

TAIPA AREA SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number: 2

Principal: Doreen Bailey

School Address: 578 State Highway 10

School Postal Address: 578 State Highway 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
Stephen Tansey	Chairperson	Elected	Jun 2022
Doreen Bailey	Principal	ex Officio	
David Lowe	Acting Principal	ex Officio	
Sarah Russell	Parent Rep	Elected	Jun 2022
Tania Grace	Parent Rep	Elected	Jun 2020
Michael Erihe	Parent Rep	Elected	Jun 2022
Karena Hita	Parent Rep	Elected	Jun 2022
Erin Walsh	Parent Rep	Elected	Sep 2020
Lisa Baker	Staff Rep	Elected	Jun 2022
Tiriti Pikaahu	Student Rep	Elected	Sep 2020

Accountant / Service Provider: Education Services Ltd

TAIPA AREA SCHOOL

Annual Report - For the year ended 31 December 2020

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Taipa Area School

Statement of Responsibility

For the year ended 31 December 2020

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

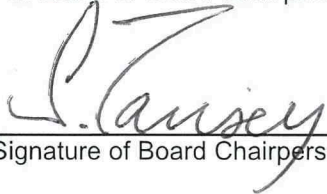
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

STEPHEN TAWSEY

Full Name of Board Chairperson



Signature of Board Chairperson

DAVID LOWE

Full Name of Principal



Signature of Principal

Date: 22/06/2021

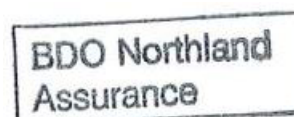
Date: 22/06/2021

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Taipa Area School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue				
Government Grants	2	4,656,858	4,116,614	4,147,724
Locally Raised Funds	3	112,139	72,552	173,418
Interest income		3,706	2,900	5,118
Gain on Sale of Property, Plant and Equipment		5,120	-	4,928
Other Revenue		-	-	435
		<u>4,777,823</u>	<u>4,192,066</u>	<u>4,331,623</u>
Expenses				
Locally Raised Funds	3	43,427	64,560	97,266
Learning Resources	4	3,037,387	2,910,107	2,873,445
Administration	5	265,354	240,895	241,222
Finance		4,601	1,346	3,409
Property	6	801,016	882,180	839,533
Depreciation	7	140,891	80,000	133,627
Loss on Disposal of Property, Plant and Equipment		-	-	7,067
Transport		3,706	10,000	14,316
		<u>4,296,382</u>	<u>4,189,088</u>	<u>4,209,885</u>
Net Surplus / (Deficit) for the year		481,441	2,978	121,738
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u><u>481,441</u></u>	<u><u>2,978</u></u>	<u><u>121,738</u></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.

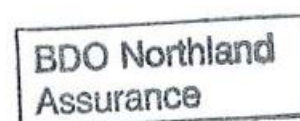


Taipa Area School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
Balance at 1 January		1,587,521	1,562,345	1,465,783
Total comprehensive revenue and expense for the year		481,441	2,978	121,738
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		19,404	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	24	2,088,366	1,565,323	1,587,521
Retained Earnings		2,088,366	1,565,323	1,587,521
Equity at 31 December		2,088,366	1,565,323	1,587,521

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.



Taipa Area School Statement of Financial Position

As at 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Assets				
Cash and Cash Equivalents	8	543,425	305,552	439,237
Accounts Receivable	9	187,932	170,839	170,002
GST Receivable		26,353	-	5,886
Prepayments		6,392	34,236	29,968
Inventories	10	5,137	5,125	4,896
Investments	11	143,398	134,876	138,346
		<u>912,637</u>	<u>650,628</u>	<u>788,335</u>
Current Liabilities				
GST Payable		-	4,576	-
Accounts Payable	13	288,484	202,452	201,732
Revenue Received in Advance	14	3,398	1,853	2,949
Provision for Cyclical Maintenance	15	68,400	123,925	-
Finance Lease Liability - Current Portion	16	35,153	48,234	31,267
Funds held in Trust	17	1,850	-	1,794
Funds held for Capital Works Projects	18	29,112	-	20,382
		<u>426,397</u>	<u>381,040</u>	<u>258,124</u>
Working Capital Surplus/(Deficit)		486,240	269,588	530,211
Non-current Assets				
Property, Plant and Equipment	12	1,697,046	1,337,277	1,362,056
		<u>1,697,046</u>	<u>1,337,277</u>	<u>1,362,056</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	35,100	-	284,984
Finance Lease Liability	16	59,820	41,542	19,762
		<u>94,920</u>	<u>41,542</u>	<u>304,746</u>
Net Assets		<u><u>2,088,366</u></u>	<u><u>1,565,323</u></u>	<u><u>1,587,521</u></u>
Equity		<u><u>2,088,366</u></u>	<u><u>1,565,323</u></u>	<u><u>1,587,521</u></u>

