

# Kōwhai Special School

## Annual Report FOR THE YEAR ENDED 31 DECEMBER 2019

### School Directory

<b>Ministry Number:</b>	2588
<b>Principal:</b>	Sarah Roil
<b>School Address:</b>	407 Hastings St South, Hastings
<b>School Postal Code:</b>	4156
<b>School Phone:</b>	06 8783506
<b>School Email:</b>	<a href="mailto:admin@kowhaispecial.school.nz">admin@kowhaispecial.school.nz</a>

### Members of the Board of Trustees

Name	Position	How position gained	Term expired/expires
Dylan Turnbull	Chairperson (from May 2019)	Elected	May 2022
Sandra Blake	Chairperson (to May 2019)	Elected	May 2022
Sarah Roil	Principal ex officio		
Kirsty Botherway	Parent Rep	Elected	May 2022
Raewyn Hekau	Parent Rep	Elected	May 2022
Deane Morrison	Parent Rep	Co-opted	May 2022
Dean Goodall	Parent Rep	Elected	May 2022
Bridget Paku	Parent Rep	Co-opted	May 2019
Amy Shoebridge	Staff Rep	Elected	May 2022
June Hogenesch	Staff Rep	Elected	May 2019

<b>Accountant / Service Provider:</b>	Eclipse Solutions 4 Schools Ltd
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# KŌWHAI SPECIAL SCHOOL

Annual Report - For the year ended 31 December 2019

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## Kōwhai Special 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 judgement 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.

Dylon Turnbull  
Full Name of Board Chairperson

  
Signature of Board Chairperson

17/09/2020  
Date:

Sarah Anne Rorill  
Full Name of Principal

  
Signature of Principal

17/09/2020  
Date:

**Kōwhai Special School****Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	2,973,129	2,876,573	2,804,436
Locally Raised Funds	3	67,138	64,977	90,324
Interest Income		46,165	30,000	41,286
Other Revenue		640	-	784
		<u>3,087,072</u>	<u>2,971,550</u>	<u>2,936,830</u>
<b>Expenses</b>				
Locally Raised Funds	3	12,152	6,000	2,275
Learning Resources	4	2,258,670	2,302,716	1,994,838
Administration	5	121,646	116,670	113,627
Finance		2,581	1,722	3,054
Property	6	366,645	374,210	356,550
Depreciation	7	181,904	212,857	175,073
Loss on Disposal of Property, Plant and Equipment		-	-	25,416
Transport		19,017	21,500	15,787
		<u>2,962,615</u>	<u>3,035,675</u>	<u>2,686,620</u>
<b>Net Surplus / (Deficit) for the Year</b>		124,457	(64,125)	250,210
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>124,457</u>	<u>(64,125)</u>	<u>250,210</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.

# Kōwhai Special School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
<b>Balance at 1 January</b>	<u>2,065,790</u>	<u>2,065,790</u>	<u>1,804,644</u>
Total Comprehensive Revenue and Expense for the Year	124,457	(64,125)	250,210
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	2,039	-	10,936
Donation to Ministry of Education - Property	-	-	-
Adjustment to Accumulated surplus/(deficit) from adoption of PBE IFRS 9			
<b>Equity at 31 December</b>	<u>2,192,286</u>	<u>2,001,665</u>	<u>2,065,790</u>
Retained Earnings	2,192,286	2,001,665	2,065,790
Reserves	-	-	-
<b>Equity at 31 December</b>	<u>2,192,286</u>	<u>2,001,665</u>	<u>2,065,790</u>

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

**Kōwhai Special School**  
**Statement of Financial Position**  
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	584,602	508,097	648,329
Accounts Receivable	9	205,908	207,543	289,334
GST Receivable		20,123	15,000	305
Prepayments		18,524	10,000	10,626
Investments	10	1,500,000	1,370,000	1,220,459
		<u>2,329,157</u>	<u>2,110,640</u>	<u>2,169,053</u>
<b>Current Liabilities</b>				
Accounts Payable	12	273,924	257,953	202,549
Revenue Received in Advance	13	-	-	115
Finance Lease Liability - Current Portion	15	16,192	16,192	17,554
Funds Held for Capital Works Projects	16	132,887	(100,000)	17,957
Funds Held on Behalf of Ministry Ongoing Resourcing Scheme	17	430,710	355,646	510,923
		<u>853,713</u>	<u>529,791</u>	<u>749,098</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>1,475,444</u>	<u>1,580,849</u>	<u>1,419,955</u>
<b>Non-Current Assets</b>				
Property, Plant and Equipment	11	746,026	650,000	673,365
		<u>746,026</u>	<u>650,000</u>	<u>673,365</u>
<b>Non-Current Liabilities</b>				
Provision for Cyclical Maintenance	14	20,375	20,375	19,144
Finance Lease Liability	15	8,809	8,809	8,386
		<u>29,184</u>	<u>29,184</u>	<u>27,530</u>
<b>Net Assets</b>		<u><u>2,192,286</u></u>	<u><u>2,201,665</u></u>	<u><u>2,065,790</u></u>
<b>Equity</b>		<u><u>2,192,286</u></u>	<u><u>2,001,665</u></u>	<u><u>2,065,790</u></u>

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

**Kōwhai Special School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

		2019	2019	2018
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash Flows from Operating Activities</b>				
Government Grants		687,522	501,850	680,660
Locally Raised Funds		60,588	255,053	20,214
Goods and Services Tax (net)		(19,818)	(3,040)	174
Payments to Employees		(162,839)	(76,500)	(164,538)
Payments to Suppliers		(176,561)	(465,164)	(244,554)
Interest Paid		(2,581)	(1,722)	(3,054)
Interest Received		50,050	22,000	36,862
Net Cash from/(to) the Operating Activities		436,361	232,477	325,764
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		-	(5,338)	(25,416)
Purchase of PPE (and Intangibles)		(237,258)	39,540	(273,497)
Purchase of Investments		(279,541)	(367,897)	(418,356)
Net Cash from/(to) the Investing Activities		(516,799)	(333,695)	(717,269)
<b>Cash Flows from Financing Activities</b>				
Furniture and Equipment Grants		2,039	-	10,937
Finance Lease Payments		(18,247)	(9,283)	(8,344)
Funds Administered on Behalf of Third Parties		(80,213)	39,072	(170,420)
Funds Held for Capital Works Projects		114,930	-	389,019
Net Cash from Financing Activities		18,509	29,789	221,192
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(61,929)</b>	<b>(71,429)</b>	<b>(170,313)</b>
Cash and Cash Equivalents at the Beginning of the Year	8	648,329	579,526	818,642
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>8</b>	<b>586,400</b>	<b>508,097</b>	<b>648,329</b>

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.

