



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:

292

Principal:

Linda Tame

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GOLDEN BAY HIGH SCHOOL

Annual Report - For the year ended 31 December 2020

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Golden Bay High School

Statement of Responsibility

For the year ended 31 December 2020

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

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

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

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

Andrew John Williams

Full Name of Board Chairperson

Andrew John Williams

Signature of Board Chairperson

24/5/21

Date:

Linda Kidman Tame

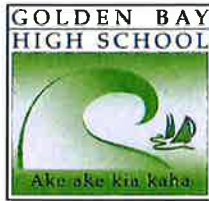
Full Name of Principal

Linda Kidman Tame

Signature of Principal

24/5/2021

Date:



Golden Bay High School

Members of the Board of Trustees

For the year ended 31 December 2020

| Name | Position | How Position Gained | Held Until |
|--------------------|------------------------------------|---------------------|------------|
| Andrew Williams | Chairperson | Elected | Feb 2021 |
| | Parent Trustee | Elected | June 2022 |
| Cynthia Sampson | Deputy Chairperson | Elected | Feb 2020 |
| | Parent Trustee | Elected | Nov 2020 |
| Susanne Struck | Deputy Chairperson | Elected | Feb 2021 |
| | Parent Trustee | Elected | June 2022 |
| Daniel Padiál | Staff Trustee | Elected | June 2022 |
| Haydon Ward-Holmes | Manawhenua Ki Mohua Representative | Co-opted | June 2022 |
| Imogen Harris | Student Trustee | Elected | Sept 2021 |
| Brian Nesbit | Parent Trustee | Elected | June 2022 |
| Gabby Hollis | Parent Trustee | Elected | June 2022 |
| Linda Tame | Principal | ex Officio | |

In Attendance

| | | |
|----------------|-----------|----------|
| Jude Edmondson | Secretary | Dec 2020 |
|----------------|-----------|----------|

Golden Bay High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

| | Notes | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| Revenue | | | | |
| Government Grants | 2 | 5,024,709 | 4,528,550 | 4,371,846 |
| Locally Raised Funds | 3 | 161,606 | 98,510 | 336,569 |
| Interest Income | | 16,303 | 15,000 | 17,300 |
| Gain on Sale of Property, Plant and Equipment | | 300 | 500 | 750 |
| International Students | 4 | 51,779 | 87,913 | 83,004 |
| | | <u>5,254,697</u> | <u>4,730,473</u> | <u>4,809,469</u> |
| Expenses | | | | |
| Locally Raised Funds | 3 | 71,705 | 59,070 | 167,215 |
| International Students | 4 | 21,056 | 48,848 | 39,741 |
| Learning Resources | 5 | 3,545,712 | 3,160,149 | 3,236,352 |
| Administration | 6 | 210,579 | 228,493 | 218,833 |
| Finance | | 4,324 | 2,200 | 2,998 |
| Property | 7 | 1,048,180 | 1,211,712 | 955,465 |
| Depreciation | 8 | 70,481 | 70,000 | 56,285 |
| Loss on Disposal of Property, Plant and Equipment | | 65,824 | - | 2,293 |
| | | <u>5,037,861</u> | <u>4,780,472</u> | <u>4,679,182</u> |
| Net Surplus / (Deficit) for the year | | 216,836 | (49,999) | 130,287 |
| Other Comprehensive Revenue and Expenses | | - | - | - |
| Total Comprehensive Revenue and Expense for the Year | | <u>216,836</u> | <u>(49,999)</u> | <u>130,287</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.

Golden Bay High School
Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

| | Notes | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|-------|----------------------|-------------------------------------|----------------------|
| Balance at 1 January | | 673,891 | 673,891 | 245,881 |
| Total comprehensive revenue and expense for the year | | 216,836 | (49,999) | 130,287 |
| Capital Contributions from the Ministry of Education | | | | |
| Contribution - Furniture and Equipment Grant | | 39,591 | - | - |
| Contribution - Distribution to MOE | | - | - | (112,277) |
| Contribution - Capital Grant | | - | - | 410,000 |
| Equity at 31 December | 26 | 930,318 | 623,892 | 673,891 |
| Retained Earnings | | 930,318 | 623,892 | 673,891 |
| Equity at 31 December | | 930,318 | 623,892 | 673,891 |

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.

Golden Bay High School

Statement of Financial Position

As at 31 December 2020

| | Notes | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|---|-------|----------------------|-------------------------------------|----------------------|
| Current Assets | | | | |
| Cash and Cash Equivalents | 9 | 293,875 | 241,074 | 221,073 |
| Accounts Receivable | 10 | 244,429 | 235,931 | 235,931 |
| GST Receivable | | 9,021 | 21,464 | 21,464 |
| Prepayments | | 8,147 | 16,011 | 16,011 |
| Investments | 11 | 618,879 | 407,980 | 407,980 |
| | | <u>1,174,351</u> | <u>922,460</u> | <u>902,459</u> |
| Current Liabilities | | | | |
| Accounts Payable | 13 | 272,622 | 263,090 | 263,090 |
| Revenue Received in Advance | 14 | 26,170 | 64,050 | 64,050 |
| Provision for Cyclical Maintenance | 15 | 24,272 | 26,206 | 26,206 |
| Painting Contract Liability - Current Portion | 16 | 19,214 | 19,214 | 19,214 |
| Finance Lease Liability - Current Portion | 17 | 20,077 | 20,536 | 20,536 |
| Funds held in Trust | 18 | 13,000 | 41,728 | 41,728 |
| Funds held for Capital Works Projects | 19 | 29,303 | 15,585 | 15,585 |
| Funds Held on Behalf of the Mohua Kahui Ako Cluster | 20 | 4,544 | - | - |
| | | <u>409,202</u> | <u>450,409</u> | <u>450,409</u> |
| Working Capital Surplus/(Deficit) | | 765,149 | 472,051 | 452,050 |
| Non-current Assets | | | | |
| Property, Plant and Equipment | 12 | 251,452 | 270,433 | 340,433 |
| | | <u>251,452</u> | <u>270,433</u> | <u>340,433</u> |
| Non-current Liabilities | | | | |
| Provision for Cyclical Maintenance | 15 | 33,787 | 43,500 | 43,500 |
| Painting Contract Liability | 16 | 20,063 | 31,327 | 31,327 |
| Finance Lease Liability | 17 | 32,433 | 43,765 | 43,765 |
| | | <u>86,283</u> | <u>118,592</u> | <u>118,592</u> |
| Net Assets | | <u>930,318</u> | <u>623,892</u> | <u>673,891</u> |
| Equity | | | | |
| | 26 | <u>930,318</u> | <u>623,892</u> | <u>673,891</u> |

