

AROWHENUA MAORI SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Number: 3280

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Members of the Board of Trustees

Name	Position	How position on Board gained	Term expires
Sally Reihana	Chairperson	Elected May 2019	May 2022
Rynee de Garnham	Trustee	Elected May 2019	May 2022
Tuatahi Taha	Trustee	Co-opted March 2018	
Bronwyn Te Koeti	Principal		
Richie Waa	Chairperson	Elected May 2016	May 2019
Pikimai Ouknider	Trustee	Elected May 2016	May 2019
Elizabeth Wilson	Staff rep	Elected May 2016	Dec 2019

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AROWHENUA MAORI SCHOOL

Financial Statements - For the year ended 31 December 2019

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Arowhenua Maori School

Statement of Responsibility

For the year ended 31 December 2019

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

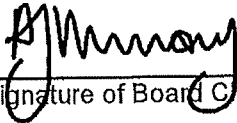
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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

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

Andrew James MURRAY

~~XXXXXXXXXXXX~~
Full Name of Board Chairperson
Commissioner, Arowhenua Maori School

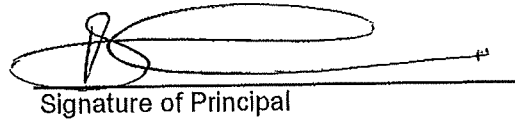


Signature of Board Chairperson

06/11/2020

Date:

~~XXXXXXXXXXXX~~ *Bronwynite Kōwhiri - James S*
Full Name of Principal



Signature of Principal

06/11/2020

Date:



Arowhenua Maori School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2019

	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January	170,528	170,528	146,028
Total comprehensive revenue and expense for the year	83	678	23,855
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	1,589	-	645
Equity at 31 December	172,200	171,206	170,528
Retained Earnings	172,200	171,206	170,528
Reserves			
Equity at 31 December	172,200	171,206	170,528

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.

Arowhenua Maori School
Statement of Financial Position
As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Assets				
Cash and Cash Equivalents	8	8,193	2,446	2,680
Accounts Receivable	9	35,985	30,690	28,225
Prepayments		4,274	3,000	4,995
Investments	10	90,000	90,000	95,000
		<u>138,452</u>	<u>126,136</u>	<u>130,900</u>
Current Liabilities				
GST Payable		4,687	-	4,632
Accounts Payable	12	39,811	34,190	27,936
Finance Lease Liability - Current Portion	14	3,753	-	3,999
Funds held for Capital Works Projects	15	-	-	-
		<u>48,251</u>	<u>34,190</u>	<u>36,567</u>
Working Capital Surplus/(Deficit)		90,201	91,946	94,333
Non-current Assets				
Property, Plant and Equipment	11	85,896	90,000	87,583
		<u>85,896</u>	<u>90,000</u>	<u>87,583</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	-	10,740	10,470
Finance Lease Liability	14	3,897	-	918
		<u>3,897</u>	<u>10,740</u>	<u>11,388</u>
Net Assets		<u>172,200</u>	<u>171,206</u>	<u>170,528</u>
Equity		<u>172,200</u>	<u>171,206</u>	<u>170,528</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash flows from Operating Activities				
Government Grants		170,473	160,434	174,045
Locally Raised Funds		10,588	12,360	15,839
Goods and Services Tax (net)		55	-	(676)
Payments to Employees		(81,355)	(76,516)	(61,172)
Payments to Suppliers		(94,302)	(85,252)	(99,727)
Interest Paid		(521)	-	(156)
Interest Received		3,337	1,900	2,959
Net cash from / (to) the Operating Activities		8,275	12,926	31,112
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(3,376)	(13,000)	(5,594)
Purchase of Investments		5,000	(10,000)	(35,000)
Net cash from / (to) the Investing Activities		1,624	(23,000)	(40,594)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,589	-	645
Finance Lease Payments		(5,975)	-	(6,060)
Funds Administered on Behalf of Third Parties		-	-	(2,275)
Net cash from Financing Activities		(4,386)	-	(7,690)
Net increase/(decrease) in cash and cash equivalents		5,513	(10,074)	(17,172)
Cash and cash equivalents at the beginning of the year	8	2,680	12,520	19,852
Cash and cash equivalents at the end of the year	8	8,193	2,446	2,680

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 omitted.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Arowhenua Maori

Notes to the Financial Statements

1 Statement of Accounting Policies

For the year ended 31 December 2019

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 14.