# Kōwhai Special School

## Notes to the Financial Statements

For the year ended 31 December 2019

### 1. Statement of Accounting Policies

#### **a) Reporting Entity**

Kowhai Special 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, Fairhaven has elected to early adopt PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Information about the adoption of PBE IFRS 9 is provided in Note 27.

##### **PBE Accounting Standards Reduced Disclosure Regime**

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

##### **Measurement Base**

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

##### **Presentation Currency**

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

##### **Specific Accounting Policies**

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

##### **Critical Accounting Estimates And Assumptions**

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

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



#### *Useful lives of property, plant and equipment*

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

#### *Cyclical maintenance provision*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at Note 14.

#### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

#### **Other Grants**

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

#### **Donations, Gifts and Bequests**

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

#### **Interest Revenue**

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

**d) Use of Land and Buildings Expense**

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**Prior Year Policy**

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

**i) Investments**

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

**Prior Year Policy**

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

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

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

#### **j) 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 years
Information and Communication Technology	3-10 years
Motor Vehicles	5-10 years
Textbooks	3 years
Leased Assets Held Under a Finance Lease	4 years
Library resources	12.5% Diminishing value

#### **k) 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.

#### **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) Revenue Received in Advance**

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

#### **o) 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).

#### **p) 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.

**q) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

**r) Budget Figures**

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

**s) Services received in-kind**

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

## 2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	410,151	420,000	412,271
Teachers' Salaries Grants	2,134,436	2,134,436	1,880,767
Use of Land and Buildings Grants	240,287	240,287	241,051
Other MoE Grants	89,412	850	149,938
Other Government Grants	98,843	81,000	120,409
	<u>2,973,129</u>	<u>2,876,573</u>	<u>2,804,436</u>

## 3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Revenue</b>			
Donations	6,351	-	4,210
Fundraising	783	5,000	71
Other Revenue	58,898	58,977	84,861
Activities	1,106	1,000	1,182
	<u>67,138</u>	<u>64,977</u>	<u>90,324</u>
<b>Expenses</b>			
Activities	12,152	6,000	2,275
	<u>12,152</u>	<u>6,000</u>	<u>2,275</u>
<i>Surplus/(Deficit) for the year Locally Raised Funds</i>	<u>54,986</u>	<u>58,977</u>	<u>88,049</u>

## 4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	47,177	66,680	46,521
Equipment Repairs	9,105	5,000	9,916
Information and Communication Technology	15,150	15,000	15,716
Library Resources	901	7,100	720
Employee Benefits - Salaries	2,144,765	2,146,936	1,885,222
Staff Development	41,572	62,000	36,743
	<u>2,258,670</u>	<u>2,302,716</u>	<u>1,994,838</u>

## 5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,450	4,600	4,560
Board of Trustees Fees	2,505	2,500	2,155
Board of Trustees Expenses	5,014	7,250	2,798
Communication	5,295	9,670	9,496
Consumables	7,421	6,450	6,133
Other	10,731	10,750	8,827
Employee Benefits - Salaries	76,710	70,000	73,948
Insurance	1,007	950	977
Service Providers, Contractors and Consultancy	7,513	4,500	4,733
	<u>121,646</u>	<u>116,670</u>	<u>113,627</u>

## 6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,334	6,700	4,592
Consultancy and Contract Services	19,094	26,300	21,591
Cyclical Maintenance Provision	1,231	6,473	7,426
Grounds	26,241	21,300	2,941
Heat, Light and Water	12,288	20,000	21,721
Rates	487	700	444
Repairs and Maintenance	5,241	3,450	4,441
Use of Land and Buildings	240,287	240,287	241,051
Security	5,848	5,000	3,908
Employee Benefits - Salaries	52,594	44,000	48,435
	<u>366,645</u>	<u>374,210</u>	<u>356,550</u>

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

## 7. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	5,565	5,321	2,599
Furniture and Equipment	75,980	95,778	74,201
Information and Communication Technology	30,626	95,778	32,357
Motor Vehicles	49,629	5,338	48,070
Leased Assets	19,695	5,321	17,379
Library Resources	409	5,321	467
	<u>181,904</u>	<u>212,857</u>	<u>175,073</u>

## 8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	2,376	2,000	1,417
Bank Current Accounts	222,187	206,097	295,726
Bank Call Accounts	360,039	300,000	351,186
Cash equivalents and bank overdraft for Cash Flow Statement	<u>584,602</u>	<u>508,097</u>	<u>648,329</u>

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

Of the \$584,602 Cash and Cash Equivalents, \$132,887 is held by the school on behalf of the Ministry of Education. These funds are required to be spent in 2020 on Crown owned school buildings under the School's Five Year Property Plan.

