



Rātā Street School (2973)

2019 ANNUAL REPORT And FINANCIAL STATEMENTS



Learning together to achieve excellence

Rātā Street School Annual Report

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Principal and Board Chair's report

Tēnā koutou katoa. He mihi nui ki te whānau whānui o Rātā Street School.

At Rātā Street School we aspire to be a school community that supports all our students to be the best they can be, including supporting students to take responsibility for their learning and to make accelerated progress where necessary. We want all whānau to feel they are welcome and important in our children's education, and to be a school which provides our students with a wide range of learning and extending experiences both inside and outside of the classroom.

It is always good to reflect back on the challenges and achievements of the year past, and to note what was particularly significant.

Due to a significant number of students in our junior school with complex learning needs the Board and management team chose to increase our investment to support these and other students by having much smaller class sizes, spending some of the savings we have accumulated over time through careful budgeting and financial management. These challenges also required our staff to work collaboratively and creatively, both in the classrooms and with whanau.

As a school we have had significant staff turnover in the last couple of years, which means we've all worked even harder to support our new team members. In addition, 2019 saw a continuation and ultimately a settlement to the teacher pay negotiations that had dragged on through 2018, with a number of union meetings and strike days. We were very pleased that agreement was reached and we could put the challenging and disruptive negotiations process behind us. And through all of this, we are proud of the tireless work from our teachers and non-teaching staff, who show up every day to support our kids to be the best they can be.

We had a strong focus through our professional development in 2019 on supporting our teachers to be ready for the new Information Technology curriculum. This builds on the second year of our "Wifi in Homes" pilot, enabling all our year five and six students to continue their online learning at home with school devices, and internet provided through a collaboration of the TAKA Trust, Chorus, the Ministry of Education, and Network for Learning.

The Board continued a conversation with the wider school community around how we are going as a school, and what our hopes are for making our school an even better place to learn in, work at and belong to. This took the form a series of wānanga, with the school staff and with parents of new students, Pasifika students and Māori students. These were encouraging times to share together, reflect on everything that is positive about our school, and to listen to different perspectives on where we might head as a school community. Always followed (of course!) by enjoying kai together. Board elections were held in June, with two members returning, and three new parent representatives and a new teacher representative bringing fresh energy and new perspectives.

In line with our school values of belonging and generosity we enjoyed the many points of sharing and celebration through the year, where whānau participated in the life of the school, sharing their skills, interests and cultures, helped to celebrate school events, and joined us to recognise the many achievements of our students.

A particular highlight of the year was Dave being recognised as the Wellingtonian of the year in the Education category, in particular for his many years of excellent leadership at Rātā Street School. The Board and Staff agreed that this was a fitting recognition of his huge contribution to our school and community.

Nic Drew-Crawshaw
Board Chair

Dave Appleyard
Principal

Introduction to Rātā Street School

Our Vision, Values, Direction statement and learning for life traits

Our Vision: “Learning together to achieve excellence”

We want every student, and our staff, to be the best they can be, in every area. We believe that learning together, with and from each other, is a critical part of becoming our best selves.

Our Core Values: Belonging – Curiosity – Leadership – Generosity – Wisdom

These core values represent our school culture and how we aspire to act in the world. Each value has richness and depth that will be explored in the classroom and beyond. They have been carefully selected by the Board of Trustees and encompass the wide range of values held by the students, staff and families that make up the Rātā Street School community.

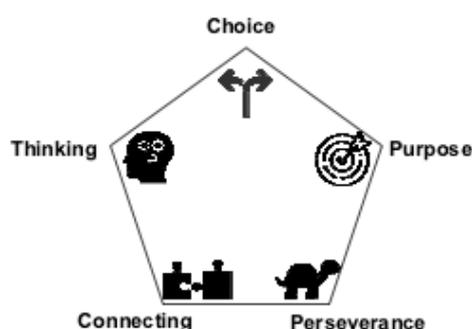
Our Direction Statement:

Rātā Street School Board of Trustees and staff are committed to:

- **High Expectations:** Upholding high expectations for all and a focus on excellence in all areas
- **Effective Pedagogy:** Promoting effective pedagogy with particular emphasis on teaching as inquiry and differentiated learning for students
- **Accelerated Learning:** Prioritising accelerated learning according to need so that all students achieve
- **Learning for Life:** Development of learning for life traits – thinking, connecting, choice, purpose, perseverance
- **Belonging and Diversity:** Fostering a sense of belonging that affirms the diversity of all students
- **Hauora:** Supporting social, cultural, physical, spiritual, mental and emotional wellbeing of students and staff, along with care for others and the environment
- **Broad Learning:** Providing a range of experiences and opportunities for students to learn and thrive

Our Learning for Life traits:

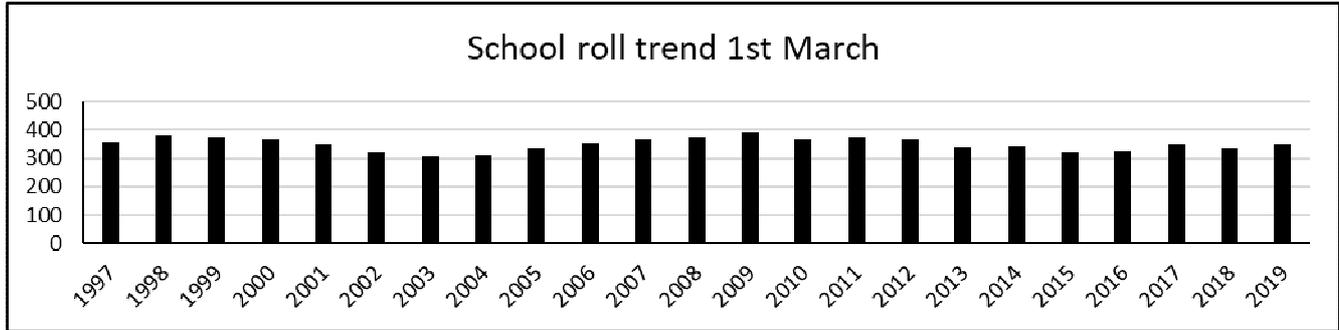
Along with our core values, the learning for life traits inform our approach to learning inside the classroom and beyond it. As students develop these traits and practice the core values they will develop their character and increasingly contribute to their community and our society.



Our Demographics

Rātā Street School is a co-educational and multicultural primary school in the heart of Naenae, with students between 5 to 11 years.