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

Golden Bay High School Statement of Cash Flows

For the year ended 31 December 2020

| | | 2020 | 2020 | 2019 |
|--|------|------------------|-----------------------------|------------------|
| | Note | Actual \$ | Budget (Unaudited) \$ | Actual \$ |
| Cash flows from Operating Activities | | | | |
| Government Grants | | 1,303,764 | 1,047,467 | 964,720 |
| Locally Raised Funds | | 172,911 | 98,510 | 294,044 |
| International Students | | 4,139 | 87,913 | 144,318 |
| Goods and Services Tax (net) | | 12,443 | - | (19,450) |
| Payments to Employees | | (664,352) | (646,499) | (628,671) |
| Payments to Suppliers | | (518,454) | (553,390) | (656,752) |
| Funds Administered on Behalf of Third Parties | | (24,184) | - | 33,985 |
| Cyclical Maintenance payments in the Year | | (7,951) | - | (7,950) |
| Interest Received | | 16,630 | 15,000 | 15,526 |
| Net cash from/(to) Operating Activities | | <u>294,946</u> | <u>49,001</u> | <u>139,770</u> |
| Cash flows from Investing Activities | | | | |
| Proceeds from Sale of Property Plant & Equipment (and Intangibles) | | - | - | (1,543) |
| Purchase of Property Plant & Equipment (and Intangibles) | | (35,864) | (29,000) | (85,153) |
| Purchase of Investments | | (210,899) | - | (407,980) |
| Net cash from/(to) Investing Activities | | <u>(246,763)</u> | <u>(29,000)</u> | <u>(494,676)</u> |
| Cash flows from Financing Activities | | | | |
| Furniture and Equipment Grant | | 39,591 | - | - |
| Capital Grant | | - | - | 410,000 |
| Finance Lease Payments | | (17,426) | - | (8,639) |
| Painting Contract Payments | | (11,264) | - | (11,263) |
| Funds held for Capital Works Projects | | 13,718 | - | (13,099) |
| Net cash from/(to) Financing Activities | | <u>24,619</u> | <u>-</u> | <u>376,999</u> |
| Net increase/(decrease) in cash and cash equivalents | | <u>72,802</u> | <u>20,001</u> | <u>22,093</u> |
| Cash and cash equivalents at the beginning of the year | 9 | 221,073 | 221,073 | 198,980 |
| Cash and cash equivalents at the end of the year | 9 | <u>293,875</u> | <u>241,074</u> | <u>221,073</u> |

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

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

Golden Bay High School

Notes to the Financial Statements

For the year ended 31 December 2020

1. Statement of Accounting Policies

1.1. Reporting Entity

Golden Bay High School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

1.2. Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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

Cyclical Maintenance

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

1.3. Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. 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.

1.5. 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.

1.6. 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.

1.7. 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.

1.8. Accounts Receivable

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

1.9. 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.

1.10. Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

Property, plant and equipment 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 | 33–50 years |
| Furniture and equipment | 5–20 years |
| Information and communication technology | 3–5 years |
| Artwork | 100 years |
| Trophies | 100 years |
| Leased assets held under a Finance Lease | Term of Lease |
| Library resources | 12.5% Diminishing value |

1.11. 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.

1.12. 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.

1.13. Employment Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

Long-term employee entitlements

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

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

1.14. Revenue Received in Advance

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

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

1.15. 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.

1.16. Shared Funds

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

1.17. 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).

1.18. Financial Instruments

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

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

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

1.19. Borrowings

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

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

1.20. 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.

1.21. Budget Figures

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

1.22. Services received in-kind

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

2. Government Grants

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|----------------------------------|----------------------|-------------------------------------|----------------------|
| Operational Grants | 1,035,624 | 927,556 | 902,707 |
| Teachers' Salaries Grants | 3,009,293 | 2,600,000 | 2,683,037 |
| Use of Land and Buildings Grants | 735,340 | 881,083 | 643,769 |
| Other MoE Grants | 195,751 | 71,210 | 94,493 |
| Other Government Grants | 48,701 | 48,701 | 47,840 |
| | <u>5,024,709</u> | <u>4,528,550</u> | <u>4,371,846</u> |

The School has opted in to the donations scheme for this year. Total amount received was \$52,500.

Other MOE Grants total includes additional COVID-19 funding totalling \$16,212 for the year ended 31 December 2020.

3. Locally Raised Funds

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

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Revenue | | | |
| Donations | 53,638 | 12,310 | 123,327 |
| Other Revenue | 50,669 | 32,200 | 42,235 |
| Trading | 24,362 | 51,000 | 48,088 |
| Activities | 32,937 | 3,000 | 122,919 |
| | <u>161,606</u> | <u>98,510</u> | <u>336,569</u> |
| Expenses | | | |
| Activities | 37,958 | 9,070 | 111,245 |
| Trading | 33,747 | 50,000 | 55,970 |
| | <u>71,705</u> | <u>59,070</u> | <u>167,215</u> |
| <i>Surplus for the year Locally raised funds</i> | <u>89,901</u> | <u>39,440</u> | <u>169,354</u> |