## 9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	12,399	10,000	5,324
Interest Receivable	8,168	8,000	12,053
Banking Staffing Underuse	55,798	60,000	143,115
Teacher Salaries Grant Receivable	129,543	129,543	128,842
	<u>205,908</u>	<u>207,543</u>	<u>289,334</u>
Receivables from Exchange Transactions	-	-	-
Receivables from Non-Exchange Transactions	205,908	207,543	289,334
	<u>205,908</u>	<u>207,543</u>	<u>289,334</u>

## 10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	1,500,000	1,370,000	1,220,459
Non-current Asset			
Long-term Bank Deposits	-	-	-
Total Investments	<u>1,500,000</u>	<u>1,370,000</u>	<u>1,220,459</u>



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2019	\$	\$	\$	\$	\$	\$
Building Improvements	181,950	158,124	-	-	(5,565)	334,509
Furniture and Equipment	299,660	6,094	-	-	(75,980)	229,774
Information and Communication Technology	51,232	12,114	-	-	(30,626)	32,720
Motor Vehicles	113,091	60,927	-	-	(49,629)	124,389
Leased Assets	24,158	17,306	-	-	(19,695)	21,769
Library Resources	3,274	-	-	-	(409)	2,865
<b>Balance at 31 December 2019</b>	<b>673,365</b>	<b>254,565</b>	<b>-</b>	<b>-</b>	<b>(181,904)</b>	<b>746,026</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2019	\$	\$	\$
Building Improvements	357,328	(22,819)	334,509
Furniture and Equipment	609,973	(380,199)	229,774
Information and Communication Technology	233,429	(200,709)	32,720
Motor Vehicles	353,935	(229,546)	124,389
Leased Assets	75,095	(53,326)	21,769
Library Resources	4,271	(1,406)	2,865
<b>Balance at 31 December 2019</b>	<b>1,634,031</b>	<b>(888,005)</b>	<b>746,026</b>

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Building Improvements	61,195	147,867	(24,513)	-	(2,599)	181,950
Furniture and Equipment	305,634	68,261	(34)	-	(74,201)	299,660
Information and Communication Technology	33,332	51,126	(869)	-	(32,357)	51,232
Motor Vehicles	136,474	24,687	-	-	(48,070)	113,091
Leased Assets	31,342	10,195	-	-	(17,379)	24,158
Library Resources	3,702	39	-	-	(467)	3,274
<b>Balance at 31 December 2018</b>	<b>571,679</b>	<b>302,175</b>	<b>(25,416)</b>	<b>-</b>	<b>(175,073)</b>	<b>673,365</b>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
2018	\$	\$	\$
Building Improvements	199,204	(17,254)	181,950
Furniture and Equipment	603,878	(304,218)	299,660
Information and Communication Technology	221,314	(170,082)	51,232
Motor Vehicles	293,008	(179,917)	113,091
Leased Assets	57,788	(33,630)	24,158
Library Resources	4,271	(997)	3,274
<b>Balance at 31 December 2018</b>	<b>1,379,463</b>	<b>(706,098)</b>	<b>673,365</b>

## 12. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	102,455	70,000	14,299
ASB Credit Cards	1,874	-	-
Accruals	8,410	8,410	4,560
Employee Entitlements - Salaries	129,543	129,543	128,842
Employee Entitlements - Leave Accrual	31,642	50,000	54,848
	<u>273,924</u>	<u>257,953</u>	<u>202,549</u>
Payables for Exchange Transactions	273,924	257,953	202,549
Payables for Non-Exchange Transactions - Taxes Payable (PAYE and rates)	-	-	-
Payables for Non-Exchange Transactions - Other	-	-	-
	<u>273,924</u>	<u>257,953</u>	<u>202,549</u>

The carrying value of payables approximates their fair value.

## 13. Revenue Received in Advance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Other	-	-	115
	<u>-</u>	<u>-</u>	<u>115</u>

## 14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	19,144	19,144	11,718
Increase/(Decrease) to the Provision During the Year	1,231	6,473	7,426
Use of the Provision During the Year	-	(5,242)	-
Provision at the End of the Year	<u>20,375</u>	<u>20,375</u>	<u>19,144</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	20,375	20,375	19,144
	<u>20,375</u>	<u>20,375</u>	<u>19,144</u>

## 15. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	16,192	16,192	17,554
Later than One Year and No Later than Five Years	8,809	8,809	8,386
Later than Five Years	-	-	-
	<u>25,001</u>	<u>25,001</u>	<u>25,940</u>

## 16. 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:

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution	Closing Balances \$
Block F Special Needs & Pool Building Modification	<i>in progress</i>	17,957	165,151	(50,221)	-	132,887
Base Unit SNP Access	<i>completed</i>	-	6,537	(6,537)	-	-
Totals		<u>17,957</u>	<u>171,688</u>	<u>(56,758)</u>	<u>-</u>	<u>132,887</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education  
Funds Due from the Ministry of Education

132,887

132,887

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Block F Special Needs & Pool Building Modification	<i>in progress</i>	-	25,967	(8,010)	-	17,957
Base Unit SNP Access	<i>completed</i>	(371,407)	272,031	(43)	99,419	-
Totals		<u>(371,407)</u>	<u>297,998</u>	<u>(8,053)</u>	<u>99,419</u>	<u>17,957</u>

## 17. ORS Funding

Kowhai Special School is a Special Needs School and holds funds for the Ministry's Ongoing Resourcing Scheme (ORS)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Funds Held at Beginning of the Year	510,923	500,000	702,863
ORS Funding	1,289,916	1,179,546	1,249,711
ORS Expenditure			
Administration	(58,898)	(58,900)	(60,119)
Consumables & Resources	(30,231)	(33,000)	(40,443)
ORS Specialists	(443,092)	(485,000)	(541,577)
Teacher Aide Salaries	(837,908)	(747,000)	(799,512)
Funds Held at Year End	<u>430,710</u>	<u>355,646</u>	<u>510,923</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	2,505	3,410
Full-Time Equivalent Members	0.25	0.25
<i>Leadership Team</i>		
Remuneration	346,607	341,192
Full-Time Equivalent Members	3.00	3.00
Total Key Management Personnel Remuneration	<u>349,112</u>	<u>344,602</u>
Total Full-Time Equivalent Personnel	<u>3.25</u>	<u>3.25</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	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	0 - 0
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	-
	<u>1</u>	<u>-</u>

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

## 20. Compensation and Other Benefits Upon Leaving

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

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

## 21. Contingencies

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

### Holidays Act Compliance – schools payroll

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

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

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board had not entered into contract agreements for capital works.

