

PIOPIO COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 162

Principal: Johan van Deventer

School Address: 18 Aria Road

School Postal Address: 18 Aria Road, Piopio, 3912

School Phone: 07 877 8173

School Email: nthomas@piopio.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expires/ Expired
Kristen Pari	Chairperson	Co-opted	ECE Teacher	May 2022
Johan van Deventer	Principal	ex Officio		
Shaun Carter	Parent Rep	Elected	Farmer	May 2022
Doug Burnell	Parent Rep	Elected	PGG Wrightson Rep	Dec 2020
Donna Pari	Parent Rep	Co-opted	Travel Agent	May 2022
Marie Te Huia-Warr	Parent Rep	Elected	Teacher	resigned Sep 19
Renee Kumeroa	Parent Rep	Co-opted		Feb 2019
Lisa Lyford	Parent Rep	Elected	Administrator	May 2022
Amy McPhee	Parent Rep	Elected	Bank Officer	Dec 2020
Marina Rauputu	Staff Rep	Elected	Teacher	May 2019
Ian Small	Staff Rep	Elected	Caretaker	May 2022
Shaun Edgerton	Student Rep	Elected	Student	Sep 2020

Accountant / Service Provider: Education Services Ltd

PIOPIO COLLEGE

Annual Report - For the year ended 31 December 2019

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Piopio College

Statement of Responsibility

For the year ended 31 December 2019

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

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

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


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

Kristen Miriona Pavi
Full Name of Board Chairperson


Signature of Board Chairperson

22/2/2021
Date:

Jean Dewinter
Full Name of Principal


Signature of Principal

25/2/2021
Date:

Piopio College
Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue				
Government Grants	2	2,573,008	2,603,012	2,648,643
Locally Raised Funds	3	283,166	204,290	236,237
Interest income		1,779	1,000	3,464
Gain on Sale of Property, Plant and Equipment		967	-	-
		<u>2,858,920</u>	<u>2,808,302</u>	<u>2,888,344</u>
Expenses				
Locally Raised Funds	3	273,426	156,120	169,195
Learning Resources	4	1,722,281	1,694,871	1,820,252
Administration	5	291,115	277,603	274,080
Finance		5,318	3,800	4,246
Property	6	525,439	560,528	550,677
Depreciation	7	110,261	110,000	102,099
Loss on Disposal of Property, Plant and Equipment		80	-	4,739
		<u>2,927,920</u>	<u>2,802,922</u>	<u>2,925,288</u>
Net Surplus / (Deficit) for the year		(69,000)	5,380	(36,944)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(69,000)</u>	<u>5,380</u>	<u>(36,944)</u>

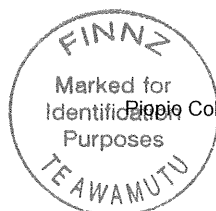
The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.



Piopio College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>1,004,519</u>	<u>1,043,569</u>	<u>1,041,463</u>
Total comprehensive revenue and expense for the year		(69,000)	5,380	(36,944)
Capital Contributions from the Ministry of Education				
Mapiu Dispersal Funding		10,000	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9		-	-	-
Equity at 31 December	23	<u>945,519</u>	<u>1,048,949</u>	<u>1,004,519</u>
Retained Earnings		945,519	1,048,949	1,004,519
Equity at 31 December		<u>945,519</u>	<u>1,048,949</u>	<u>1,004,519</u>

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.



