

# DONOVAN PRIMARY



## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**School Directory**

<b>Ministry Number:</b>	2119
<b>Principal:</b>	Peter Hopwood
<b>School Address:</b>	200 Drury Lane, Grasmere, Invercargill, 9810
<b>School Phone:</b>	03 215 9664
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# DONOVAN PRIMARY

Annual Report - For the year ended 31 December 2021

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# Donovan Primary

## Statement of Responsibility

For the year ended 31 December 2021

The Board 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 2021 fairly reflects the financial position and operations of the School.

The School's 2021 financial statements are authorised for issue by the Board.

Aaron Villa Kerr.  
Full Name of Presiding Member

Petr Joseph Hopwood  
Full Name of Principal

AVK  
Signature of Presiding Member

PJ Hopwood  
Signature of Principal

14/4/22  
Date:

14/4/22  
Date:

# Donovan Primary

## Members of the Board

For the year ended 31 December 2021

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Jill Wilkinson	Presiding Member	Elected	Sep 2022
Peter Hopwood	Principal ex Officio		
Aaron Kerr	Parent Representative	Elected	Sep 2022
Scott Forbes	Parent Representative	Elected	Sep 2022
Tristan Duffell	Parent Representative	Elected	Sep 2022
Karen Hargest	Parent Representative	Elected	Sep 2022
Karen Leadley	Staff Representative	Elected	Sep 2022

# Donovan Primary

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Revenue</b>				
Government Grants	2	3,504,229	2,677,899	3,472,357
Locally Raised Funds	3	105,375	82,240	75,831
Interest Income		10,970	9,000	18,385
		<u>3,620,574</u>	<u>2,769,139</u>	<u>3,566,573</u>
<b>Expenses</b>				
Locally Raised Funds	3	40,839	23,800	28,791
Learning Resources	4	2,502,005	1,793,544	2,251,158
Administration	5	169,236	146,189	158,834
Finance		2,007	-	1,687
Property	6	680,121	674,164	934,695
Depreciation	10	104,114	112,500	96,798
Loss on Disposal of Property, Plant and Equipment		2,363	-	1,619
		<u>3,500,685</u>	<u>2,750,197</u>	<u>3,473,582</u>
<b>Net Surplus / (Deficit) for the year</b>		119,889	18,942	92,991
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>119,889</u></u>	<u><u>18,942</u></u>	<u><u>92,991</u></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.

# Donovan Primary

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
<b>Equity at 1 January</b>		1,463,348	1,463,348	1,356,248
Total comprehensive revenue and expense for the year		119,889	18,942	92,991
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	14,109
<b>Equity at 31 December</b>		1,583,237	1,482,290	1,463,348
Retained Earnings		1,583,237	1,482,290	1,463,348
<b>Equity at 31 December</b>		1,583,237	1,482,290	1,463,348

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.

# Donovan Primary

## Statement of Financial Position

As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	400,152	249,363	220,062
Accounts Receivable	8	185,554	157,241	157,241
GST Receivable		34,962	8,341	8,341
Prepayments		12,497	11,797	11,797
Investments	9	820,351	722,745	722,745
		<u>1,453,516</u>	<u>1,149,487</u>	<u>1,120,186</u>
<b>Current Liabilities</b>				
Accounts Payable	11	292,138	203,449	203,449
Revenue Received in Advance	12	4,687	4,137	4,137
Provision for Cyclical Maintenance	13	49,049	-	55,714
Finance Lease Liability	14	15,733	11,798	11,798
Funds held for Capital Works Projects	15	74,568	-	-
		<u>436,175</u>	<u>219,384</u>	<u>275,098</u>
<b>Working Capital Surplus/(Deficit)</b>		1,017,341	930,103	845,088
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	664,408	665,435	697,435
		<u>664,408</u>	<u>665,435</u>	<u>697,435</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	82,222	99,584	65,511
Finance Lease Liability	14	16,290	13,664	13,664
		<u>98,512</u>	<u>113,248</u>	<u>79,175</u>
<b>Net Assets</b>		<u>1,583,237</u>	<u>1,482,290</u>	<u>1,463,348</u>
<b>Equity</b>		<u>1,583,237</u>	<u>1,482,290</u>	<u>1,463,348</u>