(Capital commitments at 31 December 2018: \$295,000)

### 23. Managing Capital

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

### 24. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	584,602	508,097	648,329
Receivables	205,908	207,543	289,334
Investments - Term Deposits	1,500,000	1,370,000	1,220,459
Total Financial assets measured at amortised cost	<u>2,290,510</u>	<u>2,085,640</u>	<u>2,158,122</u>

#### Financial Liabilities Measured at Amortised Cost

Payables	273,924	257,953	202,549
Finance Leases	25,001	25,001	25,940
Total Financial Liabilities Measured at Amortised Cost	<u>298,925</u>	<u>282,954</u>	<u>228,489</u>

### 25. Events After Balance Date

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

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

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

### 26. Comparatives

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

## **27. Adoption of PBE IFRS 9 Financial Instruments**

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

- Note 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

## **28. Statutory Reporting Deadline Not Met Due to COVID-19**

Under Section 87C1 of the Education Act 1989, the Board of Trustees is required to forward audited financial statements to the Ministry of Education by 31 May 2020.

COVID-19 as noted in note 25, and the lockdown rules at Alert Levels 3 and 4, which restricted access to financial records, meant that the audit could not progress as planned and as a result the deadline could not be met. This situation was beyond the Board's control, and on the 28 May 2020 the Secretary for Education provided assurance that the Board would not be penalised for not meeting the deadline.

# **Kōwhai Special School**

## **Kiwisport Report**

For the year ended 31 December 2019

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2019 the school received total Kiwisport funding of \$2,011 (excluding GST). The funding was spent on equipment and staff training..

The number of students participating in organised sport continues to be at excellent levels.



## **Analysis of Student IEP Goal Progress End of Year 2019**

### **Introduction:**

Students at Kōwhai Special School each have their own Individual Education Plan (IEP). As usual in the cycle, 2019 began with meetings held in Weeks 2 to 4 of Term 1 so that work on goals could begin promptly. The mid-year review took place in July and did not include meetings if parents or caregivers were happy to discuss the goals by phone or other means. The final review of goals for the year took place in November.

Therapists continue to have valuable input into IEPs, attending meetings as the Key Contact specialist for the student, and helping to write goals as appropriate.

As for previous years, if there was more than one goal, teachers indicated which was the most important goal for data analysis. That goal was labelled as Goal One. The other goals (Two and Three) are in no particular order. Goals have been scored at mid year using the Phase System. This allows some goals to be measured by a time based system and others by a prompt based hierarchy. See *Appendix One* for detail.

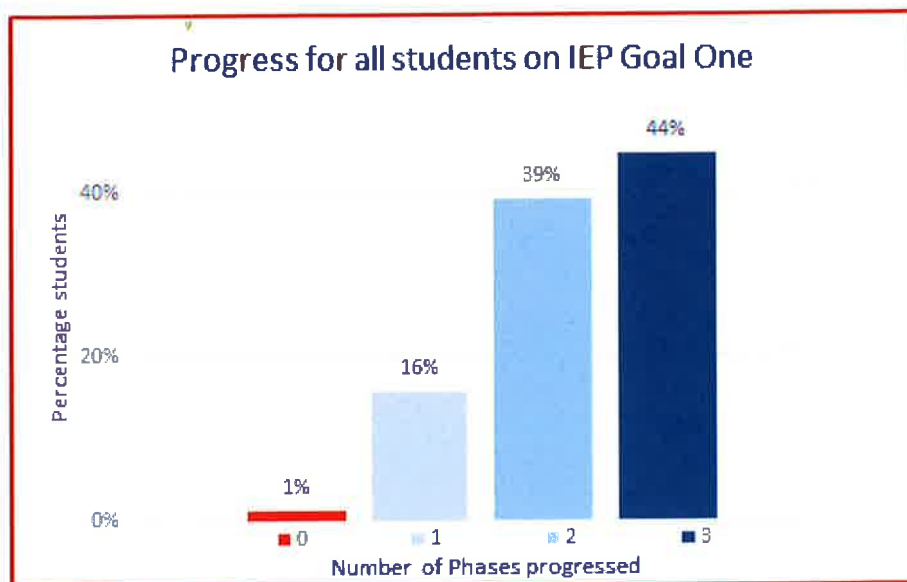
Progress on goals for the end of the year was reviewed with therapists who had been involved with the goals, teaching assistants, and parents or caregivers.

Some goals had already been achieved by mid-year. When this happened the old goal is marked as 'achieved' and scored as '1' on the Phase System. Generally a new goal will be written for the student but this was not included in data analysis.

Evidence from IEP goals is recorded on StoryPark where parents, caregivers and students can view progress.