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

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

i) Inventories

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

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

The School has met the requirements of Schedule 6, Part 3, section 28 of the Education Amendment Act 2017 in relation to the acquisition of securities.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$500 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.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

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 – Crown	40-50 years
Furniture and equipment	10-20 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	10 years

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.

n) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

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 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.

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	142,838	140,000	153,781
Teachers' salaries grants	344,936	344,935	359,167
Use of Land and Buildings grants	65,108	65,108	92,866
Other MoE Grants	27,635	20,434	22,451
Other government grants	-	-	-
	<u>580,517</u>	<u>570,477</u>	<u>628,265</u>

3 Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	1,375	5,000	6,420
Fundraising	26	-	1,517
Other revenue	9,000	9,360	9,360
Trading	278	-	1,009
Activities	530	-	113
	<u>11,209</u>	<u>14,360</u>	<u>18,419</u>
Expenses			
Activities	-	-	-
Trading	4,038	-	2,167
Fundraising (costs of raising funds)	-	-	1,877
Other Locally Raised Funds Expenditure	9,353	500	1,180
	<u>13,391</u>	<u>500</u>	<u>5,224</u>
	<u>(2,182)</u>	<u>13,860</u>	<u>13,195</u>

Surplus for the year Locally raised funds

4 Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	20,208	22,100	26,797
Equipment repairs	706	1,000	258
Extra-curricular activities	867	1,000	1,890
Employee benefits - salaries	383,962	377,950	382,504
Staff development	7,033	5,000	6,043
	<u>412,776</u>	<u>407,050</u>	<u>417,492</u>

5 Administration

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Audit Fee	3,279	2,600	3,184
Board of Trustees Fees	3,005	4,000	3,665
Board of Trustees Expenses	6,090	4,000	8,049
Communication	2,710	2,700	2,798
Consumables	3,288	6,600	3,040
Other	11,141	15,900	9,882
Employee Benefits - Salaries	22,069	17,000	19,220
Insurance	3,513	3,300	3,091
	<u>55,095</u>	<u>56,100</u>	<u>52,929</u>

6 Property

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Caretaking and Cleaning Consumables	3,013	2,000	1,470
Reversal of Cyclical Maintenance Provision	(10,470)	-	1,745
Grounds	2,296	5,000	5,560
Heat, Light and Water	11,080	6,000	9,602
Rates	3,490	3,400	2,650
Repairs and Maintenance	2,130	1,500	2,817
Use of Land and Buildings - Non Integrated	65,108	65,108	92,866
Employee Benefits - Salaries	22,564	26,501	18,942
	<u>99,211</u>	<u>109,509</u>	<u>135,652</u>

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. 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 of Property, Plant and Equipment

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Building Improvements - Crown	1,632	2,000	1,632
Furniture and Equipment	2,598	3,000	3,127
Info and Comm Technology	2,667	3,000	3,212
Leased Assets	6,141	4,000	5,897
Library Resources	733	1,000	739
	<u>13,771</u>	<u>13,000</u>	<u>14,607</u>

8 Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	200	200	200
Bank Current Account	7,993	2,246	2,480
Bank Call Account	-	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>8,193</u>	<u>2,446</u>	<u>2,680</u>

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

9 Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	7,955	5,000	7,334
Receivables from the Ministry of Education	2,187	-	2,187
Interest Receivable	653	500	868
Teacher Salaries Grant Receivable	25,190	25,190	17,836
	<u>35,985</u>	<u>30,690</u>	<u>28,225</u>
Receivables from Exchange Transactions	8,608	5,500	8,202
Receivables from Non-Exchange Transactions	27,377	25,190	20,023
	<u>35,985</u>	<u>30,690</u>	<u>28,225</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	90,000	90,000	95,000

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2019.