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

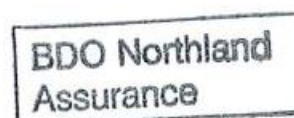
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Taipa Area School
Statement of Cash Flows
For the year ended 31 December 2020

	2020	2020 Budget	2019
Note	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities			
Government Grants	1,545,901	1,256,236	1,286,688
Locally Raised Funds	114,490	71,852	170,574
Goods and Services Tax (net)	(20,467)	-	(10,462)
Funds Administered on Behalf of Third Parties	56	-	1,794
Payments to Employees	(698,069)	(595,667)	(621,068)
Payments to Suppliers	(517,998)	(673,844)	(596,980)
Cyclical Maintenance Payments in the year	-	(55,587)	(2,800)
Interest Paid	(4,601)	(1,346)	(3,409)
Interest Received	5,431	2,900	3,975
Net cash from/(to) Operating Activities	424,743	4,544	228,312
Cash flows from Investing Activities			
Proceeds from Sale of Property Plant & Equipment (and Intangibles)	2,609	-	4,928
Purchase of Property Plant & Equipment (and Intangibles)	(306,873)	(49,000)	(110,700)
Purchase of Investments	(5,053)	-	(3,468)
Net cash from/(to) Investing Activities	(309,317)	(49,000)	(109,240)
Cash flows from Financing Activities			
Furniture and Equipment Grant	19,404	-	-
Finance Lease Payments	(39,568)	(46,648)	(43,239)
Funds Held for Capital Works Projects	8,926	-	(33,252)
Net cash from/(to) Financing Activities	(11,238)	(46,648)	(76,491)
Net increase/(decrease) in cash and cash equivalents	104,188	(91,104)	42,581
Cash and cash equivalents at the beginning of the year	8 439,237	396,656	396,656
Cash and cash equivalents at the end of the year	8 543,425	305,552	439,237

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



Taipa Area School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

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 and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

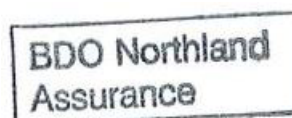
The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

Specific Accounting Policies

The accounting policies used in the preparation of these financial statements are set out below.



Critical Accounting Estimates And Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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

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

Recognition of grants

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

c) Revenue Recognition

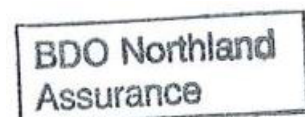
Government Grants

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

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

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

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



Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

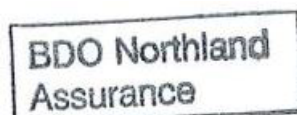
Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, and other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h) Accounts Receivable

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

i) Inventories

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



j) Investments

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

k) Property, Plant and Equipment

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

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

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

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

Finance Leases

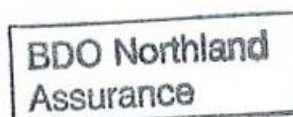
A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication	4-5 years
Motor Vehicles	5 years
Leased Assets	5-7 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease



I) Intangible Assets

Software costs

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

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

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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

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o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

q) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

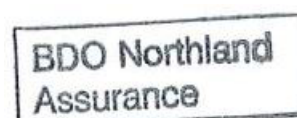
Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the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

t) Financial Instruments

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

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

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



u) Borrowings

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

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

v) Goods and Services Tax (GST)

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

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

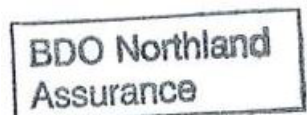
Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

The budget figures are extracted from the School budget that was approved by the Board.

x) Services received in-kind

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



2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	1,220,173	1,095,159	1,031,934
Teachers' Salaries Grants	2,313,534	2,239,047	2,254,495
Use of Land and Buildings Grants	748,673	621,331	600,334
Trades Academy Income	54,467	-	16,560
Gateway Income	-	35,000	31,475
Resource Teachers Learning and Behaviour Grants	10,183	8,000	9,498
Other MoE Grants	272,757	118,077	197,635
Other Government Grants	37,071	-	5,793
	4,656,858	4,116,614	4,147,724

The school has opted in to the donations scheme for this year. Total amount received was \$43,500.