Piopio College
Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	130,053	207,338	112,774
Accounts Receivable	9	110,525	141,411	160,100
GST Receivable		5,623	15,681	958
Prepayments		14,796	5,731	11,007
Inventories	10	12,994	26,913	28,236
Investments	11	-	47,424	-
Funds owed for Capital Works Projects	17	-	-	1,497
		<u>273,991</u>	<u>444,498</u>	<u>314,572</u>
Current Liabilities				
Accounts Payable	13	136,894	158,858	117,497
Revenue Received in Advance	14	1,950	-	5,514
Provision for Cyclical Maintenance	15	-	43,533	14,374
Finance Lease Liability - Current Portion	16	39,644	25,211	30,489
Funds held for Capital Works Projects	17	22,861	-	-
		<u>201,349</u>	<u>227,602</u>	<u>167,874</u>
Working Capital Surplus/(Deficit)		72,642	216,896	146,698
Non-current Assets				
Property, Plant and Equipment	12	982,448	903,981	934,497
		<u>982,448</u>	<u>903,981</u>	<u>934,497</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	15	32,000	71,928	52,705
Finance Lease Liability	16	77,571	-	23,971
		<u>109,571</u>	<u>71,928</u>	<u>76,676</u>
Net Assets		<u>945,519</u>	<u>1,048,949</u>	<u>1,004,519</u>
Equity		<u>945,519</u>	<u>1,048,949</u>	<u>1,004,519</u>

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



Piopio College
Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		766,156	750,212	755,928
Locally Raised Funds		285,756	203,690	243,475
Goods and Services Tax (net)		(4,665)	-	14,723
Payments to Employees		(355,145)	(308,707)	(451,272)
Payments to Suppliers		(567,527)	(462,359)	(460,965)
Cyclical Maintenance Payments in the year		(53,172)	(15,971)	(52,590)
Interest Paid		(5,318)	(3,800)	(4,246)
Interest Received		1,783	1,000	3,537
Net cash from Operating Activities		<u>67,868</u>	<u>164,065</u>	<u>48,590</u>
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	11,323
Purchase of PPE (and Intangibles)		(56,935)	(79,600)	(82,387)
Net cash from Investing Activities		<u>(56,935)</u>	<u>(79,600)</u>	<u>(71,064)</u>
Cash flows from Financing Activities				
Owners Contributions		10,000	-	-
Finance Lease Payments		(28,012)	(31,211)	(18,399)
Funds Administered on Behalf of Third Parties		-	-	(6,116)
Funds Held for Capital Works Projects		24,358	-	5,679
Net cash from Financing Activities		<u>6,346</u>	<u>(31,211)</u>	<u>(18,836)</u>
Net increase/(decrease) in cash and cash equivalents		<u>17,279</u>	<u>53,254</u>	<u>(41,310)</u>
Cash and cash equivalents at the beginning of the year	8	112,774	154,084	154,084
Cash and cash equivalents at the end of the year	8	<u>130,053</u>	<u>207,338</u>	<u>112,774</u>

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

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



Piopio College

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Piopio College (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 27.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

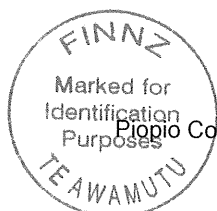
The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

Presentation Currency

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

Specific Accounting Policies

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



Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Cyclical Maintenance Provision

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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



Donations, Gifts and Bequests

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

Interest Revenue

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

d) Use of Land and Buildings Expense

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

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

Prior Year Policy

Accounts Receivable represents items that the School has issued invoices for or accrued for, but has not received payment for at year end. Receivables are initially recorded at fair value and subsequently recorded at the amount the School realistically expects to receive. A receivable is considered uncollectable where there is objective evidence the School will not be able to collect all amounts due. The amount that is uncollectable (the provision for uncollectibility) is the difference between the amount due and the present value of the amounts expected to be collected.

i) Inventories

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



j) Investments

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

Prior Year Policy

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

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

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

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Buildings	10-40 years
Building Improvements	10-40 years
Furniture and Equipment	10-40 years
Information and Communication	3-5 years
Motor Vehicles	5 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. It's fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

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

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

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

Non cash generating assets

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

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

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

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

n) Accounts Payable

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



o) Employee Entitlements

Short-term employee entitlements

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

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

Long-term employee entitlements

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

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

p) Revenue Received in Advance

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

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

q) Funds Held in Trust

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

r) Shared Funds

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

s) Provision for Cyclical Maintenance

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

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

t) Financial Assets and Liabilities

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

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

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



u) Borrowings

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

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

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

v) Goods and Services Tax (GST)