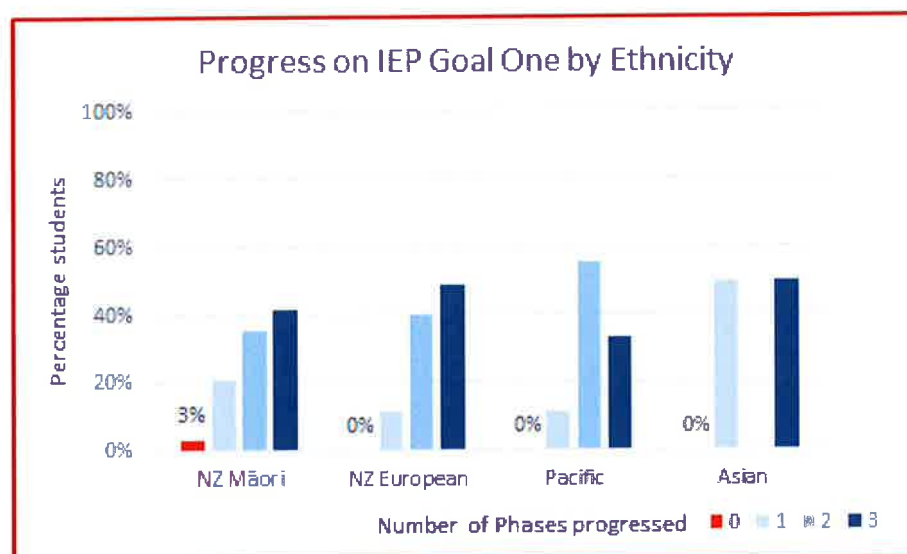
We are required by the Ministry of Education to begin the transition process out of school at age 14. The IEP process now includes suggestions for topics of discussion for parents and caregivers as part of the beginning of year meetings for students aged 14 and older. These questions are intended to help parents and caregivers think more about their student leaving school. They also prompt the writing of IEP goals to help students develop the skills they will need when they leave school. Feedback from teachers and therapists about the post 14 years IEP has been very positive with parents and caregivers being supportive and there are a lot more ideas and discussions.

## Results: All students:



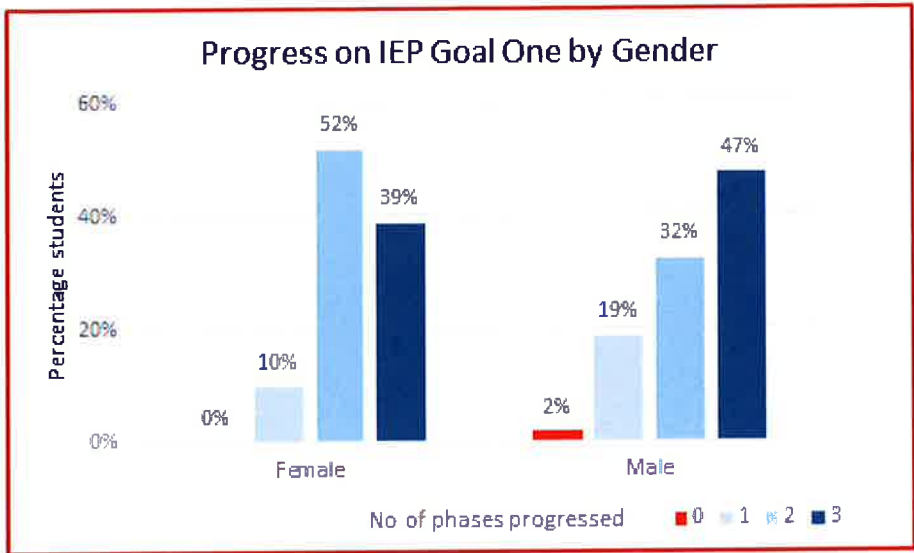
- Only 1% of students (1 student) have made no progress on IEP Goal One.
- 44% have achieved their goal and 39% have progressed 2 phases so are close to achieving.

## Ethnicity:



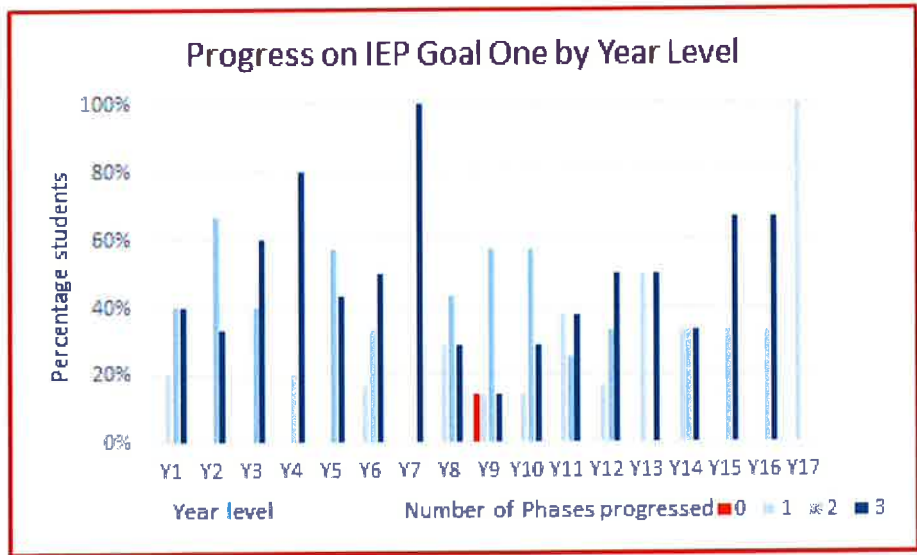
- NZ European students have made slightly better progress than NZ Māori students (49% compared with 44%).
- There are fewer Pacific students achieving their goal but the group has a higher percentage of students who have moved two phases.
- The group of Asian students is too small to comment.

**Gender:**



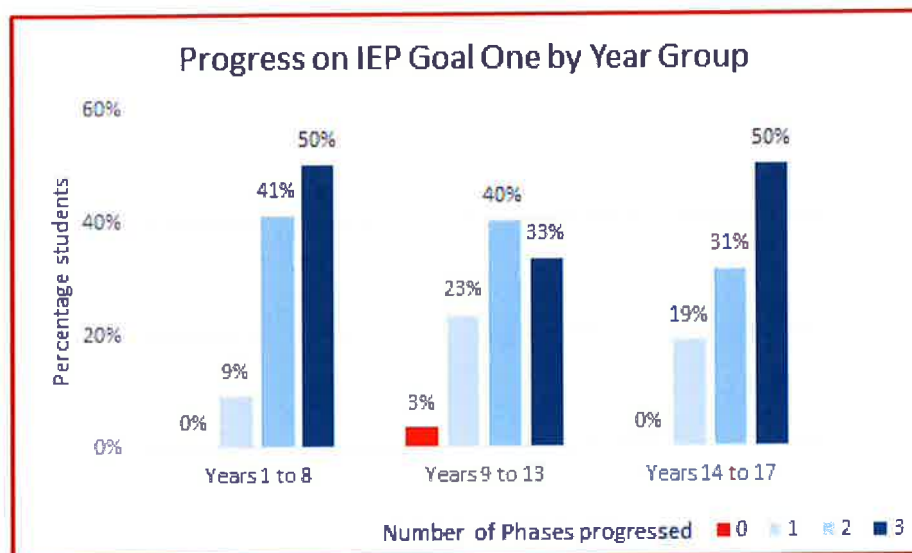
- There are more boys achieving their goal than girls (47% compared with 39%).
- However a greater percentage of girls have moved two phases (52% compared to 32% for boys).