Other MOE Grants total includes additional COVID-19 funding totalling \$13,571 for the year ended 31 December 2020.

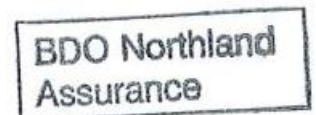
3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue			
Donations	17,278	-	7,579
Bequests & Grants	9,458	-	14,725
Activities	15,600	8,800	57,603
Trading	5,103	5,000	7,974
Fundraising	2,588	-	27,767
Other Revenue	62,112	58,752	57,770
	112,139	72,552	173,418
Expenses			
Activities	2,560	7,060	49,569
Trading	3,863	7,000	7,298
Fundraising (Costs of Raising Funds)	-	-	416
Other Locally Raised Funds Expenditure	37,004	50,500	39,983
	43,427	64,560	97,266
<i>Surplus for the year Locally raised funds</i>	68,712	7,992	76,152

4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	165,551	195,092	145,516
Library Resources	887	1,660	1,636
Employee Benefits - Salaries	2,785,033	2,611,214	2,647,121
Staff Development	14,919	45,742	30,268
Equipment Repairs	66,495	51,500	46,644
Careers	3,758	4,618	1,900
Ors	744	281	360
	3,037,387	2,910,107	2,873,445



5. Administration

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Audit Fee	6,200	6,200	6,080
Board of Trustees Fees	3,830	4,500	4,010
Board of Trustees Expenses	7,010	11,084	7,942
Communication	6,428	8,400	9,482
Consumables	11,242	13,500	17,272
Operating Lease	2,336	5,251	2,361
Other	58,678	33,000	32,679
Employee Benefits - Salaries	141,273	130,200	134,369
Insurance	15,097	15,000	13,502
Service Providers, Contractors and Consultancy	13,260	13,760	13,525
	<u>265,354</u>	<u>240,895</u>	<u>241,222</u>

6. Property

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	16,872	15,400	17,566
Cyclical Maintenance Expense	(179,934)	31,549	(8,761)
Grounds	14,826	16,600	33,907
Heat, Light and Water	44,260	57,000	50,232
Rates	7,669	8,000	7,305
Repairs and Maintenance	27,437	38,000	38,228
Use of Land and Buildings	748,673	621,331	600,334
Security	265	1,000	1,093
Employee Benefits - Salaries	112,413	93,300	93,846
Consultancy And Contract Services	8,535	-	5,783
	<u>801,016</u>	<u>882,180</u>	<u>839,533</u>

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

7. Depreciation

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Buildings	24,553	14,699	24,553
Building Improvements	3,901	2,115	3,533
Furniture and Equipment	38,803	18,285	30,542
Information and Communication Technology	25,018	11,206	18,717
Motor Vehicles	15,378	4,480	7,483
Leased Assets	31,547	28,323	47,309
Library Resources	1,691	892	1,490
	<u>140,891</u>	<u>80,000</u>	<u>133,627</u>

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Assurance

8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash on Hand	-	-	84
Bank Current Account	502,936	298,733	418,294
Bank Call Account	40,489	6,819	20,859
Cash and cash equivalents for Statement of Cash Flows	543,425	305,552	439,237

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

Of the \$543,425 Cash and Cash Equivalents \$73,361 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	595	4,269	2,497
Banking Staffing Underuse	-	9,265	-
Interest Receivable	1,079	1,661	2,804
Teacher Salaries Grant Receivable	186,258	155,644	164,701
	187,932	170,839	170,002
Receivables from Exchange Transactions	1,674	5,930	5,301
Receivables from Non-Exchange Transactions	186,258	164,909	164,701
	187,932	170,839	170,002

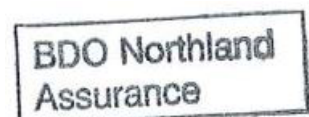
10. Inventories

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Stationery	-	1,495	1,430
Uniforms	5,137	3,630	3,466
	5,137	5,125	4,896

11. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	143,398	134,876	138,346
Total Investments	143,398	134,876	138,346



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2020	\$	\$	\$	\$	\$	\$
Land	320,370	-	-	-	-	320,370
Buildings	609,680	-	-	-	(24,553)	585,127
Building Improvements	71,164	43,735	-	-	(3,901)	110,998
Furniture and Equipment	233,129	235,976	-	-	(38,803)	430,302
Information and Communication Tech	41,399	53,452	-	-	(25,018)	69,833
Motor Vehicles	40,942	51,430	-	-	(15,378)	76,994
Leased Assets	39,798	96,920	(7,857)	-	(31,547)	97,314
Library Resources	5,574	2,225	-	-	(1,691)	6,108
Balance at 31 December 2020	1,362,056	483,738	(7,857)	-	(140,891)	1,697,046

The net carrying value of equipment held under a finance lease is \$97,314 (2019: \$39,798)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2020	\$	\$	\$
Land	320,370	-	320,370
Buildings	982,122	(396,995)	585,127
Building Improvements	185,083	(74,085)	110,998
Furniture and Equipment	1,006,062	(575,760)	430,302
Information and Communication	213,664	(143,831)	69,833
Motor Vehicles	105,854	(28,860)	76,994
Leased Assets	120,767	(23,453)	97,314
Library Resources	156,869	(150,761)	6,108
Balance at 31 December 2020	3,090,791	(1,393,745)	1,697,046

BDO Northland
Assurance

2019	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	320,370	-	-	-	-	320,370
Buildings	634,233	-	-	-	(24,553)	609,680
Building Improvements	74,697	-	-	-	(3,533)	71,164
Furniture and Equipment	231,342	39,173	(6,844)	-	(30,542)	233,129
Information and Communication Technology	40,788	19,731	(402)	-	(18,717)	41,399
Motor Vehicles	-	48,425	-	-	(7,483)	40,942
Leased Assets	76,905	10,712	(510)	-	(47,309)	39,798
Library Resources	4,942	2,122	-	-	(1,490)	5,574
Balance at 31 December 2019	1,383,277	120,163	(7,756)	-	(133,627)	1,362,056

The net carrying value of equipment held under a finance lease is \$39,798 (2018: \$76,905)

2019	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	320,370	-	320,370
Buildings	982,122	(372,442)	609,680
Building Improvements	141,348	(70,184)	71,164
Furniture and Equipment	770,085	(536,956)	233,129
Information and Communication Technology	160,212	(118,813)	41,399
Motor Vehicles	108,017	(67,075)	40,942
Leased Assets	166,428	(126,630)	39,798
Library Resources	154,645	(149,071)	5,574
Balance at 31 December 2019	2,803,227	(1,441,171)	1,362,056

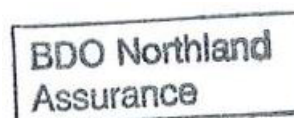
13. Accounts Payable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operating Creditors	18,887	32,776	19,166
Accruals	4,000	4,940	5,080
Capital Accruals for PPE items	66,052	-	1,199
Employee Entitlements - Salaries	186,258	155,644	164,701
Employee Entitlements - Leave Accrual	13,287	9,092	11,586
	288,484	202,452	201,732
Payables for Exchange Transactions	288,484	202,452	201,732
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	288,484	202,452	201,732

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Revenue Received In Advance	3,398	1,853	2,949
	3,398	1,853	2,949



15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	284,984	92,376	296,545
Increase/(decrease) to the Provision During the Year	19,200	31,549	(8,761)
Adjustment to the Provision	(199,134)	-	-
Use of the Provision During the Year	(1,550)	-	(2,800)
Provision at the End of the Year	<u>103,500</u>	<u>123,925</u>	<u>284,984</u>
Cyclical Maintenance - Current	68,400	123,925	-
Cyclical Maintenance - Term	35,100	-	284,984
	<u>103,500</u>	<u>123,925</u>	<u>284,984</u>

16. Finance Lease Liability

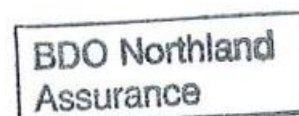
The School has entered into a number of finance lease agreements for computers and other ICT equipment. Minimum lease payments payable:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	40,922	48,234	31,874
Later than One Year and no Later than Five Years	64,463	41,542	20,126
	<u>105,385</u>	<u>89,776</u>	<u>52,000</u>

17. Funds held in Trust

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	1,850	-	1,794
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>1,850</u>	<u>-</u>	<u>1,794</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.



