

LOCHIEL SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 3977
Principal: Mary Miller
School Address: 39 Lochiel Bridge Road, Lochiel
School Postal Address: 39 Lochiel Bridge Road, R D 1, Winton 9781
School Phone: (03) 221 7079
School Email: office@lochiel.school.nz

Members of the Board of Trustees

| Name | Position | How Position Gained | Occupation | Term Expired/ Expires |
|------------------|--------------|---------------------|------------------|--------------------------|
| Mel Montgomery | Chair Person | Elected | Accountant | Jun-22 |
| Mary Miller | Principal | ex Officio | | |
| Fraser Anderson | Parent Rep | Elected | Farmer | Jun-22 |
| Robbie Watkinson | Parent Rep | Elected | Farmer | Jun-22 |
| Roger Nicholas | Parent Rep | Elected | Richardson Group | Jun-22 |
| Anita Nicholson | Parent Rep | Elected | Mother | Jun-22 |
| Norah Thomson | Staff Rep | Elected | Teacher Aide | Jun-22 |
| Mairi Vasdev | | | | Resigned Jun-19 |
| Paul Coveney | | | | Resigned Jun-19 |

Accountant / Service Provider: Maggie Turnhout

LOCHIEL SCHOOL

Annual Report - For the year ended 31 December 2019

Index

| Page | Statement |
|----------------|--|
| | Financial Statements |
| <u>1</u> | Statement of Responsibility |
| <u>2</u> | Statement of Comprehensive Revenue and Expense |
| <u>3</u> | Statement of Changes in Net Assets/Equity |
| <u>4</u> | Statement of Financial Position |
| <u>5</u> | Statement of Cash Flows |
| <u>6 - 10</u> | Statement of Accounting Policies |
| <u>11 - 19</u> | Notes to the Financial Statements |
| | Other Information |
| 20 | Kiwisport |
| <u>21</u> | Analysis of Variance |
| | Independent Auditor's Report |

Lochiel School

Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Mel Montgomery

Full Name of Board Chairperson



Signature of Board Chairperson

Date:

7/5/2020

Mary Miller

Full Name of Principal



Signature of Principal

Date:

7/5/2020.

Lochiel School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2019

| | Notes | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| Revenue | | | | |
| Government Grants | 2 | 762,536 | 694,967 | 685,860 |
| Locally Raised Funds | 3 | 76,306 | 36,000 | 66,856 |
| Interest income | | 2,020 | 500 | 873 |
| | | <u>840,862</u> | <u>731,467</u> | <u>753,589</u> |
| Expenses | | | | |
| Locally Raised Funds | 3 | 33,637 | 8,300 | 31,947 |
| Learning Resources | 4 | 539,239 | 488,120 | 484,954 |
| Administration | 5 | 68,130 | 52,540 | 46,171 |
| Finance | | 1,317 | 1,000 | 1,666 |
| Property | 6 | 179,737 | 165,259 | 163,280 |
| Depreciation | 7 | 20,709 | 9,000 | 18,917 |
| Loss on Disposal of Property, Plant and Equipment | | 560 | - | 1,827 |
| | | <u>843,330</u> | <u>724,219</u> | <u>748,762</u> |
| Net Surplus / (Deficit) for the year | | (2,468) | 7,248 | 4,827 |
| Other Comprehensive Revenue and Expenses | | - | - | - |
| Total Comprehensive Revenue and Expense for the Year | | <u>(2,468)</u> | <u>7,248</u> | <u>4,827</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.

Lochiel School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

| | Notes | Actual 2019 \$ | Budget (Unaudited) 2019 \$ | Actual 2018 \$ |
|--|-------|----------------------|-------------------------------------|----------------------|
| Balance at 1 January | | 73,150 | 73,149 | 68,323 |
| Total comprehensive revenue and expense for the year | | (2,468) | 7,248 | 4,827 |
| Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant | | 4,097 | - | - |
| Equity at 31 December | 22 | 74,779 | 80,397 | 73,150 |
| Retained Earnings | | 74,779 | 80,397 | 73,150 |
| Equity at 31 December | | 74,779 | 80,397 | 73,150 |

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.