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

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

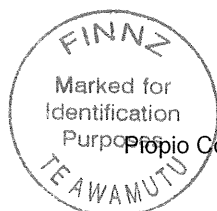
Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	587,260	662,486	661,431
Teachers' Salaries Grants	1,383,509	1,428,714	1,435,546
Use of Land and Buildings Grants	390,582	417,598	406,352
Resource Teachers Learning and Behaviour Grants	2,633	3,040	6,091
Secondary tertiary alignment resource grants	26,279	26,886	27,693
Other MoE Grants	182,745	64,288	111,530
	<u>2,573,008</u>	<u>2,603,012</u>	<u>2,648,643</u>

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	13,936	9,300	15,705
Activities	126,305	116,470	135,619
Trading	15,345	21,100	14,094
Fundraising	3,391	-	-
Other Revenue	19,286	9,320	32,312
School House	43,745	48,100	38,507
Netball Trip to Rarotonga	61,158	-	-
	<u>283,166</u>	<u>204,290</u>	<u>236,237</u>
Expenses			
Activities	168,841	128,920	145,357
Trading	20,238	12,200	6,875
School House	30,308	15,000	16,963
Netball Trip to Rarotonga	54,039	-	-
	<u>273,426</u>	<u>156,120</u>	<u>169,195</u>
<i>Surplus for the year Locally raised funds</i>	<u>9,740</u>	<u>48,170</u>	<u>67,042</u>

During the year ended December 2019, students and staff members undertook a netball trip to Rarotonga at a cost of \$54,039, the trip was fully funded through locally raised funds.

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	73,951	89,250	77,489
Library Resources	1,187	1,400	682
Employee Benefits - Salaries	1,617,679	1,565,321	1,717,350
Staff Development	15,419	17,500	12,139
Star	13,377	20,800	11,719
Extra Curricular Activities	668	600	873
	<u>1,722,281</u>	<u>1,694,871</u>	<u>1,820,252</u>



5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,562	5,250	5,145
Board of Trustees Fees	5,635	5,000	4,290
Board of Trustees Expenses	16,762	8,600	7,587
Intervention Costs & Expenses	-	5,000	-
Communication	17,579	21,550	19,560
Consumables	22,000	26,920	24,007
Operating Lease	-	1,800	2,591
Other	21,245	12,883	16,615
Employee Benefits - Salaries	178,614	172,100	175,712
Insurance	7,622	5,000	5,913
Service Providers, Contractors and Consultancy	16,096	13,500	12,660
	<u>291,115</u>	<u>277,603</u>	<u>274,080</u>

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	8,291	8,500	7,266
Cyclical Maintenance Expense	18,093	16,000	20,237
Grounds	25,054	24,230	21,027
Heat, Light and Water	58,217	64,400	61,560
Rates	202	1,800	577
Repairs and Maintenance	25,000	28,000	33,658
Use of Land and Buildings	390,582	417,598	406,352
	<u>525,439</u>	<u>560,528</u>	<u>550,677</u>

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

7. Depreciation

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements	7,045	8,352	7,752
Furniture and Equipment	18,122	22,734	21,101
Information and Communication Technology	23,009	27,481	25,507
Motor Vehicles	10,260	6,852	6,360
Textbooks	1,567	1,852	1,719
Leased Assets	48,138	40,652	37,732
Library Resources	2,120	2,077	1,928
	<u>110,261</u>	<u>110,000</u>	<u>102,099</u>



8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	350	-	200
Bank Current Account	21,740	80,500	20,777
Bank Call Account	107,963	126,838	91,797
Cash equivalents for Cash Flow Statement	<u>130,053</u>	<u>207,338</u>	<u>112,774</u>