11 Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2019						
Land - School	5,100	-	-	-	-	5,100
Building Improvements - Crown	43,862	-	-	-	(1,632)	42,230
Furniture and Equipment	13,624	1,148	-	-	(2,598)	12,174
Info and Comm Technology	17,323	1,430	-	-	(2,667)	16,086
Leased Assets	5,188	8,707	-	-	(6,141)	7,755
Library Resources	2,486	799	-	-	(733)	2,551
Balance at 31 December 2019	87,583	12,084	-	-	(13,771)	85,896

Accumulated Depreciation

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2019			
Land - School	5,100	-	5,100
Building Improvements - Crown	65,489	(23,259)	42,230
Furniture and Equipment	85,011	(72,837)	12,174
Info and Comm Technology	60,427	(44,341)	16,086
Leased Assets	33,743	(25,988)	7,755
Library Resources	30,975	(28,424)	2,551
Balance at 31 December 2019	280,745	(194,849)	85,896

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2018						
Land - School	5,100	-	-	-	-	5,100
Building Improvements - Crown	45,493	-	-	-	(1,632)	43,862
Furniture and Equipment	13,884	2,868	-	-	(3,127)	13,624
Info and Comm Technology	18,424	2,111	-	-	(3,212)	17,323
Leased Assets	11,085	-	-	-	(5,897)	5,188
Library Resources	2,610	614	-	-	(739)	2,486
Balance at 31 December 2018	96,596	5,593	-	-	(14,607)	87,583

Accumulated Depreciation

	Cost or Valuation \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Land - School	5,100	-	5,100
Building Improvements - Crown	65,489	(21,627)	43,862
Furniture and Equipment	83,862	(70,238)	13,624
Info and Comm Technology	58,997	(41,674)	17,323
Leased Assets	25,035	(19,847)	5,188
Library Resources	30,176	(27,690)	2,486
Balance at 31 December 2018	268,659	(181,076)	87,583

12 Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating creditors	6,555	5,000	4,633
Accruals	5,029	4,000	4,734
Banking staffing overuse	2,119	-	-
Employee Entitlements - salaries	25,190	25,190	17,836
Employee Entitlements - leave accrual	918	-	733
	<u>39,811</u>	<u>34,190</u>	<u>27,936</u>
Payables for Exchange Transactions	39,811	34,190	27,936
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	<u>39,811</u>	<u>34,190</u>	<u>27,936</u>

The carrying value of payables approximates their fair value.

13 Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	10,470	10,470	8,725
Increase to the Provision During the Year	-	-	1,745
Reversal of Cyclical Maintenance Provision	(10,470)	-	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	<u>-</u>	<u>10,470</u>	<u>10,470</u>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	-	10,740	10,470
	<u>-</u>	<u>10,740</u>	<u>10,470</u>

14 Finance Lease Liability

The School has entered into a number of finance lease agreements for computers and a photocopier. Minimum lease payments

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	3,753	-	3,999
Later than One Year and no Later than Five Years	3,897	-	918
	<u>7,650</u>	<u>-</u>	<u>4,917</u>

15 Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Totals		-	-	-	-	-

Represented by:

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

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M) \$	Closing Balances \$
Special Needs Toilet	<i>completed</i>	2,275	-	2,275	-	-
Totals		2,275	-	2,275	-	-

16 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.



17 Remuneration

Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	3,005	3,665
Full-time equivalent members	0.10	0.10
<i>Leadership Team</i>		
Remuneration	109,458	102,482
Full-time equivalent members	1.00	1.00
Total key management personnel remuneration	112,463	106,147
Total full-time equivalent personnel	1.10	1.10

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100-110	100-110
Benefits and Other Emoluments		
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
0	0.00	0.00
	0.00	0.00

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

18 Compensation and Other Benefits Upon Leaving

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

	2019 Actual \$0	2018 Actual \$68,710
Total	0	1
Number of People		

19 Contingencies

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

Future Maintenance

The school has an obligation to the Ministry of Education to maintain in good order and repair at all times the land, buildings and other facilities on the School site. Following discussions with the Ministry of Education the schools 10 year plan has effectively been superseded by a significant redevelopment, the final scope of which is still to be confirmed. Until such time as the redevelopment is complete and a 10 year property plan has been developed and approved by the Ministry, the School cannot make a reliable estimate of the major future maintenance. Hence the cyclical maintenance provision has been reversed.

20 Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has entered into contract agreements for capital works as follows:

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into no contracts:

21 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.