Lochiel School

Statement of Financial Position

As at 31 December 2019

| | Notes | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| Current Assets | | | | |
| Cash and Cash Equivalents | 8 | 268,744 | 28,752 | 10,437 |
| Accounts Receivable | 9 | 44,869 | 32,247 | 32,247 |
| GST Receivable | | 1,154 | 2,660 | 2,661 |
| Investments | 10 | 311,884 | 27,892 | 27,892 |
| | | <u>626,651</u> | <u>91,551</u> | <u>73,237</u> |
| Current Liabilities | | | | |
| Accounts Payable | 12 | 39,541 | 37,971 | 37,971 |
| Revenue Received in Advance | 13 | 375 | - | - |
| Provision for Cyclical Maintenance | 14 | 20,500 | - | - |
| Finance Lease Liability - Current Portion | 15 | 9,496 | 8,426 | 7,933 |
| Funds held for Capital Works Projects | 16 | 522,257 | - | - |
| | | <u>592,168</u> | <u>46,397</u> | <u>45,904</u> |
| Working Capital Surplus/(Deficit) | | 34,483 | 45,154 | 27,333 |
| Non-current Assets | | | | |
| Property, Plant and Equipment | 11 | 69,882 | 70,174 | 79,174 |
| | | <u>69,882</u> | <u>70,174</u> | <u>79,174</u> |
| Non-current Liabilities | | | | |
| Provision for Cyclical Maintenance | 14 | 21,900 | 31,834 | 21,834 |
| Finance Lease Liability | 15 | 7,686 | 3,097 | 11,523 |
| | | <u>29,586</u> | <u>34,931</u> | <u>33,357</u> |
| Net Assets | | <u><u>74,779</u></u> | <u><u>80,397</u></u> | <u><u>73,150</u></u> |
| Equity | 22 | <u><u>74,779</u></u> | <u><u>80,397</u></u> | <u><u>73,150</u></u> |

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

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

| | 2019 | 2019 | 2018 |
|---|------------------|-----------------------------|---------------|
| Note | Actual \$ | Budget (Unaudited) \$ | Actual \$ |
| Cash flows from Operating Activities | | | |
| Government Grants | 194,326 | 167,987 | 156,957 |
| Locally Raised Funds | 74,961 | 36,000 | 68,223 |
| Goods and Services Tax (net) | 1,506 | - | 1,050 |
| Payments to Employees | (94,782) | (71,800) | (82,900) |
| Payments to Suppliers | (147,202) | (105,440) | (109,636) |
| Interest Paid | (1,317) | (1,000) | (1,666) |
| Interest Received | 1,600 | 500 | 884 |
| Net cash from Operating Activities | 29,092 | 26,247 | 32,912 |
| Cash flows from Investing Activities | | | |
| Purchase of PPE (and Intangibles) | (6,806) | - | (16,998) |
| Purchase of Investments | (283,992) | - | (837) |
| Net cash from Investing Activities | (290,797) | - | (17,835) |
| Cash flows from Financing Activities | | | |
| Furniture and Equipment Grant | 4,097 | - | - |
| Finance Lease Payments | (6,342) | (7,933) | (5,668) |
| Funds Held for Capital Works Projects | 522,257 | - | - |
| Net cash from Financing Activities | 520,012 | (7,933) | (5,668) |
| Net increase/(decrease) in cash and cash equivalents | 258,307 | 18,315 | 9,409 |
| Cash and cash equivalents at the beginning of the year | 8 10,437 | 10,437 | 1,028 |
| Cash and cash equivalents at the end of the year | 8 268,744 | 28,752 | 10,437 |

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..

Lochiel School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

In line with the Financial Statements of the Government, the School has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 26.

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 11.

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. Finance leases are disclosed at note 15.

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.

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) 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 \$1,000 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:

| | |
|--|-------------------------|
| Furniture and equipment | 5 - 18 years |
| Information and communication technology | 3 - 6 years |
| Leased assets held under a Finance Lease | 3 - 5 years |
| Library resources | 12.5% Diminishing value |

j) 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.

k) 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.

l) 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.

m) Revenue Received in Advance

Revenue received in advance relates to fees received from students 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 students, should the School be unable to provide the services to which they relate.

n) 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).

o) 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.

p) 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.

q) 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.