4. International Student Revenue and Expenses

| | 2020 Actual Number | 2020 Budget (Unaudited) Number | 2019 Actual Number |
|--|--------------------------|---|--------------------------|
| International Student Roll | 4 | 4 | 5 |
| | | | |
| | | | |
| Revenue | | | |
| International Student Fees | 51,779 | 87,913 | 83,004 |
| Expenses | | | |
| Advertising | 3,500 | 20,000 | 13,827 |
| Commissions | 6,978 | 13,950 | 5,292 |
| International Student Levy | 1,119 | 2,508 | 1,859 |
| Employee Benefit - Salaries | 9,140 | 11,790 | 17,122 |
| Other Expenses | 319 | 600 | 1,641 |
| | <u>21,056</u> | <u>48,848</u> | <u>39,741</u> |
| <i>Surplus for the year International Students</i> | <u>30,723</u> | <u>39,065</u> | <u>43,263</u> |

5. Learning Resources

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Curricular | 205,719 | 214,959 | 210,462 |
| Information and Communication Technology | 13,193 | 14,880 | 18,679 |
| Library Resources | 2,506 | 3,700 | 4,700 |
| Employee Benefits - Salaries | 3,309,936 | 2,901,010 | 2,980,025 |
| Staff Development | 14,358 | 25,600 | 22,486 |
| | <u>3,545,712</u> | <u>3,160,149</u> | <u>3,236,352</u> |

6. Administration

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Audit Fee | 5,956 | 5,615 | 5,783 |
| Board of Trustees Fees | 3,865 | 4,635 | 3,750 |
| Board of Trustees Expenses | 1,150 | 4,787 | 7,987 |
| Communication | 5,445 | 6,500 | 6,359 |
| Consumables | 9,398 | 15,020 | 14,780 |
| Operating Lease | - | - | 2,080 |
| Legal Fees | 650 | 500 | 500 |
| Other | 1,706 | 3,513 | 2,264 |
| Employee Benefits - Salaries | 166,045 | 170,315 | 159,542 |
| Insurance | 8,139 | 9,073 | 8,023 |
| Service Providers, Contractors and Consultancy | 8,225 | 8,535 | 7,765 |
| | <u>210,579</u> | <u>228,493</u> | <u>218,833</u> |

7. Property

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|-------------------------------------|----------------------|-------------------------------------|----------------------|
| Caretaking and Cleaning Consumables | 20,812 | 14,000 | 13,960 |
| Cyclical Maintenance Provision | (3,696) | 26,086 | 25,285 |
| Grounds | 14,942 | 15,500 | 17,257 |
| Heat, Light and Water | 50,230 | 48,000 | 56,584 |
| Rates | 7,510 | 9,031 | 6,982 |
| Repairs and Maintenance | 50,307 | 51,128 | 38,504 |
| Use of Land and Buildings | 735,340 | 881,083 | 643,769 |
| Security | 3,784 | 3,500 | 2,778 |
| Employee Benefits - Salaries | 168,951 | 163,384 | 150,346 |
| | <u>1,048,180</u> | <u>1,211,712</u> | <u>955,465</u> |

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

8. Depreciation of Property, Plant and Equipment

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Building Improvements | 48 | 4,000 | 3,454 |
| Furniture and Equipment | 14,728 | 14,400 | 14,364 |
| Information and Communication Technology | 16,302 | 16,000 | 15,053 |
| Motor Vehicles | 8,446 | 8,000 | 5,975 |
| Leased Assets | 28,756 | 25,000 | 14,767 |
| Library Resources | 2,201 | 2,600 | 2,672 |
| | <u>70,481</u> | <u>70,000</u> | <u>56,285</u> |

9. Cash and Cash Equivalents

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|---|----------------------|-------------------------------------|----------------------|
| Bank Current Account | 293,875 | 241,074 | 221,073 |
| Cash and cash equivalents for Statement of Cash Flows | <u>293,875</u> | <u>241,074</u> | <u>221,073</u> |

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

Of the \$293,875 Cash and Cash Equivalents, \$29,303 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2021 on Crown owned school buildings under the School's Five Year Property Plan.

Of the \$293,875 Cash and Cash Equivalents, \$3,080 of unspent grant funding is held by the School. This funding is subject to restrictions which specify how the grant is required to be spent in providing specified deliverables of the grant arrangement.

Of the \$293,875 Cash and Cash Equivalents, \$4,544 is held by the School on behalf of the Mohua Kahui Ako cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

10. Accounts Receivable

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Receivables | 11,960 | 16,585 | 16,585 |
| Receivables from the Ministry of Education | 5,020 | 35,477 | 35,477 |
| Interest Receivable | 1,447 | 1,774 | 1,774 |
| Teacher Salaries Grant Receivable | <u>226,002</u> | <u>182,095</u> | <u>182,095</u> |
| | <u>244,429</u> | <u>235,931</u> | <u>235,931</u> |
| Receivables from Exchange Transactions | 13,407 | 18,359 | 18,359 |
| Receivables from Non-Exchange Transactions | <u>231,022</u> | <u>217,572</u> | <u>217,572</u> |
| | <u>244,429</u> | <u>235,931</u> | <u>235,931</u> |

11. Investments

The School's investment activities are classified as follows:

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--------------------------|----------------------|-------------------------------------|----------------------|
| Current Asset | | | |
| Short-term Bank Deposits | 618,879 | 407,980 | 407,980 |
| Total Investments | <u>618,879</u> | <u>407,980</u> | <u>407,980</u> |