18. Funds Held (Owed) for Capital Works Projects

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

2020		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Junior Block Roofing Replacement	<i>completed</i>	(4,498)	-	4,498	-	-
Stage 2 Internal Refurbishment	<i>in progress</i>	540	-	(2,998)	-	(2,458)
Rm 9 Interior Refurbishment	<i>in progress</i>	24,340	-	(15,050)	-	9,290
Water Tank Install	<i>in progress</i>	-	57,101	(34,763)	-	22,338
Rationalisation Project	<i>in progress</i>	-	-	(30,507)	-	(30,507)
Structural Issues Science Block	<i>in progress</i>	-	37,133	(14,371)	-	22,762
Library Relocation and Refurbishment	<i>in progress</i>	-	-	(11,284)	-	(11,284)
SIP Site Landscaping	<i>in progress</i>	-	20,097	(1,126)	-	18,971
Totals		20,382	114,331	(105,601)	-	29,112

Represented by:

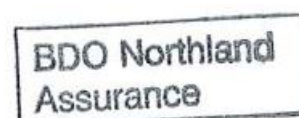
Funds Held on Behalf of the Ministry of Education	73,361
Funds Due from the Ministry of Education	(44,249)
Totals	29,112

2019		Opening Balances	Receipts from MoE	Payments	BOT Contribution/ (Write-off to R&M)	Closing Balances
		\$	\$	\$		\$
Junior Block Roofing Replacement	<i>in progress</i>	50,825	33,750	(89,073)	-	(4,498)
Stage 2 Internal Refurbishment	<i>in progress</i>	-	51,791	(51,251)	-	540
Rm 9 Interior Refurbishment	<i>in progress</i>	-	24,340	-	-	24,340
Totals		50,825	109,881	(140,324)	-	20,382

19. 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.



20. Remuneration

Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,830	4,010
Full-time equivalent members	0.19	0.14
<i>Leadership Team</i>		
Remuneration	620,609	454,129
Full-time equivalent members	6.00	7.00
Total key management personnel remuneration	<u>624,439</u>	<u>458,139</u>
Total full-time equivalent personnel	<u>6.19</u>	<u>7.14</u>

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

Principal

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

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150 - 160	140 - 150
Benefits and Other Emoluments	0 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

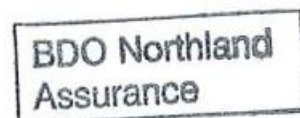
Remuneration \$000	2020 FTE Number	2019 FTE Number
100 - 110	2.00	3.00
110 - 120	1.00	-
	<u>3.00</u>	<u>3.00</u>

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

21. Compensation and Other Benefits Upon Leaving

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

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



22. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

23. Commitments

(a) Capital Commitments

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

(a) \$57,454 contract for the Stage 2 Internal Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$51,791 has been received of which \$54,249 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) \$27,409 contract for the Rm 9 Interior Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$24,340 has been received of which \$15,050 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$63,446 contract for the Water Tank Install as agent for the Ministry of Education. This project is fully funded by the Ministry and \$57,101 has been received of which \$34,763 has been spent on the project to balance date. This project has been approved by the Ministry; and

(d) contract for the Rationalisation Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$30,507 has been spent on the project to balance date. This project has been approved by the Ministry; and

(e) \$41,259 contract for the Structural Issues Science Block as agent for the Ministry of Education. This project is fully funded by the Ministry and \$37,133 has been received of which \$14,371 has been spent on the project to balance date. This project has been approved by the Ministry; and

(f) contract for the Library Relocation and Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$11,284 has been spent on the project to balance date. This project has been approved by the Ministry; and

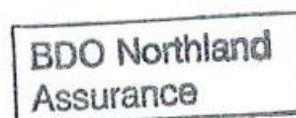
(g) contract for the SIP Site Landscaping as agent for the Ministry of Education. This project is fully funded by the Ministry and \$20,097 has been received of which \$1,126 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2019:

(a) \$58,686 contract for the Junior Block Roofing Replacement & Interior Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$86,567 has been received of which \$91,065 has been spent on the project to balance date. This project has been approved by the Ministry; and

(b) contract for the Stage 2 Internal Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$51,791 has been received of which \$51,251 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) contract for the Rm 9 Interior Refurbishment as agent for the Ministry of Education. This project is fully funded by the Ministry and \$24,340 has been received of which \$0 has been spent on the project to balance date. This project has been approved by the Ministry.