r) Budget Figures

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

s) 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 | 160,116 | 155,988 | 144,415 |
| Teachers' Salaries Grants | 444,031 | 407,720 | 407,720 |
| Use of Land and Buildings Grants | 113,596 | 119,259 | 119,259 |
| Resource Teachers Learning and Behaviour Grants | 1,104 | - | - |
| Other Government Grants | 43,689 | 12,000 | 14,466 |
| | <u>762,536</u> | <u>694,967</u> | <u>685,860</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 | 33,407 | 17,500 | 24,814 |
| Bequests & Grants | 2,677 | 2,500 | 3,285 |
| Activities | 20,784 | - | 19,855 |
| Trading | 13,278 | 10,000 | 14,448 |
| Fundraising | 1,051 | - | 1,079 |
| Other Revenue | 5,109 | 6,000 | 3,375 |
| | <u>76,306</u> | <u>36,000</u> | <u>66,856</u> |
| Expenses | | | |
| Activities | 21,664 | - | 19,791 |
| Trading | 11,784 | 8,300 | 12,156 |
| Fundraising (Costs of Raising Funds) | 190 | - | - |
| | <u>33,637</u> | <u>8,300</u> | <u>31,947</u> |
| <i>Surplus/ (Deficit) for the year Locally raised funds</i> | <u>42,669</u> | <u>27,700</u> | <u>34,909</u> |

4. Learning Resources

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Curricular | 24,703 | 20,100 | 16,223 |
| Equipment Repairs | 2,202 | 1,000 | 258 |
| Information and Communication Technology | 5,457 | 2,500 | 1,438 |
| Library Resources | 1,644 | 2,000 | 833 |
| Employee Benefits - Salaries | 500,045 | 455,020 | 463,377 |
| Staff Development | 5,188 | 7,500 | 2,825 |
| | <u>539,239</u> | <u>488,120</u> | <u>484,954</u> |

5. Administration

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Audit Fee | 4,336 | 3,000 | 1,450 |
| Board of Trustees Fees | 3,460 | 3,640 | 2,910 |
| Board of Trustees Expenses | 2,492 | 2,300 | 2,023 |
| Communication | 1,816 | 2,100 | 1,899 |
| Consumables | 3,467 | 3,500 | 2,635 |
| Operating Lease | 4,981 | 6,800 | 2,947 |
| Other | 9,941 | 6,400 | 5,977 |
| Employee Benefits - Salaries | 33,392 | 21,000 | 22,696 |
| Insurance | 3,247 | 2,300 | 2,436 |
| Service Providers, Contractors and Consultancy | 1,000 | 1,500 | 1,198 |
| | 68,130 | 52,540 | 46,171 |

6. Property

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|-------------------------------------|----------------------|-------------------------------------|----------------------|
| Caretaking and Cleaning Consumables | 540 | 1,200 | 974 |
| Consultancy and Contract Services | 14,269 | 9,000 | 8,464 |
| Cyclical Maintenance Provision | 20,566 | 10,000 | 7,167 |
| Heat, Light and Water | 12,324 | 11,500 | 11,473 |
| Repairs and Maintenance | 13,065 | 10,800 | 11,396 |
| Use of Land and Buildings | 113,596 | 119,259 | 119,259 |
| Employee Benefits - Salaries | 5,377 | 3,500 | 4,547 |
| | 179,737 | 165,259 | 163,280 |

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 \$ |
|--|----------------------|-------------------------------------|----------------------|
| Furniture and Equipment | 8,874 | 5,000 | 8,242 |
| Information and Communication Technology | 3,021 | 500 | 2,376 |
| Leased Assets | 8,188 | 3,000 | 7,586 |
| Library Resources | 626 | 500 | 713 |
| | 20,709 | 9,000 | 18,917 |

8. Cash and Cash Equivalents

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Bank Current Account | 65,837 | 18,376 | 61 |
| Bank Call Account | 185,464 | 10,376 | 10,376 |
| Short-term Bank Deposits | 17,443 | - | - |
| Cash and cash equivalents for Cash Flow Statement | <u>268,744</u> | <u>28,752</u> | <u>10,437</u> |

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

Of the **\$251,301** Cash and Cash Equivalents, **\$210,373** 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 capital works projects.