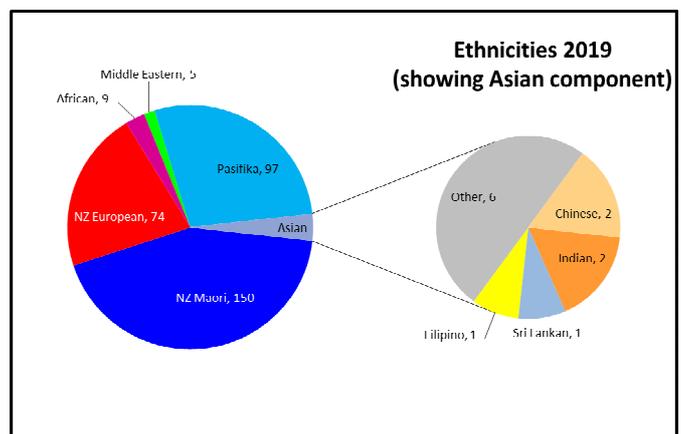
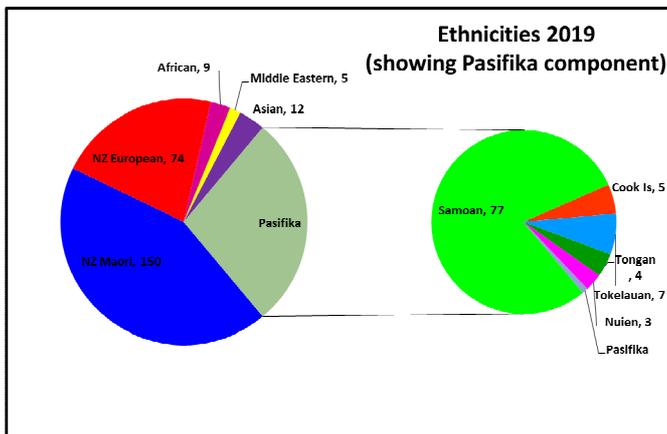
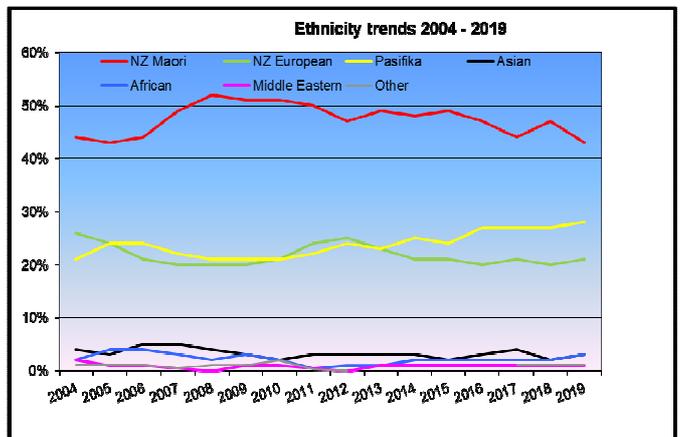
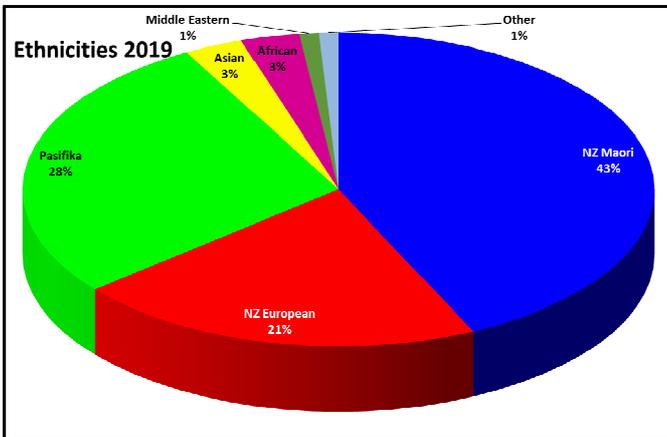
School Roll: The Ministry of Education’s predicted roll for 2019 was 351. The March 1st confirmed roll was 348 and the July 1st roll was 370. The roll peaked at 381 in December. This is consistent with roll trends over the last 10 years.



School Roll 1997 to 2019

Ethnic Makeup: The predominant cultures at our school are Maori, Pasifika and NZ European. Maori students made up approximately 43% of the roll, with Pasifika and NZ European the other main ethnicities. The number of Pasifika students has continued to increase.

Samoa students make up the majority of Pasifika students (totalling 79% of Pasifika students). Of our Asian students, Indian and Chinese were the larger groups.



School Highlights from 2019

Student Achievement

Summer Effect: February 2019 writing samples for Year 4 – 6 have shown that the school again minimised the Summer Effect Nov 2018 / Feb 2019. 7% of the Year 4 – 6 cohort showed a drop from Nov 2018 to Feb 2019.

Kāhui Ako - Community of Learning

Along with nine other schools, the school continues to participate in our Community of Learning – the Naenae Kāhui Ako. Four new school leaders have been appointed.

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2019, the school received total Kiwisport funding of \$5,239.00 (excluding GST). The funding was spent on providing equipment for sports teams, paying fees for sports teams, and coaching. Coaching provided by external experts was provided to students in swimming, basketball, and cycling.

Property

Property work for 2019 focused on maintenance with no new building work completed. The school is at the end of its five year property cycle, and a number of reports have been received detailing the condition of the school. Negotiating the next five years of work will begin in 2020.

Equable Digital Access Pilot (Wifi in Homes)

This two year pilot involves the provision of wifi in all homes of Year 5 and 6 students. This has enabled students to take school owned digital devices home so that they can continue their learning outside of school hours. This pilot is in partnership with the Ministry of Education, Chorus, Network for Learning, and the Taka Trust. Additional benefits have been the linking of the university with our students, and being able to participate in a number of events ie Symphony in the Hutt.

Readiness for School

This programme for four year olds has been very successful in building relationships with children and parents intending on attending our school. Children attending the programme enter school at five years are more school ready by being familiar with school routines and expectations.

Health and Physical Activity

The closure of Naenae Pool will have a major impact on the ability of the school to deliver a swimming programme. It may mean that students participate in swimming lessons at swimming pools further afield, incurring additional costs for travel.

Employer responsibilities

Staffing

The school continued to fund additional classroom teachers and provide substantial release for school leaders. For school leaders, this meant that the Principal, Deputy Principal, and Assistant Principal were without teaching commitments, and were able to focus on educational leadership and curriculum development, and that other school leaders were each released for several hours each week. For teachers, class numbers were reduced and students with additional needs better catered for.

An increase in students enrolling with complex learning and behavioural needs necessitated the employment of additional support staff.

Performance management

All staff participated in the performance management/appraisal process. The Principal was appraised by an external appraiser. All teaching staff were registered with the Teachers Council, and participated in an attestation process. All non-teaching staff underwent checks by the police.

Professional learning and development centred on the school wide focus of effective teacher practice. The aim of this is to accelerate achievement for priority learners. There were opportunities for all staff to participate in some form of professional development related to individual performance goals. The PLD was linked to the appraisal process. Whole school PLD focus was Digital Fluency.