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

Of the \$130,053 Cash and Cash Equivalents, \$43,703 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	15,499	33,276	21,129
Receivables from the Ministry of Education	6,900	-	41,308
Interest Receivable	3	80	7
Teacher Salaries Grant Receivable	88,123	108,055	97,656
	<u>110,525</u>	<u>141,411</u>	<u>160,100</u>
Receivables from Exchange Transactions	15,502	33,356	21,136
Receivables from Non-Exchange Transactions	95,023	108,055	138,964
	<u>110,525</u>	<u>141,411</u>	<u>160,100</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	1,247	738	584
College Farm	5,655	19,084	21,255
Uniform	6,092	7,091	6,397
	<u>12,994</u>	<u>26,913</u>	<u>28,236</u>

11. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	-	47,424	-
Total Investments	<u>-</u>	<u>47,424</u>	<u>-</u>



12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Land	69,880	-	-	-	-	69,880
Buildings	462,347	-	-	-	-	462,347
Building Improvements	140,296	-	-	-	(7,045)	133,251
Furniture and Equipment	67,297	42,384	(80)	-	(18,122)	91,479
Information and Communication Tech	60,167	11,055	-	-	(23,009)	48,213
Motor Vehicles	43,693	-	-	-	(10,260)	33,432
Textbooks	12,533	-	-	-	(1,567)	10,966
Leased Assets	64,761	101,525	(169)	-	(48,138)	117,980
Library Resources	13,523	3,497	-	-	(2,120)	14,900
Balance at 31 December 2019	934,497	158,461	(249)	-	(110,261)	982,448

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Land	69,880	-	69,880
Buildings	557,604	(95,257)	462,347
Building Improvements	231,772	(98,521)	133,251
Furniture and Equipment	296,510	(205,031)	91,479
Information and Communication	225,595	(177,382)	48,213
Motor Vehicles	66,455	(33,023)	33,432
Textbooks	26,219	(15,253)	10,966
Leased Assets	218,852	(100,872)	117,980
Library Resources	31,045	(16,145)	14,900
Balance at 31 December 2019	1,723,932	(741,484)	982,448

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Land	69,880	-	-	-	-	69,880
Buildings	462,347	-	-	-	-	462,347
Building Improvements	141,688	6,360	-	-	(7,752)	140,296
Furniture and Equipment	86,606	8,797	(7,006)	-	(21,101)	67,297
Information and Communication Technology	64,513	21,160	-	-	(25,507)	60,167
Motor Vehicles	34,620	20,000	(4,568)	-	(6,360)	43,693
Textbooks	12,432	1,820	-	-	(1,719)	12,533
Leased Assets	55,445	47,049	-	-	(37,732)	64,760
Library Resources	13,690	1,762	-	-	(1,928)	13,524
Balance at 31 December 2018	941,221	106,948	(11,574)	-	(102,099)	934,497



2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Land	69,880	-	69,880
Buildings	557,604	(95,257)	462,347
Building Improvements	231,772	(91,476)	140,296
Furniture and Equipment	274,015	(206,718)	67,297
Information and Communication	216,695	(156,528)	60,167
Motor Vehicles	66,454	(22,761)	43,693
Textbooks	26,219	(13,686)	12,533
Leased Assets	137,609	(72,849)	64,760
Library Resources	27,549	(14,025)	13,524
Balance at 31 December 2018	1,607,797	(673,300)	934,497

13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	25,780	41,201	8,286
Accruals	9,601	5,145	5,145
Employee Entitlements - Salaries	88,123	108,055	97,656
Employee Entitlements - Leave Accrual	13,390	4,457	6,410
	136,894	158,858	117,497
Payables for Exchange Transactions	136,894	158,858	117,497
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	136,894	158,858	117,497

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Income In Advance	-	-	1,250
Revenue In Advance	1,950	-	4,264
	1,950	-	5,514

15. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	67,079	99,461	99,432
Increase to the Provision During the Year	18,093	16,000	20,237
Use of the Provision During the Year	(53,172)	-	(52,590)
Provision at the End of the Year	32,000	115,461	67,079
Cyclical Maintenance - Current	-	43,533	14,374
Cyclical Maintenance - Term	32,000	71,928	52,705
	32,000	115,461	67,079