9. Accounts Receivable

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Receivables | 5,188 | 3,468 | 3,468 |
| Receivables from the Ministry of Education | 8,659 | - | - |
| Interest Receivable | 566 | 146 | 146 |
| Teacher Salaries Grant Receivable | 30,456 | 28,633 | 28,633 |
| | <u>44,869</u> | <u>32,247</u> | <u>32,247</u> |
| Receivables from Exchange Transactions | 5,754 | 3,614 | 3,614 |
| Receivables from Non-Exchange Transactions | 39,115 | 28,633 | 28,633 |
| | <u>44,869</u> | <u>32,247</u> | <u>32,247</u> |

10. Investments

The School's investment activities are classified as follows:

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset | | | |
| Short-term Bank Deposits | 311,884 | 27,892 | 27,892 |
| Total Investments | <u>311,884</u> | <u>27,892</u> | <u>27,892</u> |

Of the **\$311,884** Investments, **\$311,884** 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 capital works projects.

11. Property, Plant and Equipment

| | Opening Balance (NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|------------------------------------|-----------------------------|---------------|----------------|------------|-----------------|---------------|
| 2019 | \$ | \$ | \$ | \$ | \$ | \$ |
| Furniture and Equipment | 47,797 | 5,967 | - | - | (8,874) | 44,890 |
| Information and Communication | 7,475 | - | (560) | - | (3,021) | 3,894 |
| Leased Assets | 18,914 | 5,991 | - | - | (8,188) | 16,717 |
| Library Resources | 4,988 | 839 | (820) | - | (626) | 4,381 |
| Balance at 31 December 2019 | 79,174 | 12,797 | (1,380) | - | (20,709) | 69,882 |

| | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| 2019 | \$ | \$ | \$ |
| Furniture and Equipment | 153,185 | (108,295) | 44,890 |
| Information and Communication Technology | 60,778 | (56,884) | 3,894 |
| Leased Assets | 33,664 | (16,947) | 16,717 |
| Library Resources | 18,355 | (13,974) | 4,381 |
| Balance at 31 December 2019 | 265,982 | (196,100) | 69,882 |

| | Opening Balance (NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|---|-----------------------------|---------------|----------------|------------|-----------------|---------------|
| 2018 | \$ | \$ | \$ | \$ | \$ | \$ |
| Furniture and Equipment | 46,746 | 10,559 | (1,266) | - | (8,242) | 47,797 |
| Information and Communication Technology | 4,890 | 5,521 | (561) | - | (2,375) | 7,475 |
| Leased Assets | 7,275 | 19,225 | - | - | (7,586) | 18,914 |
| Library Resources | 5,587 | 916 | (803) | - | (712) | 4,988 |
| Balance at 31 December 2018 | 64,498 | 36,221 | (2,630) | - | (18,915) | 79,174 |

| | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| 2018 | \$ | \$ | \$ |
| Furniture and Equipment | 150,893 | (103,096) | 47,797 |
| Information and Communication Technology | 62,398 | (54,923) | 7,475 |
| Leased Assets | 27,673 | (8,759) | 18,914 |
| Library Resources | 20,961 | (15,973) | 4,988 |
| Balance at 31 December 2018 | 261,925 | (182,751) | 79,174 |

12. Accounts Payable

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|------------------------------------|----------------------|-------------------------------------|----------------------|
| Operating Creditors | 6,065 | 7,488 | 7,488 |
| Accruals | 3,020 | 1,850 | 1,850 |
| Employee Entitlements - Salaries | 30,456 | 28,633 | 28,633 |
| | <u>39,541</u> | <u>37,971</u> | <u>37,971</u> |
| Payables for Exchange Transactions | 39,541 | 37,971 | 37,971 |
| | <u>39,541</u> | <u>37,971</u> | <u>37,971</u> |

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|-------|----------------------|-------------------------------------|----------------------|
| Other | 375 | - | - |
| | <u>375</u> | <u>-</u> | <u>-</u> |

14. Provision for Cyclical Maintenance

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Provision at the Start of the Year | 21,834 | 21,834 | 14,667 |
| Increase/ (decrease) to the Provision During the Year | 6,475 | 10,000 | 7,167 |
| Adjustment to the Provision | 14,091 | | |
| Provision at the End of the Year | <u>42,400</u> | <u>31,834</u> | <u>21,834</u> |
| Cyclical Maintenance - Current | 20,500 | - | - |
| Cyclical Maintenance - Term | 21,900 | 31,834 | 21,834 |
| | <u>42,400</u> | <u>31,834</u> | <u>21,834</u> |