Teacher Exchange

One staff participated in a four teacher exchange to Miyun (China). Supported by Rotary Hutt valley and the Miyun District Education Authority, the New Zealand teachers were hosted by teachers (and their families) of local schools. A group of Miyun teachers made the return journey and spent two weeks in Hutt Valley schools.

Employment Assistant Programme (EAP)

Through the EAP, all staff had access to counselling services. This service was accessed by a number of staff during 2019.

Equal Employment Opportunities

EEO goals for 2019 were:

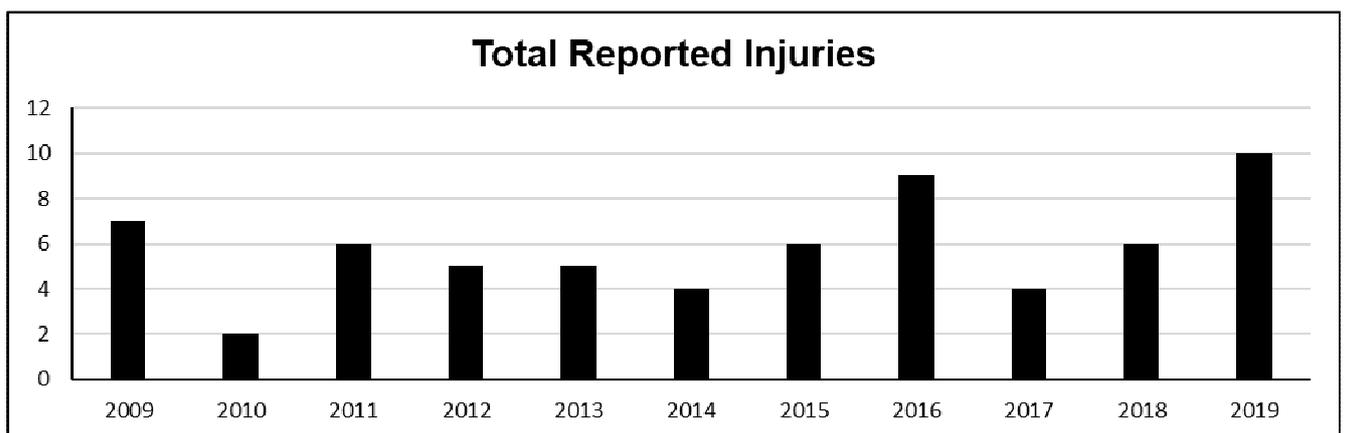
- To continue to develop opportunities for at least one person to take on work experience at the school *Achieved*
- When considering appointment practices, consideration should be given to the ethnic make-up (e.g. ethnicity) and the social backgrounds (e.g. family make up) of our community, to further balance staff profiles, duration/experience in teaching *Achieved*

Workplace safety - injuries to staff

Reported accidents for 2019 totalled ten. Five of the injuries were minor in severity – only requiring first aid treatment. Five were moderate in severity and needed a doctor to check. Seven of the accidents happened indoors, three outdoors.

Analysis of the incidents showed

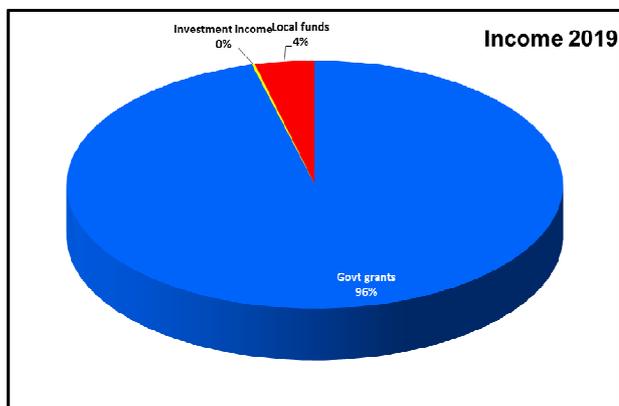
- no significant environmental / physical hazards were the cause of injuries.
- three injuries were caused by students
- half of the injuries could have been avoided if employees had taken more care



Finances

The School's audited financial statements are attached.

Income

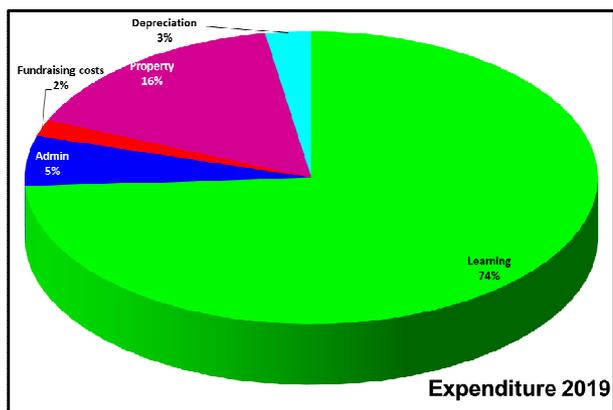


For the 2019 year, 96% of the school's income was from the Government (Ministry of Education).

4% was from locally raised funds. The schools' decile funding was significant and, together with the use of school funding reserves, allowed for the employment of additional staff and provision of other resources.

Government Grants totalled \$2,918,943 and were \$76,491 higher than budgeted. Of the Grants, \$1,642,186 relates to salaries, and \$367,702 relates to Property.

Expenditure



Rātā Street School has a strong focus on investing our discretionary/operations funding in teaching and learning. While we recognise that the administration of the school is important and our property must be maintained, we seek to manage these costs down so that the maximum possible resource is available to be invested in our classrooms and other learning environments.

The net loss for the year was \$147,632 compared to a budgeted loss of \$217,089. This was a difference of \$65,097 less than budget.

Actual income was higher than budget by \$135,827 and actual expenditure was higher than budget by \$63,370.

Comparing 2019 to 2018, there was a deficit of \$147,632 for 2019 compared with a deficit of \$55,907 in 2018.

The working capital position has moved from a surplus of \$410,303 to a surplus of \$322,498.

Student Achievement

How we went in 2019 - Analysis of Variance – year ending 31 December 2019

Strategic aim: All students are able to effectively access the National Curriculum as evidenced by achievement against the National Standards

Annual aim: All students show progress in achievement in relation to meeting national expectations. Target groups will show accelerated progress.

2019 data evaluation **Reading:** 61% of students are achieving 'at' or 'above' national expectations.
Writing: 47% of students are achieving 'at' or 'above' national expectations.
Maths: 62% of students are achieving 'at' or 'above' national expectations.