12. Property, Plant and Equipment

| | Opening Balance (NBV) \$ | Additions \$ | Disposals \$ | Impairment \$ | Depreciation \$ | Total (NBV) \$ |
|--|--------------------------------|-----------------|-----------------|------------------|--------------------|-----------------------|
| 2020 | | | | | | |
| Building Improvements | 61,801 | - | (59,395) | - | (48) | 2,358 |
| Furniture and Equipment | 114,096 | 26,457 | (760) | - | (14,728) | 125,065 |
| Information and Communication Technology | 47,348 | 6,196 | (1,064) | - | (16,302) | 36,178 |
| Motor Vehicles | 36,255 | - | - | - | (8,446) | 27,809 |
| Leased Assets | 62,229 | 11,160 | - | - | (28,756) | 44,633 |
| Library Resources | 18,704 | 3,511 | (4,605) | - | (2,201) | 15,409 |
| Balance at 31 December 2020 | <u>340,433</u> | <u>47,324</u> | <u>(65,824)</u> | <u>-</u> | <u>(70,481)</u> | <u>251,452</u> |

| | Cost or Valuation \$ | Accumulated Depreciation \$ | Net Book Value \$ |
|--|----------------------------|-----------------------------------|-------------------------|
| 2020 | | | |
| Building Improvements | 2,413 | (55) | 2,358 |
| Furniture and Equipment | 728,628 | (603,563) | 125,065 |
| Information and Communication Technology | 175,566 | (139,388) | 36,178 |
| Motor Vehicles | 42,230 | (14,421) | 27,809 |
| Leased Assets | 86,760 | (42,127) | 44,633 |
| Library Resources | 43,599 | (28,190) | 15,409 |
| Balance at 31 December 2020 | <u>1,079,196</u> | <u>(827,744)</u> | <u>251,452</u> |

The net carrying value of equipment held under a finance lease is \$44,633 (2019: \$62,229)

| | Opening Balance (NBV) | Additions | Disposals | Impairment | Depreciation | Total (NBV) |
|--|--------------------------|----------------|------------------|------------|-----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| 2019 | | | | | | |
| Building Improvements | 175,353 | 2,414 | (112,512) | - | (3,454) | 61,801 |
| Furniture and Equipment | 106,174 | 22,750 | (464) | - | (14,364) | 114,096 |
| Information and Communication Technology | 53,582 | 8,982 | (163) | - | (15,053) | 47,348 |
| Motor Vehicles | - | 42,230 | - | - | (5,975) | 36,255 |
| Leased Assets | 21,283 | 55,713 | - | - | (14,767) | 62,229 |
| Library Resources | 19,240 | 3,568 | (1,432) | - | (2,672) | 18,704 |
| Balance at 31 December 2019 | 375,632 | 135,657 | (114,571) | - | (56,285) | 340,433 |

| | Cost or Valuation | Accumulated Depreciation | Net Book Value |
|--|----------------------|-----------------------------|-------------------|
| | \$ | \$ | \$ |
| 2019 | | | |
| Building Improvements | 131,192 | (69,391) | 61,801 |
| Furniture and Equipment | 750,012 | (635,916) | 114,096 |
| Information and Communication Technology | 245,714 | (198,366) | 47,348 |
| Motor Vehicles | 42,230 | (5,975) | 36,255 |
| Leased Assets | 87,926 | (25,697) | 62,229 |
| Library Resources | 53,183 | (34,479) | 18,704 |
| Balance at 31 December 2019 | 1,310,257 | (969,824) | 340,433 |

13. Accounts Payable

| | 2020 Actual | 2020 Budget (Unaudited) | 2019 Actual |
|---------------------------------------|----------------|-------------------------------|----------------|
| | \$ | \$ | \$ |
| Operating creditors | 25,681 | 35,727 | 35,727 |
| Accruals | 4,256 | 9,012 | 9,012 |
| Employee Entitlements - salaries | 226,002 | 188,276 | 188,276 |
| Employee Entitlements - leave accrual | 16,683 | 30,075 | 30,075 |
| | 272,622 | 263,090 | 263,090 |
| Payables for Exchange Transactions | 272,622 | 263,090 | 263,090 |
| | 272,622 | 263,090 | 263,090 |

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

| | 2020 Actual | 2020 Budget (Unaudited) | 2019 Actual |
|---|----------------|-------------------------------|----------------|
| | \$ | \$ | \$ |
| Grants in Advance - Ministry of Education | 3,080 | - | - |
| International Student Fees | 13,674 | 61,314 | 61,314 |
| Other | 9,416 | 2,736 | 2,736 |
| | 26,170 | 64,050 | 64,050 |

15. Provision for Cyclical Maintenance

| | 2020 Actual | 2020 Budget (Unaudited) | 2019 Actual |
|---|----------------|-------------------------------|----------------|
| | \$ | \$ | \$ |
| Provision at the Start of the Year | 69,706 | 69,706 | 52,371 |
| Increase/ (decrease) to the Provision During the Year | 25,966 | - | 26,086 |
| Adjustment to the Provision | (29,662) | - | (801) |
| Use of the Provision During the Year | (7,951) | - | (7,950) |
| Provision at the End of the Year | 58,059 | 69,706 | 69,706 |
| Cyclical Maintenance - Current | 24,272 | 26,206 | 26,206 |
| Cyclical Maintenance - Term | 33,787 | 43,500 | 43,500 |
| | 58,059 | 69,706 | 69,706 |

16. Painting Contract Liability

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|-----------------------|----------------------|-------------------------------------|----------------------|
| Current Liability | 19,214 | 19,214 | 19,214 |
| Non Current Liability | 20,063 | 31,327 | 31,327 |
| | <u>39,277</u> | <u>50,541</u> | <u>50,541</u> |

In 2018 the Board signed an agreement with Programmed Property Services Ltd (the contractor) for an agreed programme of work covering a seven year period. The programme provides for an exterior repaint of the Ministry owned buildings in 2018, with regular maintenance in subsequent years. The agreement has an annual commitment of \$19,214 in years 2 -7 and \$40,000 lump sum in year 1. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

17. Finance Lease Liability

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

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| No Later than One Year | 23,588 | 24,162 | 24,162 |
| Later than One Year and no Later than Five Years | 35,970 | 49,715 | 49,715 |
| | <u>59,558</u> | <u>73,877</u> | <u>73,877</u> |

18. Funds Held In Trust

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--|----------------------|-------------------------------------|----------------------|
| Funds Held in Trust on Behalf of Third Parties - Current | 13,000 | 41,728 | 41,728 |
| | <u>13,000</u> | <u>41,728</u> | <u>41,728</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.