15. Finance Lease Liability

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

| | 2019 Actual \$ | 2019 Budget (Unaudited) \$ | 2018 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| No Later than One Year | 10,541 | 8,426 | 9,231 |
| Later than One Year and no Later than Five Years | 8,778 | 3,097 | 13,326 |
| Later than Five Years | - | - | - |
| | <u>19,319</u> | <u>11,523</u> | <u>22,557</u> |

16. Funds Held for Capital Works Projects

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

| | 2019 | Opening Balances | Receipts from MoE | Payments | BOT Contributions | Closing Balances |
|---------------------------------|--------------------|------------------|-------------------|----------|-------------------|------------------|
| | | \$ | \$ | \$ | | \$ |
| Weather Tightening & Compliance | <i>in progress</i> | - | 501,341 | (35,786) | - | 465,557 |
| Special Needs Bathroom | <i>in progress</i> | - | 56,700 | - | - | 56,700 |
| Totals | | - | 558,041 | (35,786) | - | 522,257 |

Represented by:

| | |
|---|----------------|
| Funds Held on Behalf of the Ministry of Education | 522,257 |
| | <u>522,257</u> |

| | 2018 | Opening Balances | Receipts from MoE | Payments | | Closing Balances |
|----------------------|------------------|------------------|-------------------|----------|---|------------------|
| | | \$ | \$ | \$ | | \$ |
| Water System Upgrade | <i>completed</i> | - | 20,166 | (20,166) | - | - |
| Totals | | - | 20,166 | (20,166) | - | - |

17. Related Party Transactions

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

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

18. Remuneration

Key management personnel compensation

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

| | 2019 Actual \$ | 2018 Actual \$ |
|---|----------------------|----------------------|
| <i>Board Members</i> | | |
| Remuneration | 3,460 | 2,910 |
| Full-time equivalent members | 0.05 | 0.13 |
| <i>Leadership Team</i> | | |
| Remuneration | 114,364 | 101,594 |
| Full-time equivalent members | 1 | 1 |
| Total key management personnel remuneration | 117,824 | 104,504 |
| Total full-time equivalent personnel | 1.05 | 1.13 |

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

Principal

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

| | 2019 Actual \$000 | 2018 Actual \$000 |
|--|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: | | |
| Salary and Other Payments | 100 - 110 | 90 - 100 |
| Benefits and Other Emoluments | 0 - 5 | 0 - 5 |
| 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 | - | - |
| 110 - 120 | - | - |
| | - | - |

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

19. Compensation and Other Benefits Upon Leaving

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

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

20. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

21. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.

(a) \$557,046 contract for weather tightening and compliance to be completed in 2020, which will be fully funded by the Ministry of Education. \$501,341 has been received of which \$35,786 has been spent on the project to date; and

(a) \$63,000 contract for special needs bathroom to be completed in 2020, which will be fully funded by the Ministry of Education. \$56,700 has been received of which \$nil has been spent on the project to date.

(Capital commitments at 31 December 2018: \$nil)

22. Managing Capital

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

23. Financial Instruments

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

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

| | 2019 | 2019 | 2018 |
|---|----------------|---------------|---------------|
| | Actual | Budget | Actual |
| | \$ | (Unaudited) | \$ |
| | \$ | \$ | \$ |
| Cash and Cash Equivalents | 268,744 | 28,752 | 10,437 |
| Receivables | 44,869 | 32,247 | 32,247 |
| Investments - Term Deposits | 311,884 | 27,892 | 27,892 |
| Total Financial assets measured at amortised cost | <u>625,497</u> | <u>88,891</u> | <u>70,576</u> |

Financial liabilities measured at amortised cost

| | | | |
|--|---------------|---------------|---------------|
| Payables | 39,541 | 37,971 | 37,971 |
| Finance Leases | 17,182 | 11,523 | 19,456 |
| Total Financial Liabilities Measured at Amortised Cost | <u>56,723</u> | <u>49,494</u> | <u>57,427</u> |

24. Events After Balance Date

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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

At this time the full financial impact of the COVID-19 pandemic is not able to be determined. The school will continue to receive funding from the Ministry of Education, even while closed. However, economic uncertainties have arisen which are likely to negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the COVID-19 pandemic:

- a reduction in locally raised funds revenue because the schools ability to undertake fundraising events in the community and/or collect donations or other contributions from parents, may be compromised. Costs already incurred arranging future events may not be recoverable.