22 Financial Instruments

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

Loans and receivables

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	8,193	2,446	2,680
Receivables	35,985	30,690	28,225
Investments - Term Deposits	90,000	90,000	95,000
Total Loans and Receivables	<u>134,178</u>	<u>123,136</u>	<u>125,905</u>

Financial liabilities measured at amortised cost

Payables	39,811	34,190	27,936
Finance Leases	7,650	-	4,917
Total Financial Liabilities Measured at Amortised Cost	<u>47,461</u>	<u>34,190</u>	<u>32,853</u>

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

Holidays Act Compliance - schools payroll

The Ministry of Education performs payroll processing and payments on behalf of school boards to 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, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

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

24 Breach of Deadline

The Board of Trustees has failed to comply with section 87C of the Education Act 1989 in that the Board did not report by 31 May 2020, the date fixed by the Ministry of Education, by which schools were required to have sent their financial statements to the Ministry of Education. The delay was due to a nationwide lockdown commenced on 26 March 2020 after the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic.

26 Adoption of PBE IFRS 9 Financial Instruments

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

- Note 9 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 10 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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF AROWHENUA MAORI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Arowhenua Maori School (the School). The Auditor-General has appointed me, Jane Jackman, using the staff and resources of Nexia Audit Christchurch, 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 3 to 18, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 6 November 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter – COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 23 on page 18 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Emphasis of Matter – Reversal of the provision for cyclical maintenance

Without modifying our opinion, we draw your attention to the line item "Reversal of Cyclical Maintenance Provision" in note 6 on page 12, and to note 13 on page 14. The School reversed its provision for cyclical maintenance because there is significant uncertainty about how the Ministry of Education's proposed major capital works will affect the school and the property maintenance it is obliged to carry out. The Board cannot recognise a cyclical maintenance provision as they cannot make a reliable estimate of the provision. We consider the disclosures to be adequate.

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 on pages 19 to 25 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: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

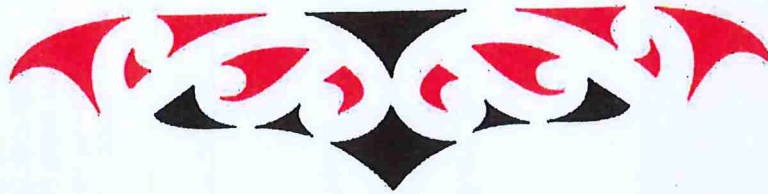
Other than the audit, we have no relationship with or interests in the School.



Jane Jackman

Nexia Audit Christchurch
On behalf of the Auditor-General
Christchurch, New Zealand

Arowhenua Māori School



Established 1895

Arowhenua Māori School 3280

Kiwisport is a government funding initiative to support student's participation in organised sport.

In 2019 the school received total kiwisport funding of \$759.96 excluding GST in the operating grants.

The funding was spent towards subscription to the Temuka Sports Group, some sporting subsidies and contribution towards bus transport to and from sporting events.

Kind regards,

A handwritten signature in black ink, appearing to be 'Bronwyn Te Koeti', written in a cursive style with a long horizontal stroke extending to the right.

Bronwyn Te Koeti (Principal)


Analysis of Variance Reporting for 2019



School Name:	AROWHENUA MĀORI SCHOOL	School Number: 3280
Strategic Aim:	<p>Te Ara Pou Matua Kia Rangatirataka ai te tamaiti</p>	
Annual Aim:	<p>Learning that is student focussed</p> <ul style="list-style-type: none"> To lift and sustain ākonga achievement in all areas, (NAG 1, NAG 2a). Ensure <i>Te Tino Uarataka</i> (Graduate Profile) is a living document, (NAG 2). To develop ākonga that are strong in critical and reflective thinking, creativity and empathy towards others and the environment within the context of Te Ao Māori, (NAG 1). 	
Target:	<p>For ALL students at Arowhenua Māori School to be achieving Te Manawa Ora or Te Manawa Toa for their time in an immersion te reo Māori programme, and to have made progress (improvement) against their time in kura.</p>	
Baseline Data:	<p>Pānui (Numeracy)</p> <p>Year 2 -3/5 (60%) Below expected level for time in kura 2/5 (40%) At or above.</p> <p>Year 3 -1/3 (33%) Just below. 2/3 (66%) Below.</p> <p>Year 4 -1/7 (14%) Just below. 6/7 (86%) At.</p> <p>Year 5 -1/7 (14%) Just below. 6/7 (86%) At.</p> <p>Year 6 -2/10 (20%) Just below. 8/10 (80%) At or above.</p> <p>Year 7 -4/4 (100%) At.</p> <p>Year 8 -3/10 (30%) Below. 7/10 (70%) At or above.</p>	<p>Pānui (Reading)</p> <p>Year 2 -5/5 (100%) Below. Year 3 -3/3 (100%) Below. Year 4 -4/7 (56%) Below or just below. 3/7 (44%) At or above.</p> <p>Year 5 -2/7 (28%) Below or just below. 5/7 (72%) At or above.</p> <p>Year 6 -2/10 (20%) Below. 8/10 (80%) At or above.</p> <p>Year 7 -100% At or above. Year 8 -100% At or above.</p>