Achievement in relation to national expectations

Reading

Reading all levels	Well below		Below		At		Above		Total
	Number	%	Number	%	Number	%	Number	%	No.
All students	55	15.8%	82	23.5%	145	41.5%	67	19.2%	349
Maori	26	17.4%	38	25.5%	70	47%	15	10.1%	149
Pasifika	12	12.1%	31	31.3%	38	38.4%	18	18.2%	99
Asian	5	33.3%	2	13.3%	5	33.3%	3	20%	15
NZ European/Pakeha/Other European	8	12.5%	9	14.1%	25	39.1%	22	34.4%	64
Male	35	20.2%	44	25.4%	70	40.5%	24	13.9%	173
Female	20	11.4%	38	21.6%	75	42.6%	43	24.4%	176

Reading by levels	Well below		Below		At		Above		Total
	Number	%	Number	%	Number	%	Number	%	No.
After 1 year at school	5	9.6%	7	13.5%	38	73.1%	2	3.8%	52
After 2 years at school	4	7.8%	8	15.7%	29	56.9%	10	19.6%	51
After 3 years at school	7	12.1%	16	27.6%	21	36.2%	14	24.1%	58
End of year 4	5	9.8%	20	39.2%	19	37.3%	7	13.7%	51
End of year 5	16	25.4%	19	30.2%	13	20.6%	15	23.8%	63
End of year 6	18	24.3%	12	16.2%	25	33.8%	19	25.7%	74

Writing

Writing all levels	Well below		Below		At		Above		Total
	Number	%	Number	%	Number	%	Number	%	No.
All students	68	19.5%	118	33.9%	146	42%	16	4.6%	348
Maori	29	19.6%	53	35.8%	62	41.9%	4	2.7%	148
Pasifika	16	16.2%	38	38.4%	42	42.4%	3	3%	99
Asian	5	33.3%	5	33.3%	5	33.3%			15
NZ European/Pakeha/Other European	14	21.9%	15	23.4%	29	45.3%	6	9.4%	64
Male	46	26.7%	61	35.5%	60	34.9%	5	2.9%	172
Female	22	12.5%	57	32.4%	86	48.9%	11	6.3%	176

School Number:	Name	Report name	Excluded >= 1 March	Excluded: No OTJ
2973	Rata Street School	March annual charter update	25	8

Writing by levels	Well below		Below		At		Above		Total
	Number	%	Number	%	Number	%	Number	%	No.
After 1 year at school	6	11.5%	6	11.5%	39	75%	1	1.9%	52
After 2 years at school	7	13.7%	30	58.8%	11	21.6%	3	5.9%	51
After 3 years at school	17	29.8%	22	38.6%	17	29.8%	1	1.8%	57
End of year 4	14	27.5%	18	35.3%	18	35.3%	1	2%	51
End of year 5	12	19%	20	31.7%	22	34.9%	9	14.3%	63
End of year 6	12	16.2%	22	29.7%	39	52.7%	1	1.4%	74

Mathematics

Mathematics all levels	Well below		Below		At		Above		Total
	Number	%	Number	%	Number	%	Number	%	No.
All students	48	13.8%	85	24.4%	190	54.6%	25	7.2%	348
Maori	25	16.8%	39	26.2%	77	51.7%	8	5.4%	149
Pasifika	10	10.2%	25	25.5%	59	60.2%	4	4.1%	98
Asian	2	13.3%	5	33.3%	7	46.7%	1	6.7%	15
NZ European/Pakeha/Other European	8	12.5%	11	17.2%	36	56.3%	9	14.1%	64
Male	26	15%	48	27.7%	83	48%	16	9.2%	173
Female	22	12.6%	37	21.1%	107	61.1%	9	5.1%	175

Mathematics by levels	Well below		Below		At		Above		Total
	Number	%	Number	%	Number	%	Number	%	No.
After 1 year at school	5	9.6%	9	17.3%	36	69.2%	2	3.8%	52
After 2 years at school	3	5.9%	11	21.6%	32	62.7%	5	9.8%	51
After 3 years at school	12	20.7%	19	32.8%	25	43.1%	2	3.4%	58
End of year 4	4	8%	20	40%	24	48%	2	4%	50
End of year 5	14	22.2%	9	14.3%	34	54%	6	9.5%	63
End of year 6	10	13.5%	17	23%	39	52.7%	8	10.8%	74

Actions 2019

The whole school focus is on 'effective teaching strategies' to further increase student achievement across the school. The school's self review model is an 'evidence based improvement' approach

Professional learning for teachers is focused on effective teaching practice including digital fluency and technology, relational practice, Te Ao Māori. The delivery of this professional learning is differentiated according to teacher need.

- Observations of teacher practice
- Focus / inquiry groups
- Syndicate meetings with professional learning focus
- Staff meetings with professional learning focus
- 1:1 meetings with teachers

There is the expectation that teachers take increased responsibility for their own learning

The professional learning is linked to the school's achievement targets, and to the Appraisal for Learning cycle.

The 'Appraisal for Learning' inquiry cycle will have a focus on digital fluency and technology, and for some - relational practice and Te Ao Māori

Focus on consistency of programme delivery across classrooms, and assisting teachers to improve and develop strategies to assist students to accelerate student progress

School targets based on needs of groups of students and then linked to priority learning area

Resources will be purchased to support the teaching and learning of priority learning areas / groups.

Continuing the 'Readiness for school' programme in which 4 year olds (and their parents) intending to start at Rātā Street School will have the opportunity to participate in a series of morning 'early learning' sessions that will focus on the development of fundamental skills

Other strategies that will increase opportunities for success: Reading Recovery, Quick 60, Readiness for School, tutor reading support, learning for life traits, relational practice and Te Ao Māori

Ongoing development themes will include the use of inquiry to further engage students; strategies that enable students to be more active in their learning, differentiation and

adaption of programmes in the early years, and for parents to be more active in their child's learning.

2019 Achievement targets

Historically, Rātā Street School's Achievement Targets have focused on Literacy and Numeracy. This reflects both the Ministry of Education's and the Board of Trustee's commitment to raising achievement in these two key areas. This focus was continued in 2019.

For 2019 the Achievement target was:

- ***Students identified as at risk of underachieving will make significant progress towards achieving their National Expectation level***

This target aimed to reduce any disparity in achievement between Māori students and highest achieving other ethnicity.