16. Finance Lease Liability

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

	2019 Actual	2019 Budget (Unaudited)	2018 Actual
No Later than One Year	\$ 49,443	\$ 25,211	\$ 32,043
Later than One Year and no Later than Five Years	91,114	-	24,545
	<u>140,557</u>	<u>25,211</u>	<u>56,588</u>

17. Funds Held (Owed) for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Heating Upgrade	<i>in progress</i>	(1,497)	-	-	-	(1,497)
Gym Upgrade	<i>in progress</i>	-	(3,050)	-	-	(3,050)
CCTV System	<i>in progress</i>	-	-	(13,295)	-	(13,295)
Inground Watermain Pipework	<i>in progress</i>	-	44,350	(647)	-	43,703
Rationalisation Works	<i>in progress</i>	-	-	(3,000)	-	(3,000)
Totals		<u>(1,497)</u>	<u>41,300</u>	<u>(16,942)</u>	<u>-</u>	<u>22,861</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	43,703
Funds Due from the Ministry of Education	(20,842)
	<u>22,861</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
MLE Income	<i>completed</i>	494	-	(494)	-	-
Mains Distribution Board	<i>completed</i>	(7,670)	7,670	-	-	-
Carpark Reseal	<i>completed</i>	-	24,455	(24,455)	-	-
Heating Upgrade	<i>in progress</i>	-	13,472	(14,969)	-	(1,497)
Gym Upgrade	<i>completed</i>	-	3,050	(3,050)	-	-
Totals		<u>(7,176)</u>	<u>48,647</u>	<u>(42,968)</u>	<u>-</u>	<u>(1,497)</u>

18. Related Party Transactions

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

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



19. Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	5,635	4,290
Full-time equivalent members	0.23	0.31
<i>Leadership Team</i>		
Remuneration	1,069,217	1,141,133
Full-time equivalent members	10.41	13.00
Total key management personnel remuneration	<u>1,074,852</u>	<u>1,145,423</u>
Total full-time equivalent personnel	<u>10.64</u>	<u>13.31</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:

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

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

20. Compensation and Other Benefits Upon Leaving

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

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



21. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

22. Commitments

(a) Capital Commitments

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

(b) Operating Commitments

There are no operating commitments as at 31 December 2019 (Operating commitments at 31 December 2018: nil).

23. Managing Capital

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

24. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	130,053	207,338	112,774
Receivables	110,525	141,411	160,100
Investments - Term Deposits	-	47,424	-
Total Financial assets measured at amortised cost	240,578	396,173	272,874
Financial liabilities measured at amortised cost			
Payables	136,894	158,858	117,497
Borrowings - Loans	-	-	-
Finance Leases	117,215	25,211	54,460
Painting Contract Liability	-	-	-
Total Financial Liabilities Measured at Amortised Cost	254,109	184,069	171,957



25. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. Subsequently all schools and kura reopened on the 18th of May 2020.

At the date of issuing the financial statements, the school has been able to absorb the majority of the impact from the nationwide lockdown as it was decided to start the annual Easter School holidays early. In the periods the school is open for tuition, the school has switched to alternative methods of delivering the curriculum, so students can learn remotely.

At this time the full financial impact of the COVID-19 pandemic is not able to be determined, but it is not expected to be significant to the school. The school will continue to receive funding from the Ministry of Education, even while closed.

26. Comparatives

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

27. Adoption of PBE IFRS 9 Financial Instruments

In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated to comply with PBE IFRS 9. The main updates are:

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

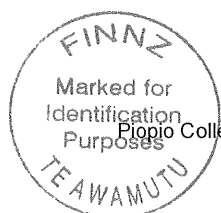
- Note 11 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

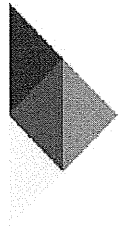
Upon transition to PBE IFRS9 there were no material adjustments to these financial statements.