(b) Operating Commitments

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

(a) operating lease of photocopiers;

	2020 Actual \$	2019 Actual \$
No later than One Year	6,244	5,729
Later than One Year and No Later than Five Years	3,942	9,070
Later than Five Years	-	-
	<u>10,186</u>	<u>14,799</u>

24. 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.

25. Financial Instruments

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

Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	543,425	305,552	439,237
Receivables	187,932	170,839	170,002
Investments - Term Deposits	143,398	134,876	138,346
Total Financial assets measured at amortised cost	<u>874,755</u>	<u>611,267</u>	<u>747,585</u>

Financial liabilities measured at amortised cost

Payables	288,484	202,452	201,732
Borrowings - Loans	-	-	-
Finance Leases	94,973	89,776	51,029
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>383,457</u>	<u>292,228</u>	<u>252,761</u>

26. Events After Balance Date

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

27. Comparatives

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

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TAIPA AREA SCHOOL VISION
Measures of success 2020 – 2022



Our Vision is....	By:	What did we do?	How well did we do it? Who benefitted? How do we know?	What are the next steps?
To know who we are	Building language culture & identity	<ul style="list-style-type: none"> Tauira are supported to explore local tikanga and some respect is given to whanau, hapu and iwi connections. There is some use of Te Reo and tikanga across our kura, it is seen and heard in classrooms, staffrooms and formal settings. Not often visible in curriculum plans. 	<ul style="list-style-type: none"> Little progress with whole school Much of the tikanga in the school left to the bilingual students to carry. Primary school are fully engaged in tikanga and use Te Reo often SLT and some staff are able to model and use tikanga and te Reo as part of their daily communication Bilingual dept very connected to localising curriculum exploring te Houtaewa, te maramataka and tikanga a Ngati Kahu 	<ul style="list-style-type: none"> Professional learning communities (PLCs) to be developed in 2021. Staff to examine and identify where they are in relation to where we want to be and develop a goal(s) and identify support needed Staff will contribute to their PLC by reflecting on the changes they have made, how they are impacting on both student learning or relationships and on their own learning. SLT will model the process in briefings for hei timatanga o te ra and support staff to do the same
	Localising curriculum	<ul style="list-style-type: none"> Some attempt is made to integrate learnings from local history and traditions, however, it needs to be viewed and critically taught through more than one lens. Kaitiakitanga is applied to the environment in some subjects 	<ul style="list-style-type: none"> Individual teachers integrate learning from local contexts, using local knowledge 	<ul style="list-style-type: none"> PLCs to improve localising curriculum in 2021 Inviting key people in from community Sharing own knowledge

To know what we

are capable of

Raise the quality of teaching

- Some kaiako have targetted plans for learners and some taura have made progress using the spiral of inquiry.
- Learn, Create, Share is being used in some areas of the school, but not all kaiako are committed to the pedagogy.
- Improvement in analysing and using data to inform teaching practices required (targetting students)
- Whanau have some access to their student's learning but this is limited to formal reporting.
- Focus & PLD on writing with WTE
- Literacy team development with WTE and Kahui Ako
- Pleasing results in NCEA Levels 1 & 2
-

NCEA results 2020

Overall	Our school	National	Decile
L1	65.3	70.9	63.0
L2	78.3	79.5	72.7
L3	35.7	71.7	66.0
UE	7.1	52.4	31.4

Overall results are better than same decile in Levels 1 & 2.

Literacy	Our school	National	Decile
L1	85.7	84.9	80.4
L2	95.7	92.6	91.9
L3	100	94.5	94.9

Literacy above both National and same decile

Numeracy	Our school	National	Decile
L1	81.6	83.2	77.7
L2	91.3	91.5	90.6
L3	92.9	93.8	94.6

Numeracy above same decile and just below National.