19. Funds Held for Capital Works

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

| | 2020 | Opening Balances \$ | Receipts from MoE \$ | Payments \$ | BOT Contributions \$ | Closing Balances \$ |
|-----------------------|-------------|---------------------------|----------------------------|-----------------|----------------------------|---------------------------|
| Gym Alterations | In Progress | 15,585 | 9,931 | (797) | - | 24,719 |
| Emergency System | Completed | - | 64,597 | (64,597) | - | - |
| Hall Roof Ventilation | In Progress | - | 4,584 | - | - | 4,584 |
| Totals | | <u>15,585</u> | <u>79,112</u> | <u>(65,394)</u> | <u>-</u> | <u>29,303</u> |

Represented by:

Funds Held on Behalf of the Ministry of Education

29,303
29,303

| | 2019 | Opening Balances \$ | Receipts from MoE \$ | Payments \$ | BOT Contributions \$ | Closing Balances \$ |
|-----------------|-------------|---------------------------|----------------------------|-----------------|----------------------------|---------------------------|
| Gym Alterations | In Progress | 28,684 | 54,665 | (67,764) | - | 15,585 |
| Totals | | <u>28,684</u> | <u>54,665</u> | <u>(67,764)</u> | <u>-</u> | <u>15,585</u> |

20. Funds Held on Behalf of the Mohua Kahui Ako Cluster

Golden Bay High School is the lead school and holds funds on behalf of the Mohua Kahui Ako cluster, a group of schools funded by the Ministry of Education to share professional support.

| | 2020 Actual \$ | 2020 Budget (Unaudited) \$ | 2019 Actual \$ |
|--------------------------------------|----------------------|-------------------------------------|----------------------|
| Funds Received from Cluster Members | 4,885 | - | - |
| Funds Spent on Behalf of the Cluster | (341) | - | - |
| Funds Held at Year End | <u>4,544</u> | <u>-</u> | <u>-</u> |

21. Related Party Transactions

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

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

22. Remuneration

Key management personnel compensation

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

| | 2020 Actual \$ | 2019 Actual \$ |
|---|----------------------|----------------------|
| <i>Board Members</i> | | |
| Remuneration | 3,865 | 3,750 |
| Full-time equivalent members | 0.26 | 0.50 |
| <i>Leadership Team</i> | | |
| Remuneration | 419,732 | 381,596 |
| Full-time equivalent members | 3.00 | 3.00 |
| Total key management personnel remuneration | <u>423,597</u> | <u>385,346</u> |
| Total full-time equivalent personnel | <u>3.26</u> | <u>3.50</u> |

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

Principal

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

| | 2020 Actual \$000 | 2019 Actual \$000 |
|--|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: | | |
| Salary and Other Payments | 170-180 | 160-170 |
| Benefits and Other Emoluments | 5 - 6 | 1-10 |
| Termination Benefits | 0 - 0 | 0 - 0 |

Other Employees

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

| Remuneration \$000 | 2020 FTE Number | 2019 FTE Number |
|-----------------------|--------------------|--------------------|
| 100 -110 | 2.00 | 3.00 |
| 110 -120 | 3.00 | - |
| | <u>5.00</u> | <u>3.00</u> |

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

23. Compensation and Other Benefits Upon Leaving

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

| | 2020 Actual | | 2019 Actual |
|------------------|----------------|---|----------------|
| Total | \$ | - | \$ |
| Number of People | | - | - |

24. Contingencies

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

Holidays Act Compliance – Schools payroll

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

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

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

25. Commitments

(a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

a) The school has contracted for the Hall Roof Ventilation project. The total cost of the project is estimated to be \$5,093, which the school has contracted into with several contractors as agent for the Ministry of Education. The Project is fully funded by the Ministry. The school has received \$4,584 from the MOE with nil expenditure spent on the project to 31 December 2020. This project has been approved by the Ministry

(Capital commitments at 31 December 2019: nil)

(b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2019: nil)

26. Managing Capital

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

27. Financial Instruments

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

Financial assets measured at amortised cost

| | 2020 Actual | 2020 Budget (Unaudited) | 2019 Actual |
|---|------------------|-------------------------------|----------------|
| | \$ | \$ | \$ |
| Cash and Cash Equivalents | 293,875 | 241,074 | 221,073 |
| Receivables | 244,429 | 235,931 | 235,931 |
| Investments - Term Deposits | 618,879 | 407,980 | 407,980 |
| Total Financial assets measured at amortised cost | <u>1,157,183</u> | <u>884,985</u> | <u>864,984</u> |

Financial liabilities measured at amortised cost

| | | | |
|--|----------------|----------------|----------------|
| Payables | 272,622 | 263,090 | 263,090 |
| Finance Leases | 52,510 | 64,301 | 64,301 |
| Painting Contract Liability | 39,277 | 50,541 | 50,541 |
| Total Financial liabilities measured at amortised Cost | <u>364,409</u> | <u>377,932</u> | <u>377,932</u> |

28. Events After Balance Date

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

29. Comparatives

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



GOLDEN BAY HIGH SCHOOL

ANALYSIS OF VARIANCE

2020

Golden Bay High School 2020 Analysis of Variance

Other relevant documents: 2020 Action plan – with notes about completion of actions, 2021 Action plan, achievement deep dives.