28. Breach of Law - Statutory Reporting

The Board of Trustees has failed to comply with section 87 of the Education Act 1989, as the Board were unable to provide their audited financial statements to the Ministry of Education by 31 May 2020. The disruption caused by the Covid-19 restrictions, including the closure of the school, meant that the audit could not progress as planned. This resulted in the school missing the statutory deadline.



Analysis of Variance Reporting



School Name:	Piopio College
School Number:	162

Strategic Aim:	<p>Aim 1: All staff will develop effective teaching and learning methods to support students to achieve educational success while realising their aspirational potential</p> <p>Aim 2: Supporting Māori students to achieve educational success as Māori.</p> <p>Aim 3: Supporting all students to access the New Zealand Curriculum, relating to National Curriculum Levels.</p>
Annual Aim:	<p>To raise student achievement: Year 7 & 8 writing.(we also focussed on reading and numeracy)</p> <p>Goal: that all students should improve their academic growth over the course of a year as set out in targets below</p>
Targets	<p>Year 7: 9 male and 13 Female = Total 22 students</p> <ol style="list-style-type: none"> a. 4 students who are identified as Green (at or above) students, and although are achieving at a high level for this age group, the ambition for these students to move at 2 or more sublevels within this year. b. 10 students have been identified as Amber(mid level): <ul style="list-style-type: none"> ● 5 students at 2B - these students can be moved 3 sublevels to sit at a 3B by the end of the year. ● 2 students at 2P - these students can be moved 3 sublevels to sit at a 3P by the end of the year. ● 3 students at 2A - these students can be moved 2/3 sublevels to sit around a 2P/3B by the end of the year. c. 7 students who are sitting well below red (very low level students) the requirement for year 7, and these students have to be moved at least 1 sublevel within this year <p>Year 8: 13 males and 13 female Total 26</p> <ol style="list-style-type: none"> a. 5 students who have been identified as a Green (at or above) and although are achieving at a high level for this age group, the aspirations for these students to move at 2 or more sublevels within this year. b. 16 students who have been identified at Amber(mid level): and have broken these 16 down further into their sublevels and identified specific goals for each subgroup, the goal is; they attain the following sublevels by the end of the year: <ul style="list-style-type: none"> ● 4 students at 3B - move these students 3 sublevels to sit at 4B by the end of the year. ● 6 students at 3P - move these students 2 sublevels to sit at 4B by the end of the year.

<p>Actions What did we do?</p>	<p>Reasons for the variance Why did it happen?</p>	<p>Evaluation Where to next?</p>
<p><u>Support and strategies for students</u></p> <p>SENCO time works with a range of ability groups to enhance their literacy and numeracy.</p> <p>Timetabled SENCO time: Rather than have students come out of classes for remediation and for GATE students not having to give up lunchtimes, we have a period a week where students are split according to academic ability.</p> <p>ALiM students who are just below expected levels to be accelerated in maths. We do pre-teaching, front loading and use specific resources and strategies as we learn them.</p> <p>Student developed Success matrix for mathematics to self evaluate</p> <p>STEM: introducing students to stem concepts and as defined by</p>	<p>The beginning of the year our team sat down and nitted out a plan for how the year would run, we ran through what and how we saw the students behaving, how the programmes would run, when to meet and how to progress our students, so they were ready to face the next year (year 8 and 9 respectively) with excitement and enthusiasm. They would need the skills both socially and academically to face the future, whether it was here next year or boarding school.</p> <p>We were also excited by the offer from one of our community members, to come in and teach Tai Chi to our students. We felt that having that starting point of calm and stretching would help some of our students who struggle with body control, to help them focus on their work. All of the feedback we received from the students was of a positive nature and although some of the students did not find any benefit, (mentally) for the students who found it hard to focus on a task, this exercise twice a week, certainly made a difference when translated to the classroom.</p> <p>The William Pike Challenge was also introduced at the beginning of the year, and although it took a while for some, it has enabled our students to think outside themselves, and understand the value of 'doing for others', while also lifting the limits of what they can achieve themselves. So again, although little steps, we are progressing.</p> <p>Early on, we also sat with, and collaborated with, our invaluable teacher aids, who do an outstanding job of supporting both our hard working teachers, but also vital for our struggling students. This collaboration consisted of evaluating students for any support that was needed, both in the classroom and also what was needed when taking them out for intensive</p>	<p>Professional Development. strategies and initiatives 2020</p> <p>continue focussing on oral and written literacy focus</p> <p>Cohesive maths programs from year 7-13</p> <p>Te Reo me Tikanga Māori Building on Literacy efficacy.</p> <p>appropriate Professional development for assessment for learning</p> <p>We will also continue with sustainability initiatives supported by the William Pike foundation.</p> <p>21st Century literacy skills - Collaboration, Creativity, Communication and Critical Thinking.</p> <p>Culturally focused performing Arts.</p> <p>STEAM - Science, Technology, English, Arts and Mathematic</p> <p>Small business skills and other passion themes</p>