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

# Donovan Primary

## Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		883,789	782,672	868,701
Locally Raised Funds		105,233	82,240	75,777
Goods and Services Tax (net)		(26,621)	-	4,551
Payments to Employees		(481,720)	(426,340)	(440,830)
Payments to Suppliers		(236,336)	(337,771)	(294,475)
Interest Received		9,730	9,000	22,937
Net cash from/(to) Operating Activities		254,075	109,801	236,661
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(38,280)	(80,500)	(100,961)
Purchase of Investments		(97,606)	-	(102,394)
Net cash (to)/ from Investing Activities		(135,886)	(80,500)	(203,355)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	14,109
Finance Lease Payments		(12,667)	-	(16,018)
Funds Administered on Behalf of Third Parties		74,568	-	(188,018)
Net cash from/(to) Financing Activities		61,901	-	(189,927)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>180,090</b>	<b>29,301</b>	<b>(156,621)</b>
Cash and cash equivalents at the beginning of the year	7	220,062	220,062	376,683
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>400,152</b>	<b>249,363</b>	<b>220,062</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 Statement of Cash Flows should be read in conjunction with the accompanying notes which form part of these financial statements.



# Donovan Primary

## Notes to the Financial Statements

### For the year ended 31 December 2021

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

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

##### 1.2. Basis of Preparation

###### **Reporting Period**

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

###### **Basis of Preparation**

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

###### **Financial Reporting Standards Applied**

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

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

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

###### **Measurement Base**

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

###### **Presentation Currency**

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

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

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

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

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

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

###### **Cyclical Maintenance**

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

###### **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 10.

### **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 carry forward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

### **1.3. Revenue Recognition**

#### **Government Grants**

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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 revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

#### **Other Grants**

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

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

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

#### **Interest Revenue**

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

### **1.4. Operating Lease Payments**

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

### **1.5. Finance Lease Payments**

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

### **1.6. Cash and Cash Equivalents**

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

### **1.7. Accounts Receivable**

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

## 1.8. Investments

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

## 1.9. Property, Plant and Equipment

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

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

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

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

### **Finance Leases**

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

### **Depreciation**

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–20 years
Furniture and equipment	2–50 years
Information and communication technology	4–5 years
Leased assets held under a Finance Lease	3–5 years
Library resources	12.5% Diminishing value

## 1.10. Impairment of property, plant and equipment

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

## 1.11. Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

### **1.12. 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, and also annual leave earned, by non teaching staff, to but not yet taken at balance date.

#### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before twelve months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

### **1.13. Revenue Received in Advance**

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

### **1.14. Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

### **1.15. Financial Instruments**

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

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

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

### **1.16. Borrowings**

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

Borrowings include but are not limited to finance leases.

### **1.17. Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

### **1.18. Budget Figures**

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

### **1.19. 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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	753,838	688,242	731,991
Teachers' Salaries Grants	2,095,542	1,400,000	1,908,780
Use of Land and Buildings Grants	469,657	469,657	668,651
Other MoE Grants	185,192	120,000	156,446
Other Government Grants	-	-	6,489
	<u>3,504,229</u>	<u>2,677,899</u>	<u>3,472,357</u>

The School has opted in to the donations scheme for this year. Total amount received was \$64,950 (2020: \$63,900).

## 3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	42,833	45,000	26,674
Fees for Extra Curricular Activities	20,071	19,800	17,505
Trading	3,813	4,000	4,399
Fundraising & Community Grants	31,171	12,540	22,784
Other Revenue	7,487	900	4,469
	<u>105,375</u>	<u>82,240</u>	<u>75,831</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	21,139	19,800	18,617
Trading	3,200	4,000	3,233
Fundraising & Community Grant Costs	16,500	-	6,941
	<u>40,839</u>	<u>23,800</u>	<u>28,791</u>
	<u>64,536</u>	<u>58,440</u>	<u>47,040</u>