Progress against our Achievement Targets

Target	Outcome	Analysis	Evaluation
Year 1: Students identified as at risk of underachieving will make significant progress towards achieving their National Expectation level Focus: oral language, confidence, letter & word knowledge, monitoring & pace of programme. Monitoring progress through: Writing and/or reading	63% (10) students who were working 'below' expectation at the end of 2018 are 'at' expectation	Total students = 16 63% (10) students at risk of non-achievement are 'at' the expectation Of those who did not achieve target (6) - male 100% (6) - Māori 33% (2), Pasifika 33% (2), NZE 33% (2)	In 2020, students at risk of not achieving will be supported as part the classroom programme, and through Readiness for School programme, Quick 60 programme, Teacher Aides, reading tutor programme Improving and developing strategies to assist students to accelerate their progress Writing priority learning area 2020
Year 2: Students identified as at risk of underachieving will make significant progress towards achieving their National Expectation level Focus: Independence, oral language, skill development. Monitoring progress through: Writing and/or Maths	23% (3) students who were working 'below' expectation at the end of 2018 are 'at' expectation	Total students = 14 23% (3) students at risk of non-achievement are 'at' the expectation 35% (5) made progress towards meeting expectation, making progress of 1 sublevel – which is an expected year's progress Of those who did not achieve target (11) - male 37% (4) - Māori 91% (10), Pasifika 9% (1)	In 2020, students at risk of not achieving will be supported as part the classroom programme, and through Readiness for School programme, Quick 60 programme, Teacher Aides, reading tutor programme Improving and developing strategies to assist students to accelerate their progress Writing priority learning area 2020
Year 3: Students identified as at risk of underachieving will make significant progress towards achieving their National Expectation level Focus: independence, confidence, & self belief; transfer knowledge / success in one area into another Monitoring progress through: Writing, Reading, and/or Maths	21% (5) students who were working 'below' expectation at the end of 2018 are 'at' expectation	Total students = 24 38% (9) made progress towards meeting expectation, making progress of 1 sublevel – which is an expected year's progress Of those who did not achieve target (19) - male 63% (12) - Māori 63% (12), Pasifika 21% (4), NZE 6% (1) The initial expectation was to see significant gains that would move students from 'below' to 'at' expectation. This did not occur. The students progress in many cases was of a slower pace	In 2020, students at risk of not achieving will be supported as part the classroom programme, and through Readiness for School programme, Quick 60 programme, Teacher Aides, reading tutor programme Improving and developing strategies to assist students to accelerate their progress Writing priority learning area 2020

Target	Outcome	Analysis	Evaluation
Year 4: Students identified as at risk of underachieving will make significant progress towards achieving their National Expectation level Focus: dyslexia, attendance, motivation and engagement Monitoring progress through: Writing	42% (5) students who were working 'below' expectation at the end of 2018 are 'at' expectation	Total students = 12 5 students made accelerated progress 33% (4) made progress towards meeting expectation, making progress of 1 sublevel – which is an expected year's progress Of those who did not achieve target (7) - male 57% - Māori 57%, Pasifika 29%, NZE 14%	Nearly half of students made <i>accelerated</i> progress Focused teaching of the target group raised student achievement levels for most students More students needed to make <i>accelerated</i> progress Focus on achieving consistency in programme delivery across classrooms, and improving and developing strategies to assist students to accelerate their progress In 2020, students at risk of not achieving will be supported as part the classroom programme Writing priority learning area 2020

Target	Outcome	Analysis	Evaluation
Year 5: Students identified as at risk of underachieving will make significant progress towards achieving their National Expectation level Focus: confidence, engagement, motivation, independence & self belief. Monitoring progress through: Writing	50% (9) students who were working 'below' expectation at the end of 2018 are 'at' expectation	Total students = 18 All students made accelerated progress 50% of students (9) made progress towards meeting expectation Of those who did not achieve target (9) - Male 100% - Māori 45% (4), Pasifika 33% (3)	Focused teaching of the target group accelerated student achievement levels for all students Focus on achieving consistency in programme delivery across classrooms, and improving and developing strategies to assist students to accelerate their progress In 2020, students at risk of not achieving will be supported as part the classroom programme Writing priority learning area 2020

Target	Outcome	Analysis	Evaluation
Year 6: Students identified as at risk of underachieving will make significant progress towards achieving their National Expectation level Focus: confidence, engagement, motivation, independence & self belief. Monitoring progress through: Writing	43% (10) students who were working 'below' expectation at the end of 2018 are 'at' expectation	Total students = 23 43% (10) of students made accelerated progress 57% (13) made progress towards meeting it, making progress of 1 sublevel – which is an expected year's progress Of those who did not achieve target (13) - male 85% (11) - 46% Māori (6), 46% Pasifika (6)	Focused teaching of the target group raised student achievement levels for all students More students needed to make <i>accelerated</i> progress Focus on achieving consistency in programme delivery across classrooms, and improving and developing strategies to assist students to accelerate their progress In 2020, students at risk of not achieving will be supported as part the classroom programme Writing priority learning area 2020

Financial Statements:



Rātā Street School (2973)
FINANCIAL STATEMENTS
For the year ended
31st December 2019

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Rata Street School (the School). The Auditor-General has appointed me, Hamish Anton, using the staff and resources of Deloitte 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 and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 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 28 May 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

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

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. Other Information has not been received by the auditor at the date the audit report is signed. Other information 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.



Hamish Anton
Deloitte Limited
On behalf of the Auditor-General
Wellington, New Zealand

RATA STREET SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number: 2973

Principal: Dave Appleyard

School Address: Rata Street, Naenae

School Postal Address: Rata Street, Naenae

School Phone: (04) 567-0096

School Email: dave.appleyard@ratastreet.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Nic Drew-Crawshaw	Chair Person	Elected		2022
Dave Appleyard	Principal ex Officio	Appointed	Principal	Sep-20
Jo Bell	Parent Rep	Elected		2022
Andy Mitchell	Parent Rep	Elected		2022
Suleiman Mander	Parent Rep	Elected		2022
Kellee Rangitawa-Candy	Parent Rep	Appointed		2022
Trish Sopoaga	Staff Rep	Elected	Teacher	2022

Accountant / Service Provider: Chapman Upchurch Ltd

RATA STREET SCHOOL

Annual Report - For the year ended 31 December 2019

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	Kiwisport

Rata Street 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.

Nic Drew-Crawshaw

Full Name of Board Chairperson

signature removed

Signature of Board Chairperson

28 May 2020

Date:

DAVE APPEYARD

David Appleyard

signature removed

Signature of Principal

28th MAY 2020

Date:

Rata Street School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	2,918,943	2,842,452	2,851,154
Locally Raised Funds	3	118,037	58,687	91,042
Interest income		5,986	6,000	12,487
		<hr/>	<hr/>	<hr/>
		3,042,966	2,907,139	2,954,683
Expenses				
Locally Raised Funds	3	58,439	49,687	63,993
Learning Resources	4	2,367,808	2,323,316	2,204,571
Administration	5	176,231	163,460	160,114
Property	6	505,614	505,259	491,288
Depreciation	7	82,506	82,506	90,624
		<hr/>	<hr/>	<hr/>
		3,190,598	3,124,228	3,010,590
Net Surplus / (Deficit) for the year		(147,632)	(217,089)	(55,907)
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		(147,632)	(217,089)	(55,907)

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

Rata Street 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		779,742	779,742	831,985
Total comprehensive revenue and expense for the year		(147,632)	(217,089)	(55,907)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		549	-	3,664
Equity at 31 December	22	632,659	562,653	779,742
Retained Earnings		632,659	562,653	779,742
Equity at 31 December		632,659	562,653	779,742

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.