Looking forward to 2020 we need to support our staff with:

- Professional support to implement the new Digital technology curriculum PLG from Core Education
- Continue Acceleration strategies in Writing for boys in year 8 and numeracy for year 9 girls
- Te Reo me Tikanga Māori
- Speciality subjects within STEAM

Year 7: Summary of results: tier 2 students (just below expected level)

As the table below shows that in reading Euro males missed the target, and in writing, Euro males struggled the most. In Numeracy the Euro females fell just short of the targeted progress

Year 7	Reading Progress %	Writing progress %	Numeracy progress %
Target	75%	70%	70%
all	77	73	73
female	85	85	69
male	67	56	78
Euro	69	69	69
Maori	88	75	75
Pasifika	N/A		
MELLA	100	100	100

female	85.71	71.43	85.7
male	70	60	90
Euro	100	87.5	87.5
Maori	62.5	56.25	87.5
Pasifika	NA	NA	NA

Year 10 summary of results tier 2 students (just below expected level)

Year 10	Reading Progress %	Writing progress %	Numeracy progress %
Target	77%	74%	75%
All	70.88	68	80
Female*	76.92	75	76.92
Male**	62.5	70.58	81.25
Euro	100	71.43	85.71
Maori*	65	75	80
African**	50	50	50

*** 1 African male arrived at the end T 4 with no baseline data and 1 Maori female did the same and has been truant since arrival.

* 1 female Maori student has been absent and has no end of year data, These students have skewed the data as they represent 30% of the cohort

NCEA targets as per Kamar analysis with NCEA results downloaded)

National targets for NCEA are that 85% of all students will attain NCEA L2 We have set 75 % across the board , (perhaps a little low) However, it is evident we exceed national targets in NCEA 1, 2 and 3

Piopio College

KiwiSport Funding for the year ended 31 December 2019

Kiwisport is a Government funding initiative to support student's participation in organised sport.
The school received total Kiwisport funding of \$2,716.97 excl gst.
The whole school benefited from participation in organised sport.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PIOPIO COLLEGE'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

Opinion

We have audited the financial statements of the School on pages 2 to 21 that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue & expense, statement of changes in net assets/equity, and statement of cashflows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 1st March 2021. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19, Payroll Advances and Overseas Trip

Without modifying our opinion, we draw attention to the disclosures in notes 25 and 28 on page 21 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic and the breach of section 87 of the Education Act 1989 relating to the inability to file by the statutory reporting date, due to the disruption caused by Covid-19 restrictions.

We also draw attention to a breach of legislation re payroll advances and the non-disclosure of information re an overseas trip.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees

is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

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

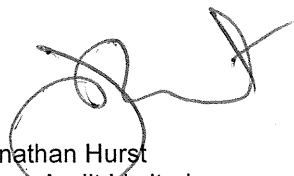
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



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