Surplus / (Deficit) for the year Locally raised funds

## 4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	76,581	94,314	46,309
Information and Communication Technology	7,073	9,220	8,044
Library Resources	1,741	6,800	1,622
Employee Benefits - Salaries	2,410,157	1,672,410	2,185,297
Staff Development	6,453	10,800	9,886
	<u>2,502,005</u>	<u>1,793,544</u>	<u>2,251,158</u>

## 5. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,279	5,124	4,590
Board Fees	5,935	5,355	4,675
Board Expenses	5,325	4,600	2,383
Communication	3,048	4,000	3,029
Consumables	13,570	13,000	12,844
Operating Lease	10,071	-	8,039
Other	14,743	11,060	10,012
Employee Benefits - Salaries	103,344	93,500	97,798
Insurance	5,371	7,000	4,990
Service Providers, Contractors and Consultancy	2,550	2,550	10,474
	<u>169,236</u>	<u>146,189</u>	<u>158,834</u>

## 6. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	20,731	21,000	21,547
Cyclical Maintenance Provision	18,690	20,000	68,209
Grounds	15,812	12,900	16,977
Heat, Light and Water	27,497	30,000	29,342
Rates	5,232	3,900	4,434
Repairs and Maintenance	22,899	29,207	30,500
Use of Land and Buildings	469,657	469,657	668,651
Security	955	1,500	1,361
Employee Benefits - Salaries	98,648	86,000	93,674
	<u>680,121</u>	<u>674,164</u>	<u>934,695</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% 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. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	400,152	249,363	220,062
Cash and cash equivalents for Statement of Cash Flows	<u>400,152</u>	<u>249,363</u>	<u>220,062</u>

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

Of the \$400,152 Cash and Cash Equivalents, \$122,159 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

## 8. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	692	-	-
Interest Receivable	3,734	2,494	2,494
Teacher Salaries Grant Receivable	181,128	154,747	154,747
	<u>185,554</u>	<u>157,241</u>	<u>157,241</u>
Receivables from Exchange Transactions	4,426	2,494	2,494
Receivables from Non-Exchange Transactions	181,128	154,747	154,747
	<u>185,554</u>	<u>157,241</u>	<u>157,241</u>

## 9. Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	820,351	722,745	722,745
Total Investments	<u>820,351</u>	<u>722,745</u>	<u>722,745</u>

## 10. Property, Plant and Equipment

	Opening					
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
Building Improvements	451,391	1,350	-	-	(39,014)	<b>413,727</b>
Furniture and Equipment	149,250	3,065	(729)	-	(18,684)	<b>132,902</b>
Information and Communication Technology	52,151	40,544	-	-	(26,273)	<b>66,422</b>
Leased Assets	26,483	23,746	-	-	(17,484)	<b>32,745</b>
Library Resources	18,160	4,745	(1,634)	-	(2,659)	<b>18,612</b>
<b>Balance at 31 December 2021</b>	<u>697,435</u>	<u>73,450</u>	<u>(2,363)</u>	<u>-</u>	<u>(104,114)</u>	<u><b>664,408</b></u>

The net carrying value of equipment held under a finance lease is \$32,745 (2020: \$26,483)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	675,724	(261,997)	413,727	674,374	(222,983)	451,391
Furniture and Equipment	409,300	(276,398)	132,902	411,934	(262,684)	149,250
Information and Communication Technology	328,419	(261,997)	66,422	315,701	(263,550)	52,151
Leased Assets	56,379	(23,634)	32,745	60,248	(33,765)	26,483
Library Resources	53,614	(35,002)	18,612	53,701	(35,541)	18,160
<b>Balance at 31 December</b>	<b>1,523,436</b>	<b>(859,028)</b>	<b>664,408</b>	<b>1,515,958</b>	<b>(818,523)</b>	<b>697,435</b>

#### 11. Accounts Payable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Creditors	83,832	7,954	7,954
Accruals	5,279	5,065	5,065
Banking Staffing Overuse	8,329	25,570	25,570
Employee Entitlements - Salaries	182,881	154,746	154,746
Employee Entitlements - Leave Accrual	11,817	10,114	10,114
	<u>292,138</u>	<u>203,449</u>	<u>203,449</u>
Payables for Exchange Transactions	292,138	203,449	203,449
	<u>292,138</u>	<u>203,449</u>	<u>203,449</u>

The carrying value of payables approximates their fair value.