25. Comparatives

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

26. Adoption of PBE IFRS 9 Financial Instruments

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

LOCHIEL SCHOOL BOARD OF TRUSTEES 2019

| Name | Position | How Position on Board was gained | Term Expires | Occupation |
|---------------------------|--------------------|---|---------------------|---|
| Melanie Montgomery | <i>Board Chair</i> | <i>Re-elected May 2019</i> | <i>May 2022</i> | <i>Accountant</i> |
| Robbie Watkinson | <i>Parent rep</i> | <i>Elected May 2019</i> | <i>March 2022</i> | <i>Farmer</i> |
| Anita Nicholson | <i>Parent rep</i> | <i>Elected May 2019</i> | <i>March 2022</i> | <i>Student – training to be an accountant</i> |
| Roger Nicholas | <i>Parent rep</i> | <i>Re-elected May 2019</i> | <i>March 2022</i> | <i>Network Services Manager</i> |
| Fraser Anderson | <i>Parent rep</i> | <i>Appointed May 2019</i> | <i>March 2022</i> | <i>Farmer</i> |
| Mary Miller | <i>Principal</i> | <i>Appointed January 2019</i> | | <i>Principal</i> |
| Norah Thomson | <i>Staff Rep</i> | <i>Appointed May 2019</i> | <i>March 2022</i> | <i>Teacher Aide</i> |

LOCHIEL SCHOOL KIWISPORT 2019

100% of students participated in organised sport. In 2019 the school received Kiwisport funding of \$1,140.21 (2018 - \$1,069.22). The funding was spent on providing transport to swimming at Makarewa and Winton for all students.

Analysis of Variance Reporting



| | | | |
|---------------------|----------------|-----------------------|------|
| School Name: | Lochiel School | School Number: | 3977 |
|---------------------|----------------|-----------------------|------|

| | |
|-----------------------|--|
| Strategic Aim: | <p>Students' Learning</p> <ul style="list-style-type: none"> • Improve outcomes for all students, particularly Maori, Pasifika and children with special needs. • Accelerate progress of students performing below expectations. <p>Student Engagement</p> <ul style="list-style-type: none"> • Look at improving the attendance rate from 94.4% to 96% for 2019. • Focus on students each term who are under 90% and follow this through with parents and also use REAP (truancy person) if required. <p>School Organisation and Structures</p> <ul style="list-style-type: none"> • Operate within annual grants. • Continue upgrade and beautify environment. <p>Personnel</p> <ul style="list-style-type: none"> • Update and look at appraisal process. • Strengthening staff in behaviour management through PB4L. • Review and redesign roles inside the school. <p>Property</p> <ul style="list-style-type: none"> • Modernise and fix A block and compliance area as per ten year property plan. • Continue upgrade and beautify environment. <p>Finance</p> <ul style="list-style-type: none"> • Operate within annual grants. Plan to build on surpluses that have happened in the last four years. |
| | Annual Aim: |

| | |
|-----------------------|--|
| Target: | For targeted students to reach accelerated writing levels over the 2019 year. |
| Baseline Data: | 12 students across the school were chosen as target students. This amounted to 3 students per class. |