Tuhituhī (Writing)

Year 2 -5/5 (100%) Just below.
Year 3 -2/3 (66%) Below or just below.
1/3 (33%) At.
Year 4 -4/7 (56%) Below or just below.
3/7 (44%) At.
Year 5 -1/7 (14%) Just below.
6/7 (86%) At.
Year 6 -1/10 (10%) Just below.
9/10 (90%) At or above.
Year 7 -4/4 (100%) At or above.
Year 8 -10/10 (100%) At or above.

 =Areas for concern

Reo-a-wāhā (Oral Language Acquisition)

Year 2 -5/5 (100%) At.
Year 3 -1/3 (33%) Below.
2/3 (66%) Just below.
Year 4 -1/7 (14%) Below.
5/7 (72%) Just below.
1/7 (14%) Above.
Year 5 -3/7 (42%) Below.
3/7 (42%) Just below.
1/7 (16%) At.
Year 6 -1/10 (10%) Below.
5/10 (50%) Just below.
4/10 (40%) At.
Year 7 -4/4 (100%) At or above.
Year 8 -1/10 (10%) Just below.
9/10 (90%) At or above.

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>2019 was our third year into a Level Two te reo Māori programme. The main challenges have been teacher capability and resourcing. However these challenges are being met and resolution being consolidated with each year. This year we focussed on:</p>	<p>General: <u>Pāngarau</u> Apart from the Years 2-3 cohort, there was good progress and improvement in this area.</p> <p><u>Pānui and Tuhituhī</u> Once again there are concerns with the Years 2-3 cohort. There is also a group within Year 4. These ākonga have been identified and measures are being undertaken to enable further support.</p> <p><u>Reo-a-Waha</u> This area continues to be the area of focus. While improvement overall was achieved, 21/46 (46%) of our ākonga that were tested remain below or just below the expected level for time in programme.</p>	<p>There are a number of reasons for the conditions in the school that have impacted on the achievement of our students:</p>	<p>In order to achieve better public service targets of 85% and from an analysis of this data, we intend to:</p>

<p><u>Continued to work alongside Kevin Jennings (SAPF) MoE. Looking at how we can develop and improve Kaiako effectiveness in order to improve ākonga outcomes, as well as aligned teaching and learning to our Graduate Profile (Te Pūau).</u></p>	<p>This has improved overall Kaiako engagement into a whole school inquiry around their own effectiveness.</p>	<p>The process also hi-lighted a good level of cohesiveness within the current team.</p>	<p>Review and create a maintenance plan for 2020.</p>
<p><u>Continued our strategy for Pāngarau while continuing to use te reo Māori with every opportunity, we decided that new skills would be taught first in the ākonga first language in order to grasp, then te reo was introduced with practise and consolidation.</u></p>	<p>This appears to have created a good level of progress apart from the teina (Years 2-3 cohort)</p>	<p>As hi-lighted in the 2019 Analysis of Variance, this particular cohort required support with school readiness. We have also identified GLD's and possible SLD's within this cohort. This is also an area where we (once again) have a first year Kaiako.</p>	<p>Ensure Kaiako for this cohort has in-school support and guidance. Ensure PCT has access to PCT PLD.</p> <p>Continue to use this strategy across the kura with phasing out once a good level of te reo Māori is attained.</p> <p>Look at the possibility of integrating Pāngarau with Matatini Reo (Literacy) in order to bring rich mathematical (problem-solving) ideas into the programme.</p> <p>Continue to source and purchase relevant numeracy resources.</p>
<p><u>All Kaiako were involved in PLD Matatini Reo with Kia Ata Mai Trust with the focus on reo-a-waha.</u></p>	<p>This enabled Kaiako to improve their teaching and learning programmes, as well as teach to specific needs to some extent.</p> <p>Targeted ākonga have been identified as requiring additional support.</p>	<p>We only had one staff change this year. This helped to provide a good level of progress in Kaiako capability.</p> <p>We continue to be challenged however being able to provide culturally responsive targeted learning with support from outside agencies.</p> <p>Accessibility and regular participation for all whānau appeared to be a challenge.</p>	<p>Create an application to continue current PLD.</p> <p>Through Turuaki appraisal goal, create a learning support programme that is culturally sound and explores SLD's.</p>
<p><u>In order to support the acquisition of Te Reo Māori and the ākonga learning, we attempted to continue weekly te reo evening classes for whānau.</u></p>	<p>This year we did not have as much whānau engagement and the classes were stopped early Term 2.</p>	<p>We did not get buy in from all Kaiako. Other classes were made available within the community.</p>	<p>Through consultation with whānau actively seek other ways to support their language acquisition.</p>