#### 12. Revenue Received in Advance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Other Revenue in Advance	4,687	4,137	4,137
	<u>4,687</u>	<u>4,137</u>	<u>4,137</u>

#### 13. Provision for Cyclical Maintenance

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Provision at the Start of the Year	121,225	121,225	53,016
Increase/ (decrease) to the Provision During the Year	21,327	20,000	20,173
Adjustment to the Provision	(2,637)	-	48,036
Use of the Provision During the Year	(8,644)	(41,641)	-
Provision at the End of the Year	<u>131,271</u>	<u>99,584</u>	<u>121,225</u>
Cyclical Maintenance - Current	49,049	-	55,714
Cyclical Maintenance - Term	82,222	99,584	65,511
	<u>131,271</u>	<u>99,584</u>	<u>121,225</u>

#### 14. Finance Lease Liability

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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
No Later than One Year	17,254	12,405	12,405
Later than One Year and no Later than Five Years	17,019	13,908	13,908
Future Finance Charges	(2,250)	(851)	(851)
	<u>32,023</u>	<u>25,462</u>	<u>25,462</u>
<b>Represented by:</b>			
Finance lease liability - Current	15,733	11,798	11,798
Finance lease liability - Term	16,290	13,664	13,664
	<u>32,023</u>	<u>25,462</u>	<u>25,462</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:

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Admin Upgrade #222385	-	265,522	(190,954)	-	74,568
Totals	-	265,522	(190,954)	-	74,568

### Represented by:

Funds Held on Behalf of the Ministry of Education

74,568
<u>74,568</u>

2020	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Carpet Replacement	(6,370)	7,890	(1,520)	-	-
Fencing Project	194,388	7,142	(201,530)	-	-
Totals	188,018	15,032	(203,050)	-	-

## 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, and Assistant Principals.

	2021 Actual	2020 Actual
	\$	\$
<i>Board Members</i>		
Remuneration	5,935	4,675
<i>Leadership Team</i>		
Remuneration	378,617	365,773
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	<u>384,552</u>	<u>370,448</u>

There are 5 elected members and 1 staff member on the Board. The board has held 10 full meetings (April meeting cancelled due to Covid lockdown). The Board also has a Finance committee consisting of four people with delegated responsibilities including one BOT member with the Finance portfolio. The Board has a Property committee consisting of Principal and 1 Board member with the Property portfolio. They meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare, property and Covid related employer issues.

### Principal

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

	2021 Actual	2020 Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	150-160	150-160
Benefits and Other Emoluments	4-5	4-5
Termination Benefits	0 - 0	0 - 0



### Other Employees

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

Remuneration \$000	2021	2020
	FTE Number	FTE Number
100 -110	3.00	3.00
	<u>3.00</u>	<u>3.00</u>

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:

	2021 Actual	2020 Actual
Total	\$ -	\$ -
Number of People	-	-

### 19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: nil).

#### Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

### 20. Commitments

#### (a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contract agreements for capital works.

(a) The school has entered into a \$329,718 contract for an upgrade of the Admin block to be completed in 2022, primarily funded by the Ministry of Education (\$295,218) with the Board to donate the difference of \$34,500. \$265,522 has been received to date and \$143,362 spent (not including creditors), leaving \$122,160 held by the school on behalf of the Ministry at the end of 2021.