Rata Street 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	421,266	329,290	494,124
Accounts Receivable	9	109,666	109,950	125,760
GST Receivable		9,495	6,000	6,896
Prepayments		697	700	698
Inventories	10	2,621	2,500	1,912
		<u>543,745</u>	<u>448,440</u>	<u>629,390</u>
Current Liabilities				
Accounts Payable	12	151,313	163,967	157,353
Finance Lease Liability - Current Portion	14	12,394	15,000	11,789
Funds held in Trust	15	27,441	30,000	19,846
Funds held for Capital Works Projects	16	8,548	8,548	8,548
Funds held on behalf of Naenae Leap Cluster	17	21,551	25,000	21,551
		<u>221,247</u>	<u>242,515</u>	<u>219,087</u>
Working Capital Surplus/(Deficit)		322,498	205,925	410,303
Non-current Assets				
Property, Plant and Equipment	11	396,880	448,728	447,886
		<u>396,880</u>	<u>448,728</u>	<u>447,886</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	78,048	82,000	71,297
Finance Lease Liability	14	8,671	10,000	7,150
		<u>86,719</u>	<u>92,000</u>	<u>78,447</u>
Net Assets		<u>632,659</u>	<u>562,653</u>	<u>779,742</u>
Equity	22	<u>632,659</u>	<u>562,653</u>	<u>779,742</u>

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

Rata Street 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	906,911	833,348	850,240
Locally Raised Funds	121,366	62,001	91,042
Goods and Services Tax (net)	(2,602)	896	(25,648)
Payments to Employees	(796,267)	(730,672)	(603,115)
Payments to Suppliers	(287,219)	(272,509)	(280,918)
Cyclical Maintenance Payments in the year	-	(408)	-
Interest Paid	-	-	(3,102)
Interest Received	6,180	6,193	14,802
	<u>(51,631)</u>	<u>(101,151)</u>	<u>43,301</u>
Cash flows from Investing Activities			
Proceeds from Sale of PPE (and Intangibles)	(33,094)	(154,051)	(12,056)
Purchase of PPE (and Intangibles)	1,595	70,703	(128,000)
	<u>(31,499)</u>	<u>(83,348)</u>	<u>(140,056)</u>
Cash flows from Financing Activities			
Furniture and Equipment Grant	550	-	3,664
Finance Lease Payments	2,127	6,062	1,562
Funds Administered on Behalf of Third Parties	7,595	13,603	8,985
Funds Held for Capital Works Projects	-	0	(163,784)
	<u>10,272</u>	<u>19,665</u>	<u>(149,573)</u>
	<u>(72,858)</u>	<u>(164,834)</u>	<u>(246,328)</u>
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	8	494,124	494,124
Cash and cash equivalents at the end of the year	8	<u>421,266</u>	<u>329,290</u>
		494,124	494,124

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..

Rata Street School

Notes to the Financial Statements

For the year ended 31 December 2019

1. Statement of Accounting Policies

a) Reporting Entity

Rata Street 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 36.

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.

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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

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.

i) Inventories

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

j) Investments

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

k) Property, Plant and Equipment

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

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

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

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:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

l) 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.

m) 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.

n) 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.

o) 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.

p) 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).

q) 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.

r) 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.

s) Budget Figures

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

t) 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	722,138	660,649	691,163
Teachers' Salaries Grants	1,642,186	1,641,402	1,660,353
Use of Land and Buildings Grants	367,702	367,702	352,680
Other MoE Grants	186,917	172,699	146,958
	<u>2,918,943</u>	<u>2,842,452</u>	<u>2,851,154</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	28,542	6,500	13,767
Activities	49,277	42,594	53,011
Trading	9,942	9,551	10,711
Fundraising	2,156	42	1,975
Other Revenue	28,120	-	11,578
	<u>118,037</u>	<u>58,687</u>	<u>91,042</u>
Expenses			
Activities	51,889	43,094	55,205
Trading	6,550	6,551	7,161
Fundraising (Costs of Raising Funds)	-	42	1,627
	<u>58,439</u>	<u>49,687</u>	<u>63,993</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>59,598</u>	<u>9,000</u>	<u>27,049</u>

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	47,694	60,863	48,903
Equipment Repairs	1,108	6,500	274
Information and Communication Technology	12,312	15,152	13,370
Library Resources	2,389	1,700	2,023
Employee Benefits - Salaries	2,295,454	2,229,101	2,131,605
Staff Development	8,851	10,000	8,396
	<u>2,367,808</u>	<u>2,323,316</u>	<u>2,204,571</u>

5. Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	5,742	6,000	7,715
Board of Trustees Fees	3,075	4,500	-
Board of Trustees Expenses	3,618	-	3,130
Communication	7,572	8,500	8,115
Consumables	29,412	28,500	27,735
Other	25,637	16,460	24,807
Employee Benefits - Salaries	89,312	90,000	80,919
Insurance	3,072	4,500	3,065
Service Providers, Contractors and Consultancy	8,791	5,000	4,628
	176,231	163,460	160,114

6. Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	11,478	10,700	10,550
Cyclical Maintenance Provision	6,751	11,111	11,111
Grounds	10,299	13,534	9,594
Heat, Light and Water	24,804	24,000	24,399
Rates	3,509	4,000	2,908
Repairs and Maintenance	27,023	21,212	26,581
Use of Land and Buildings	367,702	367,702	352,680
Employee Benefits - Salaries	54,048	53,000	53,465
	505,614	505,259	491,288

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 \$
Buildings	23,545	23,545	21,463
Furniture & Fittings	10,866	10,866	14,810
Plant & Equipment	2,301	2,301	2,407
Library Books	1,703	1,703	1,596
Electronic Equipment	29,446	29,446	34,674
Sports Equipment	5,834	5,834	5,445
TELA Laptops	8,811	8,811	10,229
	82,506	82,506	90,624

8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	93	90	42
BOT Bank Account	33,010	30,000	17,459
Fundraising Account	9,233	9,200	7,716
Naenae Community of Learning Bank Account	31,572	30,000	22,837
Short-term Bank Deposits	347,358	260,000	446,070
Bank Overdraft	-	-	-
	<u>421,266</u>	<u>329,290</u>	<u>494,124</u>
Cash and cash equivalents for Cash Flow Statement			