Target 1:

Grow student and staff wellbeing

2020 Measures:

Students

- NZCER student wellbeing survey (Term 3) indicates positive trend
- Informal feedback from students and whānau is positive

Staff

- Feedback from anonymous surveys & Principal's 360 reflect
 - A safe, enjoyable and challenging workplace
 - Feeling valued and a sense of belonging
 - Feeling listened to and part of decision making

Outcomes:

Students

- NZCER student wellbeing survey not undertaken (Covid)
- Feedback from students post Covid reflecting considerable disengagement from some students
- Significant increase in enrolments at Southern Health School for students with anxiety
- Student wellbeing moderately to severely impacted by Covid

Staff

- Survey results positive, but less so than in 2019
- Staff wellbeing significantly impacted by Covid

Evaluation:

- Targets not met

Next Steps:

- Significant focus in 2021
- BoT has now prioritised and require a verbal update on staff wellbeing at each meeting
- Implementing a range of student wellbeing approaches immediately: increased counselling, Year 7&8 and Year 11 class learning circle hui, yoga, additional lunchtime activities, senior student executive

Target 2:

Challenge and support every learner with high quality, future focussed teaching

2020 Measures:

- Achievement targets :
 - E-asttle Numeracy:
 - Each Year level's progress will be at the same level or above the national norm
 - E-asttle Literacy:
 - Year 7-10 progress will be at the same level or above the national norm
 - 93% of Level 1 NCEA students achieve literacy and numeracy
 - NCEA Level 1, 2 and 3 and UE are above decile average
 - 90% of 2020 NCEA Level 2 Leavers have achieved Level 2 NCEA (Kāhui Ako goal 85%) (Note – results not available until October)
 - Evidence of the further upwards trend in the percentage of students participating in NCEA at each level gaining endorsements (Kāhui Ako stretch goal 50%)

- Evidence of a shift towards student centred pedagogy and increased student engagement

Outcomes:

- Maths testing incomplete. Reading: Year 7 progress above norm. Year 8, 9 & 10 progress below norm
- 94.8% of Level 1 students achieved numeracy and 91.4% literacy
- NCEA Levels 1, 2 & 3 above decile average. UE below decile average
- Endorsement rates lower at Level 1, higher at Levels 2 and 3
- 2020 school leaver results not available yet. 84% of 2019 NCEA Level 2 leavers achieved Level 2 (Kāhui Ako goal 85%). This was about National average

Evaluation:

- E-asttle results are of questionable reliability. Whilst reading progress is below norm, it is likely not to be statistically significant
- Level 1 Numeracy well above target, Literacy slightly below
- NCEA pass rate and school leaver results are positive but endorsements at Level 1 a concern
- UE pass rate has dropped again
- Patchy evidence of a shift towards student centred pedagogy and increased student engagement (feedback in some classes very positive)

Next Steps:

- Consider better measures for junior progress
- Student achievement continues to be a target
- Changes at Year 7&8 following student, whānau and staff feedback will be evaluated
- Staff PLD continues to focus on improving student outcomes through Culturally Responsive Pedagogy (Poutama Pounamu) and relational practice

Target 3:

Māori students enjoy accelerated educational success as Māori

2020 Measures:

- Positive feedback from students and whānau
- Evidence of increased engagement with iwi and whānau
- Evidence of increase and improvement in Te Reo and tikanga around school
- Each Māori student's progress and achievement is monitored and tracked, and interventions successfully put in place
- Teachers engaged in culturally responsive pedagogy professional learning

Outcomes:

- Partial positive informal feedback from students and whānau (see also Wellbeing outcomes)
- Significant engagement with Manawhenua over building project
- Staff regularly practising and using waiata and karakia
- Tracking in place, interventions mixed success. Māori Dean's work having a positive impact
- Approximately 12 teachers very engaged in culturally responsive pedagogy professional learning
- Employed Kaiarahi i te Reo one day per week

Evaluation:

- On a pathway of improvement

Next steps:

- Needs to be a significant focus in 2021

Target 4:

Governance enhanced through

- **Strengthening internal evaluation**
- **Developing an environmental policy**

2020 Measures:

- BoT processes review system in place
- Vision developed and aligned with motto, values and graduate profile
- Environmental policy approved
- Regular reporting on evaluation of school programmes

Outcomes:

- Review of system began but interrupted by Covid
- Vision developed
- Sustainability policy approved
- Some reporting on programmes

Evaluation:

- Partially met

Next Steps:

- Internal evaluation needs to be a goal for 2021



GOLDEN BAY HIGH SCHOOL

Ake ake kia kaha

KIWISPORT FUNDING 2020

Kiwisport is a Government Funding initiative to support students' participation in organised sport.

During 2020, Golden Bay High School received total funding of \$7,365.23 (excluding GST).

The funding was spent on a Kiwisport Coordinator to increase the range and variety of sporting activities available for all students from Year 7-13.

The number of students that participated in organised sport was 342.

PERSONNEL POLICIES 2020

The Board of Trustees ratified the 2020 Personnel Compliance Report which reflected compliance with Golden Bay High School's Personnel Policies.

Linda Tame
Principal



GOLDEN BAY HIGH SCHOOL

AUDIT COMPLETION REPORT

FOR THE YEAR ENDED

31 December 2020





28 May 2021

Andrew Williams
Chairperson
Golden Bay High School

cc: Linda Tame
Principal

Dear Andrew

We have pleasure in presenting our Audit Completion Report for our audit of Golden Bay High School's financial statements for the year ended 31 December 2020.

We would like to emphasise that our audit work involves the review of only those systems and controls in your organisation upon which we rely on for audit purposes. Our examination may not have identified, and should not be relied upon to identify, all control weaknesses that may exist.

We take this opportunity to express our appreciation for the assistance and co-operation provided by the School's staff during the audit. We have received full and frank cooperation. There is nothing we wish to raise solely with the Board.

Yours faithfully,
BDO Christchurch

A handwritten signature in black ink, appearing to read 'W. Johnstone', is written over a faint, larger version of the same signature.

Warren Johnstone
Partner
Audit & Assurance Services

DDI: 03 353 5521

Email: warren.johnstone@bdo.co.nz



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1. EXECUTIVE SUMMARY

STATUS OF THE AUDIT AND THE AUDIT OPINION

BDO Christchurch ('BDO') is the Appointed Audit Firm of Golden Bay High School (the "School").

BDO's responsibilities include a requirement to express an opinion on the School's financial statements arising from our audit conducted in accordance with the Auditor-General's Auditing Standards which incorporate International Standards on Auditing (NZ).

This report details the processes, findings and recommendations from our audit of the School in accordance with the Auditor General's Auditing Standards, and the terms of our engagement as set out in our audit engagement letter.

Our audit of the School's financial statements for the year ended 31 December 2020 is complete.

We have issued an unqualified audit opinion.

