 results</p> <ul style="list-style-type: none"> • 7/21 achieved level (33%) • Those who achieved L3 also achieved UE • 1/21 achieved L3 with Merit • 1/21 achieved L3 with Excellence <p>14 students did not achieve L3, however</p> <ul style="list-style-type: none"> • all but two achieved L2, one with Merit endorsement • 12/14 are Maori • 3 are returning to TAS in 2019 • 1 student is special needs <p>A realistic goal for our students is not to always aim for Level 3. Those that are capable of doing so, achieve Level 3 AND University Entrance. For those that university is not a realistic pathway, they will aim for Level 2 at the highest level possible and a clear pathway to the next steps beyond school.</p> <p>MOE Mentoring support</p> <p>Not enough of our students have achieved as we expected. 14 of the 30 identified for specific mentoring support have returned to TAS in 2019 on an individually designed course. 10 of them had a history of extremely poor attendance. Students were transient and interventions put in place had little to no impact on their attendance at school however with the result being that many left school. Referrals to the pastoral team, counsellors and support had no long term impact.</p>
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<ul style="list-style-type: none">All school leavers will achieve Literacy and NumeracyAttendance rates improved to 85% regular attendance		<table><tr><th colspan="2">Literacy %</th><th colspan="2">Numeracy %</th></tr><tr><th>TAS</th><th>National</th><th>Dec 1 - 3</th><th>TAS</th></tr><tr><td>Yr11</td><td>75</td><td>86</td><td>69</td></tr><tr><td>Yr12</td><td>92</td><td>93</td><td>88</td></tr><tr><td>Yr13</td><td>88</td><td>94</td><td>88</td></tr></table>	Literacy %		Numeracy %		TAS	National	Dec 1 - 3	TAS	Yr11	75	86	69	Yr12	92	93	88	Yr13	88	94	88
	Literacy %		Numeracy %																			
	TAS	National	Dec 1 - 3	TAS																		
	Yr11	75	86	69																		
	Yr12	92	93	88																		
Yr13	88	94	88																			
		<p>Year 11 and 13 Lit/Num results are not as desired, however, Year 12 results are more pleasing with TAS students matching National and Decile achievement.</p>																				
		<p>Regular attendance 2018</p> <table><tr><td>Regular attendance</td><td>26%</td></tr><tr><td>80 – 90% attendance</td><td>33%</td></tr><tr><td>70 - 80% attendance</td><td>19%</td></tr><tr><td>0 – 70% attendance</td><td>22%</td></tr></table> <p>Issues of staff not taking rolls and the KAMAR system being incorrectly set up were rectified so that they were not a reason for poor attendance. Data is now accurate. In spite of working closely with individual students, there was not sufficient impact made on regular attendance. A greater focus, working with whanau, improving engagement at school and working closely with the chronic attenders will have to be a focus in 2019.</p>	Regular attendance	26%	80 – 90% attendance	33%	70 - 80% attendance	19%	0 – 70% attendance	22%												
Regular attendance	26%																					
80 – 90% attendance	33%																					
70 - 80% attendance	19%																					
0 – 70% attendance	22%																					
<p>Strategic Goal 1: To develop a curriculum that reflects Ngāti Kahu Mātauranga, our local environment, past present and future</p>	<p>Inquiry as teaching and learning to be embedded in department plans, targeting groups of students for adapted programmes</p>	<p>The expectation was for teachers to identify students for specific intervention. It was found that whilst there was some understanding of inquiry there was a need to clean up the data that was being used as there was confusion around making OTJs against the NZC. A Literacy team was set up with staff from across the school. Writing samples were taken and moderated so that teachers could identify the levels at which students were writing. Work will continue in 2019 to focus on writing, moderation, making fair and valid judgements against NZC, targeting students for intervention and learning ways to accelerate students' achievement. A staff member has secured the role of Across School Teacher in the Kahui Ako focussing on Quality Teaching, embedding the Spiral Of Inquiry in 2019.</p>																				