| Actions <i>What did we do?</i> | Outcomes <i>What happened?</i> | Reasons for the variance <i>Why did it happen?</i> | Evaluation <i>Where to next?</i> |
|--|---|---|---|
| <p>We moderated the writing in each class. We looked at the Lochiel indicators we were using for writing, and realised that this needed revised.</p> <p>As a school we attended a Professional Development course with Dr Murray Gadd in Gore in Term 1. Dr Murray Gadd jointly wrote much of the documentation that is currently used in our NZ Curriculum.</p> <p>Whilst we were on the course with Dr Murray Gadd, he distributed moderation marking sheets that related to each year level e.g. after 1 year, after 2 years etc.</p> <p>We are currently using this for our moderation marking and have marked Term 1, 2, 3 and 4 target writing samples using this for our target children and for Term 2 and 4 for the whole school.</p> <p>Teachers have created a spiral of inquiry for the target learners over the year, trialling new teaching and reflecting on this for progress for the learner.</p> <p>Each learner has self-reviewed</p> | <p>Each teacher chose 3 children in their room to target for writing. This amounted to 12 children throughout the school, of which there were 6 boys and 6 girls.</p> <p>In Term 1 the teachers brainstormed ways to assist their target children. They focussed on doing something differently with their teaching to try and accelerate learning. Best practice teaching for these target children was utilised and therefore boosted all the writers.</p> <p>Chris Morris the SAF (Student Achievement Function) from the MOE met with the Principal regularly to discuss target children's progress and achievement.</p> <p>End of Year Summary from the grid above: Acceleration occurred for 8 children over the school year. 2 children progressed a year and one child did not quite make a years progress.</p> <p>Acceleration occurred for 67% of the target students. Initially a third of the target children were "well</p> | <p>The one child that did not make expected gains has been referred to another agency for help, as they have additional learning requirements that have been identified over the year.</p> <p>Working alongside whanau and having time to discuss with colleagues progress and barriers to learning has been hugely beneficial.</p> <p>Ensuring all students had an environment where behavioural expectations were high, meant that the teacher had more time to teach and therefore students were given more opportunity to learn.</p> <p>Staff require additional Professional Development in Structured Literacy practice to gain consistent knowledge of curriculum levels and hence more robust moderation processes.</p> | <p>We applied for PLD hours and gained these to work with Murray Gadd in 2020.</p> <p>We have also secured funding through the Lochiel BOT to employ Carla McNeil to train the staff on Structured Literacy.</p> <p>Currently the information reports on achievement (fundamentally where the student is against the expected curriculum levels). We need to shift the reporting to also using attainment in the classroom (what level/sub-level they are currently on), we can use this information to report on both progress and then achievement.</p> |

| | | | |
|--|--|--|--|
| <p>how they feel that their writing and learning is going, and how learning could be enhanced in the classroom setting.</p> <p>All parents have been involved in goal setting for their children over Term 1 with a follow up interview later in the year.</p> <p>All staff have been involved in the writing analysis, the BOT have been informed as to how our target learners are going, and Chris Morris (SAF Practitioner) has met with the Principal to discuss progress in this area.</p> <p>The information tracked has been via Curriculum levelling and broken down into the e-asTTle sub levels.</p> <p>In Term 1 the teachers brainstormed ways to assist their target children. They focussed on doing something different with their teaching to try and accelerate learning. Professional readings and professional development was undertaken in writing to ascertain new methods to trial. Precise teaching for these target children will of course be also utilised for the other children in the class and should therefore boost all the writers.</p> | <p>below,” but at the end of the year no target children were in the “well below” category.</p> <p>42% of target students are now in the “below” bracket, as opposed to 83% of students that in Term 1, were either “well below” or “below”.</p> <p>This means that 42% of students are now less than a year away from where they should be.</p> <p>The PLD that we have booked for 2020 will significantly assist us with a schoolwide structured approach to our literacy work.</p> <p>The behaviour in the school has radically improved, which has allowed time for the teachers to focus on their teaching and the children to be taught.</p> <p>Sharing with the students where their curriculum sub levels were earlier on in the year has enabled students to work hard to lift their achievement levels to make acceleration. It has been exciting to see the achievement levels lift for these students and to see the huge progress made.</p> <p>We are looking excitedly to the 2020 year where we will invest in our teachers professionally which will in turn lift progress for our</p> | | |
|--|--|--|--|

| | | | |
|---|------------------|--|--|
| <p>We looked closely at the needs of students not achieving and asked the question Why? We dug deeper into our results.</p> <p>We looked at the trends within the data in the school and the gaps. We focussed our teaching on accelerating our target students' levels.</p> <p>Student engagement levels were monitored to ensure pupils' attendance rates were high.</p> <p>Focus was placed heavily on the time students were getting taught in writing and the barriers to learning that were occurring due to behavioural needs in classes.</p> <p>We had Marcus Gough and Gary Pilsworth work with the staff re: PB4L practices.</p> <p>We reformed our school values and created a school rule to ensure that pupils were aware of the behavioural expectations within the school.</p> | <p>students.</p> | | |
|---|------------------|--|--|

Planning for next year:

Carla McNeil

1. Continue to develop pedagogy and practice across the school in the area of structured literacy.
2. Support the leadership team to ensure sustainable and evidence based best practices are in place.