We welcome your feedback on the effectiveness of the audit process and are available to discuss our performance.

AUDIT SCOPE AND OBJECTIVES

Our audit objectives are to:

- report on whether the financial statements give a true and fair view, and
- report to Management about control environment issues that should be addressed by the school.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested and assessed the controls supporting the school's key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Internal Control and Other Findings section of this report.



AREAS OF SIGNIFICANT RISK AND AUDIT EMPHASIS

Our audit approach considered the inherent risks in your business, their potential impact on the financial statements and the associated risk mitigations and controls in place. The significant matters arising from our audit work are:

- Locally raised funds
- Payroll not approved or checked
- Cyclical maintenance provision
- Management Override

We were able to obtain sufficient and appropriate audit evidence in respect to these items and have no significant findings to bring to your attention. Refer to Section 2 for our comments in respect to each significant risk and area of audit emphasis.

INTERNAL CONTROLS

Our audit approach requires us to obtain an understanding of an entity's internal controls in order to identify assess the risk of material misstatement of the financial statements whether due to fraud or error but is not designed to provide assurance over the overall effectiveness of controls operating within the School.

We have not identified any material weaknesses in internal controls relating to the prevention and detection of fraud and error that have impacted on our ability to provide an opinion on the financial statements for the year ended 31 December 2020.



GOVERNANCE AND ACCOUNTABILITY

Good governance and accountability need and support each other and, if done well, enhance the public's trust in our public sector. Good governance encourages and can result in good accountability. In turn, accountability is a vital element of good governance.

The Auditor-General has published a report, Reflections from our audits: Governance and accountability. This report reflects on common issues, and highlights examples of good and emerging practise, which public entities can use to help improve their governance and accountability arrangements. It also identifies eight elements of good governance and looks at some trends that present new challenges and opportunities for enhancing accountability.

We encourage you to use the findings and examples in this report to consider the School's governance and accountability arrangements. This report is available on the OAG website at www.oag.govt.nz/2016/reflections



2. KEY FINANCIAL STATEMENT AUDIT RISKS AND AREAS OF AUDIT EMPHASIS

Our audit procedures were focused on those areas of the School's activities that are considered to represent the key audit risks identified during the risk assessment process undertaken and communicated with you through the audit arrangements letter at the planning phase of the audit. Below we present a summary of the identified key areas of risk and audit emphasis and our conclusions in relation to each matter. We are satisfied that these areas have been satisfactorily addressed through our audit processes.

Locally Raised Funds

Area of Audit Emphasis

Due to the nature of locally raised funds (often being cash), there is a risk of material misstatement around the completeness of locally raised funds income.

Conclusion/Response

From our audit work performed we found no issues regarding locally raised funds income or expense balances in the financial statements.

Payroll not approved or checked

Area of Audit Emphasis

Payroll is processed by Novopay. The accuracy of payroll processing is dependent on appropriate approval of payroll changes and checking of the fortnightly SUE report.

Conclusion/Response

From our audit work performed we found no issues regarding payroll balances included in the financial statements.



Cyclical Maintenance Provision

Area of Audit Emphasis

Cyclical Maintenance is an area of judgment and could lead to material misstatement in the financial statements. For Schools to be able to calculate the appropriate cyclical maintenance provision a 10 Year Property Plan (10YPP) needs to be prepared and/or reviewed by an expert.

Conclusion/Response

From our audit work performed, there were no issues regarding the provision for Cyclical Maintenance in the Financial Statements.

Management Override

Area of Audit Emphasis

There is a rebuttable presumption under the International Auditing Standards that there is a risk of management override.

Conclusion/Response

We have assessed the segregation of duties and risk of management override as part of our planning process, and concluded that the risk of fraud from management override of controls is primarily through the processing of manual journals. We have used a risk based approach to testing manual journals, and focused on any areas where a risk of judgement, estimation or cut-off risk exists with management override in mind. No issues with management override were noted.



3. INTERNAL CONTROL AND OTHER AUDIT FINDINGS

This section of the report sets out the key internal control findings we have identified during the course of the audit and highlights control deficiencies requiring management attention. Our work has been limited to those controls relevant to the audit of your statutory financial statements. The purpose of our audit work on controls is not to provide assurance in its own right on the internal controls and therefore we may not necessarily disclose all matters that might be significant deficiencies or deficiencies that heighten the risk of a fraud being perpetrated.

No such matters were identified.



4. REQUIRED COMMUNICATIONS WITH GOVERNANCE

Matter

How the matter was addressed

Auditors responsibility under generally accepted auditing standards

We are responsible for completing an audit in accordance with generally accepted auditing standards in New Zealand. The detailed terms of which are set out in our audit engagement letter.

Confirmation of Audit Independence

In conducting our audit, we are required to comply with the independence requirements of PES-1 Code of Ethics for Assurance Practitioners issued by the External Reporting Board.

Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.

For the comfort of the Board, we note that the following processes assist in maintaining our independence:

- No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner.
 - All services performed by any national BDO office will be reported to the governing body.
- Audit fees billed for the 2020 audit were \$5,956.

There were no other services provided by our firm for the financial year.

Management Judgements and Estimates

Under International Standards on Auditing (NZ), we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions or valuation judgements. Overall we note that the judgements and estimates by management in preparing the results for the year ended 31 December 2020 appear reasonable. Key matters impacting on our audit have been raised in sections 2 and 3 of this report if applicable.



Matter

How the matter was addressed

Matters requiring Board of Trustee input

We have placed reliance on the Board's review and approval of the following matters:

- Minutes of the Board meetings;
- Implementation of such controls as is needed to ensure that financial statements are presented fairly;
- Review and approval of management accounts;
- Review and approval of annual budget;
- Review and approval of 10 Year Property Plan
- Notification of fraud; and
- Review and approval of the financial statements.

Accounting policies

Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. We reviewed the financial statements of the School against the Kiwi Park Model and noted no material departures from the requirements.