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

Of the \$421,266 Cash and Cash Equivalents, \$21,551 is held by the School on behalf of the Naenae Leap cluster. See note 17 for details of how the funding received for the cluster has been spent in the year.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	885	900	4,214
Interest Receivable	1,049	1,050	1,243
Teacher Salaries Grant Receivable	107,732	108,000	120,303
	<u>109,666</u>	<u>109,950</u>	<u>125,760</u>
Receivables from Exchange Transactions	1,934	1,950	5,457
Receivables from Non-Exchange Transactions	107,732	108,000	120,303
	<u>109,666</u>	<u>109,950</u>	<u>125,760</u>

10. Inventories

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Stationery	2,621	2,500	1,912
	<u>2,621</u>	<u>2,500</u>	<u>1,912</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Buildings	238,959	4,839	(3,571)	-	(23,545)	216,682
Furniture & Fittings	65,601	899	-	-	(10,866)	55,634
Plant & Equipment	6,727	-	-	-	(2,301)	4,426
Library Books	11,175	3,121	(668)	-	(1,703)	11,925
Electronic Equipment	75,400	8,671	-	-	(29,446)	54,625
Sports Equipment	42,727	1,200	-	-	(5,834)	38,093
TELA Laptops	7,297	17,009	-	-	(8,811)	15,495
Balance at 31 December 2019	447,886	35,739	(4,239)	-	(82,506)	396,880

The net carrying value of equipment held under a finance lease is \$15,495 (2018: \$7,297)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Buildings	471,887	(255,205)	216,682
Furniture & Fittings	152,234	(96,601)	55,634
Plant & Equipment	13,036	(8,610)	4,426
Library Books	56,404	(44,479)	11,925
Electronic Equipment	175,582	(120,956)	54,625
Sports Equipment	54,028	(15,935)	38,093
TELA Laptops	74,498	(59,003)	15,495
Balance at 31 December 2019	997,669	(600,789)	396,880

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Buildings	198,842	61,581	-	-	(21,463)	238,959
Furniture & Fittings	57,005	23,406	-	-	(14,810)	65,601
Plant & Equipment	9,133	-	-	-	(2,407)	6,727
Library Books	11,027	1,743	-	-	(1,596)	11,173
Electronic Equipment	61,182	48,893	-	-	(34,674)	75,400
Sports Equipment	44,846	3,326	-	-	(5,445)	42,727
TELA Laptops	16,419	1,107	-	-	(10,229)	7,297
Balance at 31 December 2018	398,454	140,056	-	-	(90,624)	447,884

2018	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
Buildings	471,311	(232,352)	238,959
Furniture & Fittings	159,655	(94,054)	65,601
Plant & Equipment	13,036	(6,310)	6,726
Library Books	56,194	(45,019)	11,175
Electronic Equipment	200,005	(124,605)	75,400
Sports Equipment	53,526	(10,799)	42,727
TELA Laptops	57,490	(50,192)	7,298
Balance at 31 December 2018	1,011,217	(563,331)	447,886

12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	38,246	50,967	29,932
Banking Staffing Overuse	-	-	2,145
Employee Entitlements - Salaries	107,732	108,000	120,303
Employee Entitlements - Leave Accrual	5,335	5,000	4,973
	151,313	163,967	157,353
Payables for Exchange Transactions	38,246	50,967	29,933
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	113,067	113,000	127,420
	151,313	163,967	157,353

The carrying value of payables approximates their fair value.

13. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	71,297	71,297	60,186
Increase/ (decrease) to the Provision During the Year	6,751	11,111	11,111
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	78,048	82,408	71,297
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	78,048	82,000	71,297
	78,048	82,000	71,297

14. 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	(12,394)	(15,000)	(11,788)
Later than One Year and no Later than Five Years	(8,671)	(10,000)	(7,150)
Later than Five Years	-	-	-
	<u>(21,065)</u>	<u>(25,000)</u>	<u>(18,938)</u>

15. Funds held in Trust

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	27,441	30,000	19,846
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<u>27,441</u>	<u>30,000</u>	<u>19,846</u>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

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 \$
MOE - GSE Railing	<i>in progress</i>	2,828	-	-	-	2,828
MOE - Ramps	<i>in progress</i>	5,720	-	-	-	5,720
MOE - Door Locks Upgrade	<i>completed</i>	-	6,657	(4,221)	(2,437)	-
Totals		<u>8,548</u>	<u>6,657</u>	<u>(4,221)</u>	<u>(2,437)</u>	<u>8,548</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	8,548
Funds Due from the Ministry of Education	-
	<u>8,548</u>

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
MOE - GSE Railing	<i>in progress</i>	2,828	-	-	-	2,828
MOE - Ramps	<i>in progress</i>	5,720	-	-	-	5,720
MOE - Classroom Upgrade	<i>completed</i>	163,784	77,652	(297,742)	56,306	-
MOE - Door Locks Upgrade	<i>completed</i>	-	11,889	(15,460)	3,571	-
Totals		<u>172,332</u>	<u>89,541</u>	<u>(313,204)</u>	<u>59,877</u>	<u>8,548</u>

17. Funds Held on Behalf of Naenae Leap Cluster

Rata Street School is the lead school and holds funds on behalf of the Naenae Leap cluster, a group of schools funded by the Ministry.

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Funds Held at Beginning of the Year	21,551	25,000	22,412
Funds Spent on Behalf of the Cluster	-	-	(861)
Funds Held at Year End	<u>21,551</u>	<u>25,000</u>	<u>21,551</u>

These assets and liabilities form part of the school's assets and liabilities and are presented on the school's statement of financial position.

Current Assets

Cash at bank	21,551	25,000	21,551
Equity	<u>21,551</u>	<u>25,000</u>	<u>21,551</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	3,075	3,130
Full-time equivalent members	0.16	0.16
<i>Leadership Team</i>		
Remuneration	370,037	379,162
Full-time equivalent members	3	3
Total key management personnel remuneration	<u>373,112</u>	<u>382,292</u>
Total full-time equivalent personnel	<u>3.16</u>	<u>3.16</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	150 - 160	180 - 190
Benefits and Other Emoluments	20 - 30	-
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. 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 there were no capital commitments

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

(a) operating lease of a Photocopier;

	2019 Actual \$	2018 Actual \$
No later than One Year	11,959	11,959
Later than One Year and No Later than Five Years	5,979	17,938
Later than Five Years	-	-
	<u>17,938</u>	<u>29,897</u>

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	421,266	329,290	494,124
Receivables	109,666	109,950	125,760
Total Financial assets measured at amortised cost	<u>530,932</u>	<u>439,240</u>	<u>619,884</u>

Financial liabilities measured at amortised cost

Payables	151,313	163,967	157,353
Finance Leases	21,065	25,000	18,939
Total Financial Liabilities Measured at Amortised Cost	<u>172,378</u>	<u>188,967</u>	<u>176,292</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, 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.