<p>Co-created as a staff progression levels for language acquisition and Reo-a-Waha, Tūhūhū, Pānui and Pāngarau. Working closely with Ministry documents and aligning these.</p>	<p>This was to bring consistency and expectation throughout the kura in light of changing to TMOA.</p> <p>We now know the "what" and need to move into the "how".</p>	<p>Through providing a level of consistency, we now have clarification of what to teach and learn, what to resource and are able to communicate to our whānau effectively. Accessing resources became quite challenging at times.</p>	<p>Continue to review and refine learning progressions.</p> <p>Review, stock-take and catalogue Matatini Reo resources.</p>
<p>With whānau consultation, we changed how we report to whānau. Using our newly created learning progressions, we created a written format that is shared in an interview once a term. This also covered student voice and focussed on a uara kura each term.</p>	<p>This has led to a consistent approach and also created evidence from ākonga with behavioural and emotional needs.</p> <p>We discovered that Term Three was not a good time to undertake this process due to Kapa Haka Festivals and time commitments. We still provided reporting to our whānau for the required amount as set by the MoE.</p>	<p>We were able to ascertain whānau satisfaction through survey and attendance in uiui-a-whanau (interviews)</p>	<p>Continue with this process 2020. Possibly investigate how we could report on Kapa Haka in Term Three.</p>
<p>For both reo-a-waha and Pāngarau, at different times, we cross-grouped (ability based) Years 3-8.</p>	<p>We were able to see progress in the time that this was undertaken.</p> <p>Consistency was challenged when other factors such as teacher shortage due to either sick-leave, cultural events or PLD happened.</p>	<p>Factors such as teachers on sick-leave and unplanned cultural events such as tangi impacted on the consistency of these programmes.</p>	<p>Look into ways this might be alleviated such as 3x weekly instead of 4.</p>

Planning for next year:

Ensure that any new and/or beginning Kaiako has the right amount of skills and ability to work with their year level. Ensure a comprehensive mentoring programme (if needed) is in place.

Have teacher skills and experience a priority when employing new Kaiako.

Review and create a maintenance SaFs plan for 2020.

Continue to use the "first language first" strategy across the kura in Pāngarau with phasing out once a good level of te reo Māori is attained.

Look at the possibility of integrating Pāngarau with Matatini Reo (Literacy) in order to bring rich mathematical (problem-solving) ideas into the programme. Possibly investigate PLD in this area.

Continue to source and purchase relevant numeracy resources.

Continue with Matatini Reo PLD continuing to focus on Reo-a-waha. *PLD application sent 03/03/2020* ✓

Through Tumuaki appraisal goal, create a learning support programme that is culturally inclusive and explores specific learning disorders SLD's, trauma and brain-based support.

Through consultation with whānau actively seek other ways to support their language acquisition.

Review, stock-take and catalogue Matatini Reo resources.

PLEASE NOTE THAT DUE TO RECENT BOARD RESIGNATIONS AND PENDING INTERVENTION THIS AOV HAS NOT BEEN FORMALLY ACCEPTED BY OUR BOARD.