Materiality and adjusted / unadjusted differences

Materiality means, in the context of an audit or review, if financial information is omitted, misstated or not disclosed it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and for evaluating the financial report. Materiality is initially calculated at the planning stage and has an influence on the amount of work we do, as well as where we direct our audit efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.

All unadjusted differences (none of which we consider material, either individually or in aggregate) have been detailed in Appendix 1 of this report.

During the course of our audit, we identified misstatements which have been corrected in the financial statements these have been detailed in Appendix 1 of this report.

It should be noted that the auditing standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.

| | |
|---|--|
| Going concern | <p>We have undertaken a review of management and those charged with governance' assessment of the ability of the School to continue as a going concern for 12 months from the date of signing the audit report and therefore whether the going concern basis for the preparation of the financial statements is appropriate.</p> <p>We identified no issues or concerns that lead us to conclude the going concern assumption cannot be relied upon.</p> |
| Fraud | <p>During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud, however, should instances of fraud come to our attention, we will report them to you.</p> |
| Compliance with laws and regulations | <p>We have made enquiries in relation to compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.</p> |
| Significant findings from the audit | <p>Other than those documented in the executive summary and sections 2 and 3 of this report, there were no significant matters arising from the audit.</p> |
| Disagreements with management | <p>There have been no disagreements with management over matters of significance to the audit.</p> |
| Difficulties encountered during the audit | <p>There have been no significant difficulties encountered during the audit.</p> |
| Consultations with other accountants and consultants | <p>We have considered the need for other accounting specialists during our work and determined, due to the nature of the engagement and experience and knowledge of the engagement team, that no specialists were necessary for the current period.</p> |



Matter

How the matter was addressed

Management representation letter

We have not requested specific representation from management in addition to those areas normally covered by our standard representation letter.

Probity, waste and performance

We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We did not identify any issues of concern with respect to probity, waste and performance.

Publishing Annual Report on the School's Website

The Education and Training Act 2020 requires you to publish your Annual Report on-line. Your Annual Report contains your audited annual financial statements including our audit opinion, analysis of variance, list of trustees and Kiwisport statement.

Making your Annual Report accessible to the school community is important for transparency and accountability. The expectation is that your Annual Report is published as soon as possible after your audit is completed, as the value of good accountability lessens over time. We note that you did publish your 2019 Annual Report on your website.



APPENDIX 1 - ADJUSTED AND UNADJUSTED DIFFERENCES

AUDIT ADJUSTMENTS

The following misstatements have been identified during the course of our audit, and have been adjusted:

| Description | Assets | Liabilities | Reserves | Profit |
|--|--------|-------------|----------|----------|
| | Dr(Cr) | Dr(Cr) | Dr(Cr) | Dr(Cr) |
| | \$ | \$ | \$ | \$ |
| To update provision for cyclical maintenance to reflect new plan | | 24,784 | | (24,784) |
| Net Effect of Adjustments made: | | 24,784 | | (24,784) |



UNADJUSTED DIFFERENCES

The following misstatements have been identified during the course of our audit, and have not been adjusted as they were considered by management not to be material:

| Description | Assets | Liabilities | Reserves | Profit |
|---|--------|-------------|----------|--------|
| | Dr(Cr) | Dr(Cr) | Dr(Cr) | Dr(Cr) |
| | \$ | \$ | \$ | \$ |
| ACC Receivable/Payable on Teachers Salary Grant/Expense | 11,026 | (11,026) | | |
| Net Effect of Adjustments not made: | 11,026 | (11,026) | | |

APPENDIX 2 - UPDATE ON FINDINGS FROM PRIOR YEAR

AUDIT REPORT – PROVISION FOR CYCLICAL MAINTENANCE

Finding

The audit report is qualified in respect of the cyclical maintenance provision. As disclosed in note 16, the Ministry of Education is to undertake a large refurbishment project involving a number of the schools buildings. As part of this process a 10 year property plan will be put in place for the remaining not effected buildings. Until there is a clear plan, there is significant uncertainty about the future maintenance the School needs to carry out on its existing buildings. The cyclical maintenance provision reported as at 31 December 2019 could be materially misstated. Once the detail of the refurbishment works has been confirmed a further review of the provision for cyclical maintenance can be carried out, in respect to what maintenance works need to be provided for in the provision for cyclical maintenance.

Update

Resolved - The school obtained a new 10 year property plan which was used to update the provision for cyclical maintenance.

HIGH USE OF OPERATIONAL FUNDING ON WAGE COSTS

Finding

From discussions with the Ministry of Education, we note that the average school uses around 50-55% of its operations grant to fund additional BOT wages. Your school used 67% of its operations grant to fund BOT wages in the 2019 year, which is significantly higher than the national average.

Using a high proportion of the operations grant to fund additional wages creates a potential risk that there may not be enough operations grant remaining to fund other school expenses. We acknowledge however it is the school's choice how to allocate operations grant funding, and there are a number of reasons why a school could choose to fund additional teachers' salaries through the operations grant. In some cases as well the school may receive a high level of teacher aide funding which helps to supplement any higher use.

Update

Advisory only - Noted percentage of 62% in 2020



We raise this not as a recommendation for change, but as a point of discussion for the Board of Trustees, to ensure you are aware of it.

GST ON BUILDING ASSETS DISTRIBUTED TO THE MINISTRY - ADVISORY

Finding

An agreement was reached between the school and the Ministry of Education to hand over ownership of the gym, administration block and the boiler to the Ministry of Education. This resulted in \$112,277 of assets being distributed to the Ministry of Education via the schools Statement of Movements in Equity.

When the school purchased these assets, it would have claimed GST on the invoices paid. It is possible that the distribution of the assets to the Ministry of Education would be treated as a deemed sale of assets or the donation of assets to a third party by the IRD. This may trigger GST to be paid to the IRD on the \$112,277 transferred.

Although the amount of GST potentially payable is not material for audit purposes, we recommend the schools seek advice from its accounting service provider or the Ministry of Education regarding this matter.

Update

Advisory point only - We understand the school has made a number of efforts to obtain and answer on the matter.