**Year Level:**



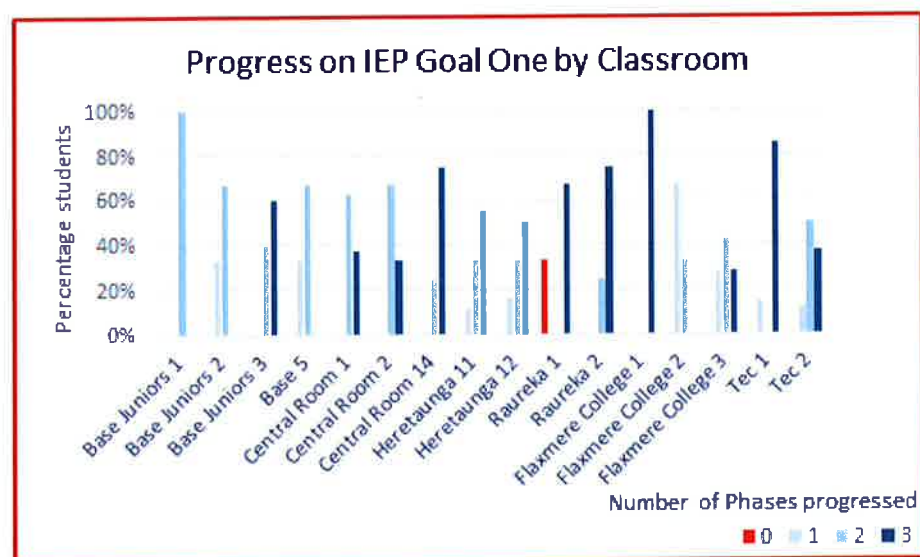
- Transitions within the school take place at around Years 3, 6, 10 and 14 and there may be evidence in the progress by year level that students need a catch-up time when moving to another area of the school. There is some variation in the age at which students move up the school however.

## Year Groups:



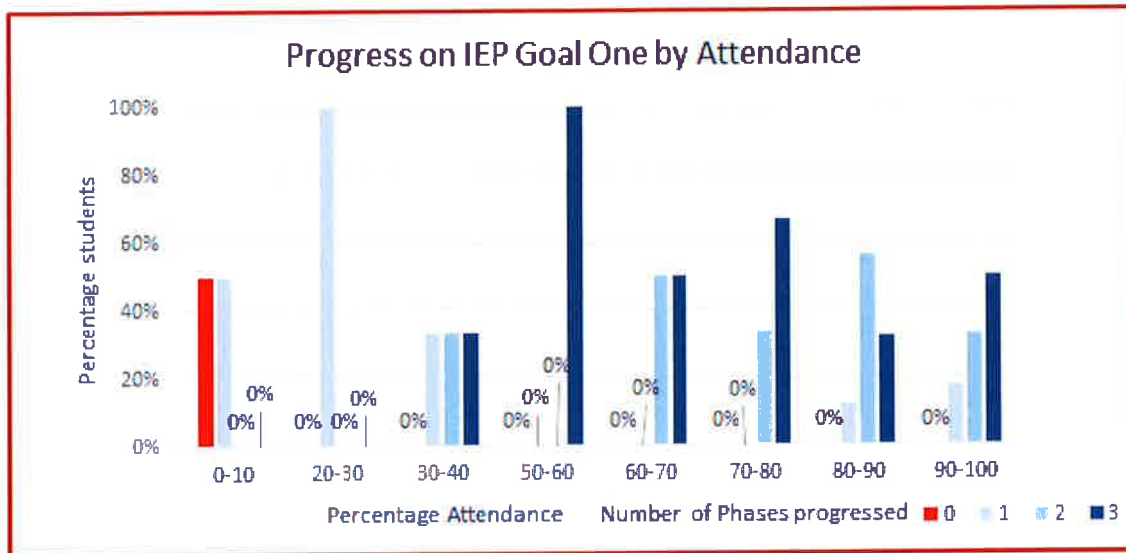
- The two groups of Years 1 to 8 and Years 14 to 17 students have 50% of the students fully achieving their goals.
- Years 9 to 13 students are generally intermediate and high school aged. The reason for slower progress for this group is unclear.