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

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

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 8 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 9 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



Rata Street School

Report to the Board of Trustees for
the year ended 31 December 2019

28 May 2020

The Board of Trustees
Rata Street School
Rata Street
Naenae
Wellington 5011

Dear Trustees

In accordance with our normal practice, we include in the attached report all matters arising from our audit of the School's financial statements for the year ended 31 December 2019 which we consider appropriate for the attention of the Board of Trustees ("the Board"). These matters have been discussed with management and their comments have been included, where appropriate.

We look forward to the opportunity to discuss these at a Board meeting should you wish to discuss this report. In the interim should you require clarification on any matter in this report please do not hesitate to contact us.

This correspondence is part of our ongoing discussions as auditor in accordance with our signed engagement letter and as required by the Office of the Auditor General requirements, which include New Zealand auditing standards. This report includes only those matters that have come to our attention as a result of performing our audit procedures and which we believe are appropriate to communicate to the Board. The audit of the financial statements does not relieve management or the Board of their responsibilities. The ultimate responsibility for the preparation of the financial statements rests with the Board.

We have prepared this report solely for the use of the Board and it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without our prior written consent, we would not accept responsibility for any reliance that they might place on it.

We would like to take this opportunity to extend our appreciation to management and Chapman Upchurch Limited for their assistance and cooperation during the course of our audit.

Yours faithfully

DELOITTE LIMITED



Hamish Anton
Appointed Auditor

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1. Status of the audit and areas of focus

Our audit of the 31 December 2019 financial statements is substantially complete, subject to the completion of the following matters which are outstanding:

- appropriate procedures relating to subsequent events up to the date of our audit opinion;
- receipt of the signed management representation letter; and
- adoption of the financial statements and signing of the financial statements by the Board of Trustees.

We understand that these will be approved by the Board under delegation to specified Trustees.

Areas of focus	
Matter Identified	Audit Response
<p>1.1 Impacts of Covid 19 and Emphasis of Matter</p> <p>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 and the resultant impact.</p> <p>The Office of the Auditor General has determined that all Schools should disclose the fact the School has been disrupted and the impact is being assessed by School management and governance.</p> <p>The School will continue to receive funding from the Ministry of Education, even while closed.</p>	<p>The Office of the Auditor General has determined that all School audit opinions are to include an "Emphasis of Matter" drawing the reader's attention to the disclosure in the financial statements in respect of the disruption and impact of Covid 19.</p> <p>The School has prepared its financial statements on a going concern basis and is evaluating the impacts of the disruption. The School has continued to receive funding during the lock down from the Ministry of Education.</p> <p>We have performed audit procedures on these matters as relevant and in accordance with OAG expectations. Our report includes an Emphasis of Matter in accordance with those guidelines.</p>

Matter Identified	Audit Response
<p>1.1 Office of the Auditor-General (“OAG”) audit brief matters</p> <p>As you are aware our audit is completed under contract from the OAG and annually we are asked to specifically consider certain potential matters of interest.</p> <p>Schools are required to publish its Annual Report on line. We have been asked to remind you of this requirement.</p> <p>Other areas of focus this year remain similar to previous years including:</p> <ul style="list-style-type: none"> • classification of associated entities such as fundraising trusts; • overseas travel; • sensitive expenditure; • financial difficulty risk factors; and • legislative compliance. 	<p>Our audit procedures considered these matters as relevant and in accordance with OAG expectations. The MoE has issued specific guidance on the approval of overseas travel which may be of assistance to Board processes in this area. Where significant the Board is required to disclose overseas travel separately.</p> <p>You are reminded that your Annual Report is required to be provided on line in a timely manner each year and are asked to ensure a process of compliance is put in place.</p> <p>No specific concerns or findings were noted.</p>

2. Assessment of internal controls

Our audit requires us to obtain an undertaking of the School's internal controls, sufficient to identify and assess the risks of material misstatement in the financial statements.

2.1 Segregation of duties

As is the case for most schools, the number of people involved in the administration and accounting functions is very limited, meaning that there is an increased inherent risk that errors and omissions may occur and go undetected.

The number of people involved in the schools administration and accounting functions also imposes limitations on the controls and processes schools have in place to monitor and approve changes made to information technology ("IT") systems responsible for processing transactions. These systems include but are not limited to the Novopay system and creditor process and bank payment systems. The absence of controls to monitor and approve changes within these systems increases the risk of assets being misappropriated.

It is important that you are aware of these risks as it is your responsibility to ensure the School's internal controls operate effectively and that the resultant financial statements are accurate. You should ensure that sufficient financial oversight is exercised by the Board or a delegated nominee on a regular basis in order to reduce the likelihood of error or omission to a level that the Board is comfortable with.

This oversight should include consideration of payment approval and bank authorisation monitoring. As a simple example, we encourage all Boards to specifically review the electronic banking system authorities and levels as part of their consideration of the delegated authority considerations. Our experience is that the frauds being perpetrated are often arising from changes to bank account details after invoice approval. This historical lack of oversight in this area should be specifically considered by the Board as part of its regular financial monitoring.

3. Accounting Matters arising

2.1 No Board Approved Balance Sheet Budget

Observation

We noted that the School did not have a Board Approved Balance Sheet Budget during our testing.

Implication

Without a budget, this means that there is no formal control over the School funding. As a result, there is a risk that the expense incurred may not be in line with the School Objectives.

Recommendation

We recommend that the Board ensure that a Balance Sheet budget is implemented in the next financial year.

4. Summary of financial statement matters arising

In performing our audit of Rata Street School for the year ended 31 December 2019 we have not identified any uncorrected misstatements or omitted disclosures that management believe could, either individually or in aggregate, have a material effect on the financial statements for the year ended 31 December 2019.

5. Other professional communications

The following matters relevant to our audit for the year ended 31 December 2019 are communicated in accordance with the requirements of New Zealand auditing standards.

Matter to be communicated	Response
Written representations	A copy of the representation letter to be signed on behalf of the Board has been circulated separately.
Non-compliance with applicable laws and regulations	We did not become aware of any non-compliance with applicable laws and regulations that may have an impact on the determination of material amounts and disclosures in the financial statements.
Going concern	We have not become aware of any events or conditions that may cast significant doubt on the School's ability to continue as a going concern.
Fraud	No matters relating to fraud, concerning either employees or management have been advised or came to our attention.
Accounting policies and financial reporting	<p>For the year ended 31 December 2019 the school has elected to early adopt PBE IFRS 9 Financial instruments. We have not identified any issues in regard to the adoption of PBE IFRS 9 during our audit procedures.</p> <p>We have not become aware of any significant qualitative aspects of the entity's accounting practices, including judgements about accounting policies, accounting estimates and financial statement disclosures that need to be communicated to the Board, other than those already communicated in this report.</p>
Related parties	No significant related party matters other than those reflected in the financial statements came to our attention that, in our professional judgement, needs to be communicated to the Board.