Excellence	Our school	National	Decile
L1	6.3	20.8	9.6
L2	-	17.7	7.4
L3	-	17.6	8.7

Poor excellence results

Merit	Our school	National	Decile
L1	25.0	32.7	24.6

Continue the spiral of inquiry around quality teaching in 2021

Develop Professional Growth Cycle so that kaiako have a stronger vested interest in developing their skills in terms of achieving the school vision.

Focus on developing curriculum in light of the changes in NCEA.

			<table border="1"> <tr> <td>L2</td> <td>22.2</td> <td>25.3</td> <td>15.4</td> </tr> <tr> <td>L3</td> <td>-</td> <td>26.5</td> <td>16.8</td> </tr> </table> <p>Level 1 & 2 above same decile for Merit.</p> <p>Bilingual unit developed testing processes for pangarau, tuhituhi and</p> <p>WRITING DATA Year 6 at or above NZC level 3 Below 62% Towards 23% At 8% Above 8%</p> <p>Year 8 at or above NZC level 4 Below 38% Towards 38% At 21% Above 4%</p> <p>Year 10 at or above NZC Level 5 Below 31% Towards 19% At 34% Above 25%</p>	L2	22.2	25.3	15.4	L3	-	26.5	16.8	
L2	22.2	25.3	15.4									
L3	-	26.5	16.8									
Participate & contribute	<ul style="list-style-type: none"> Te Kahui Mana Aki leadership strategy in development 	<ul style="list-style-type: none"> Student leadership took a swerve with COVID in place. 	Revisit in 2021									
Improve Hauora	<ul style="list-style-type: none"> School values are evident in many interactions between kaiako/tauirā, tauira/tauirā and kaiako/kaiako. Mana Potential is used regularly in language and in a learning context. Kaiako are using restorative practices most of the time in their daily interactions with tauira, colleagues and whanau. 	<ul style="list-style-type: none"> School values are strong, visible and referred to regularly Mana Potential not as visible as in the past Fewer incidents of conflict between staff and students, more restorative thinking visible More trauma stories shared after lockdown Attendance markedly different, many students not completing full weeks, trauma and hardship at home. 	<p>Maintain momentum with values</p> <p>Review Mana Potential</p> <p>Continue with restorative practices</p> <p>Continue to develop Tuakana/Teina programme with Nga Ara Whetu (Graeme Dingle Foundation)</p> <p>Focus on attendance improvement, developing a team funded by Special reasons funding.</p>									

		<p>Engaging with Graham Dingle Foundation tuakana/teina programme</p> <p>Secured Special Reasons Funding to employ staff to focus on improving attendance</p> <ul style="list-style-type: none"> • Increased hours for school counsellor • Student mentor • Trauma training • Teacher Aide 		
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<i>To know where we are going</i>	Building student agency	<ul style="list-style-type: none"> • There is some differentiation for learners. • Taira are given some choice in their learning, but this is limited. • Learners can articulate some of their learning on a surface level. • Feedback may be requested but not used in any way to make changes. 	<ul style="list-style-type: none"> • Some progress made but not visible across the whole school • Some student voice articulated • Lots of support given to taira once returning from lockdown, trauma more visible and tangible • Lots of work done with Careers team to meet individual needs and develop pathways. • A number of apprenticeships were secured alongside work experience placements. 	Continue to develop pathways
	Developing future pathways	<ul style="list-style-type: none"> • There is some structure in place for taira to conference with their kaiako about pathways but this is variable. • Whanau may be aware of the plan but have had little or no engagement with it. • The curriculum and timetable allows for some flexibility to allow personalised pathways. 	<ul style="list-style-type: none"> • Careers team regularly conferencing with students • Individualised pathways as needed 	<p>Continue to develop pathways</p> <p>Improve whanau engagement</p> <p>Increase access to appropriate pathways</p>

Taipa Area School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2020, the school received total Kiwisport funding of \$5,333 (excluding GST). The funding was spent on sporting endeavours.

INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF TAIPA AREA SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Opinion

We have audited the financial statements of the School on pages 2 to 22, that comprise the *statement of financial position* as at 31 December 2020, the *statement of comprehensive revenue and expense*, *statement of changes in net assets/equity* and *statement of cash flows* for the year ended on that date, and the *notes to the financial statements that include accounting policies and other explanatory information*.

In our opinion the financial statements of the School:

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

Our audit was completed on 22 June 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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



Responsibilities of the Board for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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



are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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

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