## Classroom:



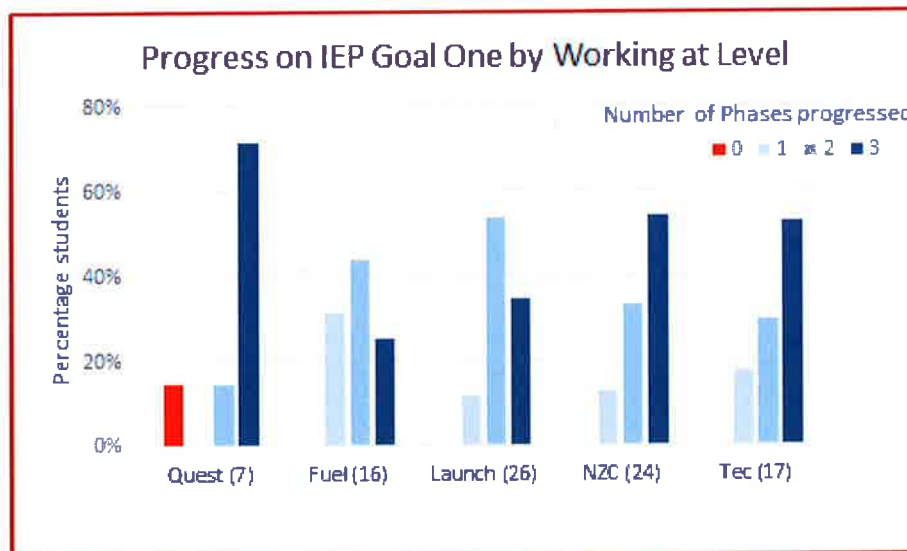
- There is a variation in patterns of improvement on IEP Goal One throughout the different classrooms. It should be noted that lack of progress is due to many factors and is often beyond the control of the classroom teacher. For example the student who made no progress on their priority IEP goal at Raureka has high absenteeism because of health reasons.

## Attendance:



- It is quite clear that there is a definite relationship between attendance and progress on IEP Goal One. Although encouragement and support can often be given, other factors such as medical reasons can impact on attendance.

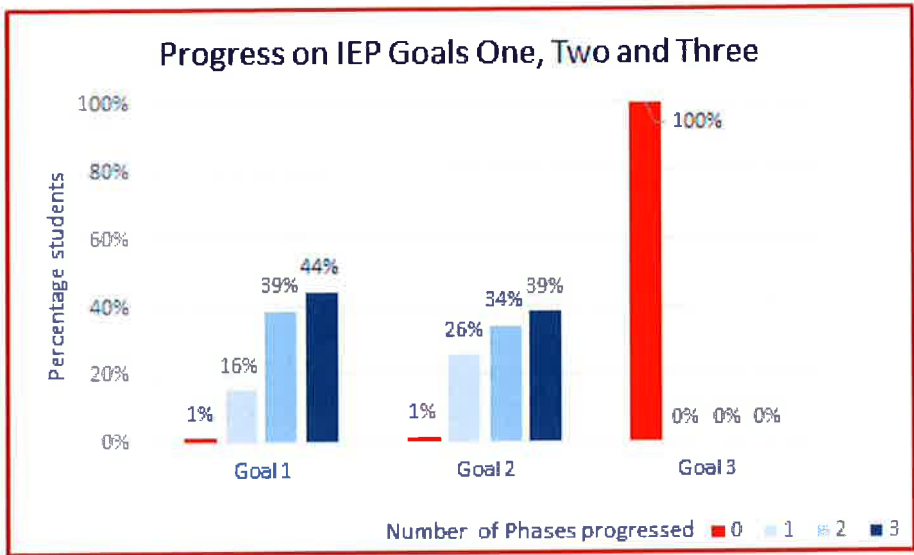
## Students Working at Levels:



(Number of students in brackets)

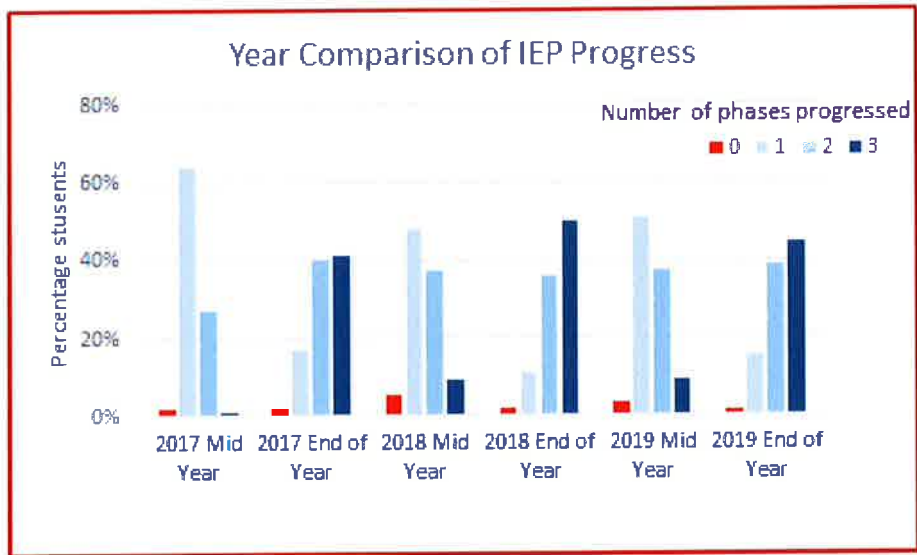
- A good percentage of students working at Quest have achieved their Goal One (71%)
- There are also a good percentage of students working on the New Zealand Curriculum (Level One) (54%) and at Kōwhai Tec (53%) who have achieved Goal One.

**Goals One, Two and Three:**



- The pattern of progress is not too different for IEP Goals One and Two with slightly more students fully achieving IEP Goal One (44% compared to 39% for IEP Goal Two).
- Only one student had a third goal and no progress was made on this goal.

**2017 and 2018 Year Comparison:**



- Progress on IEP Goal One in 2019 at the end of the year is slightly down from 2018 (44% compared to 50%).