	<p>Connections to Ngāti Kahu Mātauranga and the local environment to be embedded in department plans</p> <p>Teachers engage in use of Te Reo Māori and tikanga Māori</p> <p>Use digital technology to make teaching and learning visible, through LEARN, CREATE, SHARE and change pedagogy</p> <p>Student voice will be collected regularly</p> <p>Mentor programme implemented for target students in senior school</p> <p>Property and physical resources will be improved</p>	<p>Improved use of Te Reo and Tikanga across the school. Agreement reached on trialling unit plan to incorporate goals around connecting to Ngāti Kahu Mātauranga. Camps and visits made in our local areas, connecting with marae and community groups.</p> <p>Engagement with Digital Fluency Intensives – 8 teachers trained to move to visible learning. Teachers have set up Google sites, student engagement will be a measure through the Kahui Ako. Short courses in Year 7 – 10 will see improved engagement of junior students.</p> <p>Mentoring for identified individuals did not yield the results expected (see comments above).</p> <p>Property continued to be a huge frustration in 2018. BOT approved funds from the Operation Grant to completely rebuild the workshop so that students could access appropriate courses and vocational pathways to trades. The school continues to flood however, the work on SH10 may improve this with the instalment of large pipes that should remove water from the school. MOE have approved 2 projects, the main school block and gymnasium which was to begin in the latter part of 2018, but is expected to confirmed by the end of April. This is well overdue for this school community that have been both frustrated and extremely patient. The leaky</p>
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		buildings have had to be made warm and dry, the leaky whare continues to be an issue, there is no clear resolution in sight.
Strategic Goal 2: To maintain virtues and values to build a strong and resilient learning community	Whānau teachers and the Pastoral Care team provide support to students Pastoral Care team develops sound support systems for students, staff and whānau	Improved relationships have been made between students and their whānau teachers. Changes were made at the end of the year so that there is a team of two Pastoral Deans and three House Leaders. Surveys showed an improvement in students' feelings of safety across the school. Incidents are followed in a timely fashion, whānau are informed as soon as is practicable after any incidents and parents bought in to discuss next steps. An improvement in restorative practices is evident across the school with more teachers resolving classroom issues themselves and intervening early. There was a change in Counsellor at the end of the year. Students are taking up support earlier than later. Improved systems show more students are taking responsibility for their own well-being and seeking support. The counsellor initiated regular multi-disciplinary services meetings to discuss current issues, trends and shared information confidentially.
	Mana Potential team is formed to strengthen to further embed the programme Continue to develop school values system	The Pastoral team is extremely important as many of our students present with issues that are often beyond their control. The use of Mana Potential and reinstating the PB4L programme to provide a framework of support has been positive and continues to be our greatest area of need. Strengthening the House system based on our school values is proving to be positive, creating a culture of healthy competition and has improved relationships between students and staff.
	Strategic Goal 3: To strengthen vocational and career pathways locally and in further tertiary education	Students are provided with a greater range of opportunities through targeting students for courses suited to their needs. Introducing the Infrastructure course, improving relationships with local employers and focussing on pathways appropriate for individuals is proving successful. A change in staffing has seen improved access for students to Gateway experiences and STAR courses. The course information evening was well attended.
	Whānau teachers to have GROW	Teachers are recording GROW conversations, parents have access to information, reporting to parents has improved around pathways.

	conversations with students and then whānau CAPP programme implemented as pilot 2018	The CAPP programme did not eventuate however, will roll into 2019.
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Kiwisport Statement

In 2018 Taipa Area School received for Kiwisport, total funds of \$1937.96 for Yr 1-8 and \$3736.88 for Yr 9-13.

These funds were used to fund our sports co-ordinator who ran our in and out of school sports programmes across the year levels of the school.

Regards

Doreen Bailey
Principal

VISION
Vibrant Dynamic
Hub of the
Community.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TAIPA'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

Opinion

We have audited the financial statements of the School on pages 2 to 21, that comprise the statement of financial position as at 31 December 2018, 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 2018; 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 Reduced Disclosure Regime.

Our audit was completed on 31 May 2019. 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.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included on pages 1 and 22 to 28 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.

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