Murray Gadd

1. Modelling in classrooms at the whole class and small group level.
2. Analysing writing with teachers and modelling how to use the analyses for small group workshops.
3. Observations of lessons or workshop observations followed by in-depth discussions of practice.

| TARGET INFORMATION END OF 2019 | | | | | | | | | | | | | | |
|--------------------------------|-----------------------|---------------|-----------------|----------------|---------------------|-------------------|--------------------|------------------|-------------------|-------------------|------------------|----------------|-----------------|---------------|
| | Girls - T1 and 2 - No | Girls - T4 No | Boys - T1/2- No | Boys - T4 - No | Overall - T1/2 - No | Overall - T4 - No | Overall - T1/2 - % | Overall - T4 - % | Maori No/% - T1/2 | Maori - No/% - T4 | Girls - T1/2 - % | Girls - T4 - % | Boys - T1/2 - % | Boys - T4 - % |
| Above | 0/0 | 0 | 0/0 | 0 | 0/0 | 0 | 0% | 0% | 0% | 0% | 0%/0% | 0% | 0% | 0% |
| At | 0/1 | 3 | 2/3 | 4 | 2/4 | 7 | 17%/33% | 58% | 0% | 0% | 0%/17% | 50% | 33%/50% | 67% |
| Below | 3/4 | 3 | 3/2 | 2 | 6/6 | 5 | 50%/50% | 42% | 1/1/100% | 100% | 50%/50% | 50% | 50%/33% | 33% |
| Well Below | 3/1 | 0 | 1/1 | 0 | 4/2 | 0 | 33%/17% | 0% | 0% | 0% | 50%/33% | 0% | 17%/17% | 0% |

We currently have a very high proportion of priority learners within the school. We need to build more robust self-review with our writing documentation, and hence build schoolwide capability to better link to the current pedagogical practices. The documentation needs to be clear on what constructs achievement in each of the year levels. We have looked closely at the exemplars to get a good understanding of this however more work is needed in this area. Rubrics need to be utilised in writing, so children/teachers know what is expected and what it looks like when they get there. The staff have also begun to look at utilising the Learning Management System to track achievement within the school over a period of time. There is currently a big focus on benchmarking data.

There is still inconsistent understanding around the writing curriculum especially the curriculum levelling. There is also a significant percentage of children with identified learning needs. With our dairying community there has been up to 1/3 of the school roll move in and out of the school setting. In recent years there has been limited PLD in writing for the staff. We want the 2020 PLD to assist staff to a) understand student needs more deeply, b) understand the pathways to progress, c) understand and apply best practice and d) understand and increase engagement levels for all students.

The Lochiel School ERO Report issued on 8 August 2018 stated, "School leaders and teachers have identified there is disparity for boys in reading and writing, and a small disparity for Māori children in reading, writing and mathematics. The principal is developing ways to implement a school-wide system that will better measure the impact of programmes put in place to support these students. Leaders now need to collate, analyse and report information to better show accelerated progress for all these students. This will support planning and resourcing decisions with more

accurate information. School-wide student learning information needs to be better used to enable the achievement of equity and excellence. Leaders and teachers now need to develop specific targets that focus on those children who need their learning accelerated. This would help them to: know the impact of new learning initiatives on student achievement, track students over time to see if progress is being sustained and improved, ensure targets and associated action plans are more specific, clearly show the sufficiency of progress for target students. Aspects of internal evaluation need to be developed further in the school. The school does have good information and now needs to use this to clearly show what is working well and what needs improving. Leaders and teachers now need to: ensure reports to the board are evaluative rather than descriptive, know what is benefiting students' learning and engagement and what needs further development. For sustained improvement and future learner success, priorities for further development are in: the alignment of school-wide target setting and internal evaluation, targeted planning to accelerate learning [ERO will monitor and discuss progress with the school], internal evaluation processes and practices [ERO will provide an internal evaluation workshop for trustees and senior leaders.]

2020 will lead to a focus on literacy for the school.

INDEPENDENT AUDITOR'S REPORT**TO THE READERS OF
LOCHIEL SCHOOL'S
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

The Auditor-General is the auditor of Lochiel School (the School). The Auditor-General has appointed me, Kenneth Sandri, using the staff and resources of Crowe, 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 19, that comprise the Statement of Financial Position as at 31 December 2019, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 7 May 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to the possible effects of COVID-19. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the statement of service performance, we comment on other information, and we explain our independence.

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 24 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis of opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information at the date of our report are Board of Trustees schedule, Analysis Variance 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 (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.



Kenneth Sandri
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Invercargill, New Zealand