Progression of Students on Goal One 2019:

	Number of students	Made progress %	Did not Progress	Progressed one phase	Progressed two phases	Progressed three phases
All students	90	99%	1%	16%	39%	44%
Māori	34	97%	3%	21%	35%	41%
European	45	100%	0%	11%	40%	49%
Pacific	9	100%	0%	11%	56%	33%
Asian	2	100%	0%	50%	0%	50%
Female	31	100%	0%	10%	52%	39%
Male	59	98%	2%	19%	32%	47%
Year 1	5	100%	0%	20%	40%	40%
Year 2	6	100%	0%	0%	67%	33%
Year 3	5	100%	0%	0%	40%	60%
Year 4	5	100%	0%	0%	20%	80%
Year 5	7	100%	0%	0%	57%	43%
Year 6	6	100%	0%	17%	33%	50%
Year 7	3	100%	0%	0%	0%	100%
Year 8	7	100%	0%	29%	43%	29%
Year 9	7	86%	14%	14%	57%	14%
Year 10	7	100%	0%	14%	57%	29%
Year 11	8	100%	0%	38%	25%	38%
Year 12	6	100%	0%	17%	33%	50%
Year 13	2	100%	0%	50%	0%	50%
Year 14	6	100%	0%	33%	33%	33%
Year 15	6	100%	0%	0%	33%	67%
Year 16	3	100%	0%	0%	33%	67%
Year 17	1	100%	0%	100%	0%	0%
Years 1 to 8	44	100%	0%	9%	41%	50%
Years 9 to 17	30	97%	3%	23%	40%	33%
Years 14 to 17	16	100%	0%	19%	31%	50%



### Progression of Students on Goal One by Working at Level 2019:

	Number of students	Made progress %	Did not Progress	Progressed one phase	Progressed two phases	Progressed three phases
Quest level	7	86%	14%	0%	14%	71%
Fuel level	16	100%	0%	31%	44%	25%
Launch	26	100%	0%	12%	54%	35%
NZC Level 1	24	100%	0%	13%	33%	54%
Tec (or + Year 13)	17	100%	0%	18%	29%	53%

(See Appendix Three for information on how the students working at levels were selected)

- The group of students working at Fuel Level (Fuel 5 and 6) have made less progress with only 25% achieving their goal.

### Student Progression on IEP Goals by Goals One, Two and Three

	Goal One			Goal Two			Goal Three		
	Number of students	% Students progressed	Average progression	Number of students	% Students progressed	Average progression	Number of students	% Students progressed	Average progression
All students	90	99%	2.3	70	99%	2.1	1	0%	0
Māori	34	97%	2.1	28	96%	2.1			
European	45	100%	2.4	33	100%	2.1			
Pacific	9	100%	2.2	8	100%	2.1			
Asian	2	100%	2.0	1	100%	2.0			
Female	31	100%	2.3	26	100%	2.1			
Male	59	98%	2.3	44	98%	2.1			

- Māori students have a lower average progression compared to European students (2.1 compared to 2.4).
- The other average progressions for IEP Goals One and Two are very similar.

### Goals with no progress made:

There were three goals with no progress made during the year, one for Goal One, one for Goal Two and one for Goal Three. All reasons given below are valid. Goals can sometimes be too difficult for a student to make any progress on but it can be worthwhile to try.

1. IEP Goal One: Medical reasons
2. IEP Goal Two: The goal was too difficult.
3. IEP Goal Three: The goal was too difficult.



## End of Year IEP Discussion:

Although progress on IEP Goal One is slightly less than in 2018, the results are still good with only one student making no progress for valid reasons. Also there are a large group of students who have moved two phases which is still a good result.

NZ Māori students have made slightly less progress than NZ European students on Goal One, partly due to one student who was not able to make progress due to health reasons. The average progression for Māori on Goal One was less at 2.1 (compared to 2.4 for NZ European). See Appendix One for measures in place to give opportunities for Māori to learn as Māori and Pacific students to learn as Pacific students.

Boys have made slightly more progress than girls by achieving their Goal One. However there are a larger group of girls at Phase 2. The reasons for this are unclear.

The group of students working at Fuel level have not progressed as well as the other groups. These are students working at Fuel 5 and Fuel 6 a. Some of this group has been working on Quest for Learning and are just beginning to work on slightly more academic goals. There is little in the way of formal assessment for this group, teachers instead relying on observational assessments. Efforts are being made in the school to improve the expanded frameworks for this group so learning goals are more relevant. This will continue to be a focus in 2020.

*June Hogenesch*

*November 2019*

## Appendix One:

### Measures in place to give opportunities for Māori to learn as Māori and Pacific students to learn as Pacific students:

- 300 hours of PLD from Sharron Fabbish and Neta McCutcheon
- Enhanced school practice
  - Schoolwide kai karakia
  - Waita, whakatauki and karakia in staff meetings
  - Increased Te Reo
  - Pepeha for students and staff
  - Classroom names
- Well-being
  - Mana enhancement
  - Hui - morning teas, cultural days and celebrations, kapa haka
- Teaching as Inquiry Culturally Responsive Practice
- Staff personal PLD such as He Papa Tikanga
- Increasing community involvement including marae visits
- Review of Kōwhai vision and values in Māori context

## Appendix Two:

### *The Phase System Guide*

Phase		Time Based	Time %	Prompt Based (Define prompt)
1	Achieved	Achieved	80 to 100% of the time	Achieved
2	Moving towards expectation	Most of the time	50 to 80%	Slight prompt
3	Developing	Some of the time	10 to 50%	Prompted
4	Starting point	Starting Point	0%	Starting Point

## Appendix Three: Data Exclusions:

- Students who were not present at the beginning of the data round
- Students who left school before the end of the IEP cycle

## Appendix Four: Selecting the groups of students at levels:

The group of students working at the various levels was identified based on the reported Working at Levels at mid-year (used for student reports) for reading, writing and maths with an average used of the various levels reported.



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF KOWHAI SPECIAL SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Kowhai Special School (the School). The Auditor-General has appointed me, Victoria Jane Lawson, using the staff and resources of PricewaterhouseCoopers, 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 Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

Our audit was completed on 17 September 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board 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 25 on page 20 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 arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included within the Analysis of Variance, the Kiwisport Statement, and the Board of Trustees List which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

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

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

**Independence**

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

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

A handwritten signature in blue ink, appearing to read 'V. J. Lawson'.

**Victoria Jane Lawson**  
**PricewaterhouseCoopers**  
**On behalf of the Auditor-General**  
**Napier, New Zealand**