(Capital commitments in relation to Ministry projects at 31 December 2020: nil)

#### (b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil)

### 21. 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	400,152	249,363	220,062
Receivables	185,554	157,241	157,241
Investments - Term Deposits	820,351	722,745	722,745
Total Financial assets measured at amortised cost	<u>1,406,057</u>	<u>1,129,349</u>	<u>1,100,048</u>

#### Financial liabilities measured at amortised cost

Payables	292,138	203,449	203,449
Finance Leases	32,023	25,462	25,462
Total Financial liabilities measured at amortised Cost	<u>324,161</u>	<u>228,911</u>	<u>228,911</u>

## 22. Events After Balance Date

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

## 23. Comparatives

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

## 24. COVID 19 Pandemic on going implications

### Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

### Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

### Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

### Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

**Additional impacts on the school during the 2021 lockdowns** Extra payout to relief teachers, casual cleaners. Increased cost due to relievers cost post vaccine mandate on the 15th November. Extra sanitation costs from purchase of paper towels, hand sanitizer and disinfectant.

## Statement of Variance

### Action Plan for Management 2021

AREA	PRIORITY/PROCESS	WHO	WHEN	OUTCOME	MONITORING AND EVALUATING IMPACT
Well being	<ul style="list-style-type: none"> <li>Embed Counselling Service</li> <li>Implement Wellbeing Focus Community Group</li> <li>Work with staff on Wellbeing in the workplace and life balance</li> </ul>	BOT and Management.  All staff	T1/4	<ul style="list-style-type: none"> <li>Children in need are having their emotional needs met.</li> <li>Well being Focus Group is effectively creating a culture of care.</li> <li>Staff have understanding of well being in their work place.</li> </ul>	<ul style="list-style-type: none"> <li>Our Counselling Service has continued and grown to be part of our school culture. We have been able to have more flexible visits to the 'Real Talk' Centre. This has helped us to provide light touch visits for just a few times.</li> <li>Wellbeing groups has met termly and has had a focus on staff wellbeing. This group has worked effectively and run new initiatives. Staff had a wellbeing coach PD to open 2021. In Term 3 we held a very successful wellbeing week for all staff. The week introduced new services to promote wellbeing with a major focus on being valued. We will continue these types of activities in 2022.</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>To create a safe and playful playground culture</li> <li>To investigate classroom timetables to engage learners</li> </ul>	All staff  Team Leaders	T1/4  T1/4	<ul style="list-style-type: none"> <li>Children are actively engaged in physical play and activities.</li> <li>Classroom organisation meets the needs of the different learning styles and needs.</li> </ul>	<ul style="list-style-type: none"> <li>We have initiated a Kia Tiaki system to promote Leadership and Wellbeing in the play areas. This has gone down very well, and our Year 6 students value the opportunity to be part of it. Huge pride is placed in the role.</li> <li>We have moved to play first, eat second. Works well for most age groups. Our reception learners eat, play then eat again, this works well for this age group.</li> </ul>
Achievement	<ul style="list-style-type: none"> <li>Work on Digital curriculum</li> <li>To create greater staff competency in Math's Programmes.</li> <li>Clarify progressions for Writing across school.</li> </ul>	All staff  All Staff  All Staff	T1/2	<ul style="list-style-type: none"> <li>Staff are comfortable with delivering the Digital Curriculum</li> <li>Staff have greater knowledge around Maths Progression and how to deliver them to raise achievement.</li> <li>Staff have created a usable set of expectation and guidelines to help with OTJ's</li> </ul>	<ul style="list-style-type: none"> <li>We have continued promoting the digital ,but our focus turned more to NZ Histories where we have formed a subgroup to drive this with staff and community. We have broken down the areas of the curriculum into 3 parts. 'Who am I', 'Where am I From' and 'Where do I Belong'. A good start to be ready for implementation 2022.</li> <li>Our Maths work has been slow but now waiting to engage in the 2022 Maths curriculum refresh.</li> <li>We have adjusted our writing expectations and placed them in our online curriculum.</li> </ul>

## Action Plan for Governance 2021

AREA	PRIORITY/PROCESS	WHO	WHEN	OUTCOME	MONITORING AND EVALUATING IMPACT
Effective Governance	<ul style="list-style-type: none"> <li>• Prepare for BOT Elections</li> <li>• Work with STA around Training</li> <li>• Induction of New Chairperson</li> </ul>	Chair BOT	T2/3	<ul style="list-style-type: none"> <li>• To have the next BOT members ready to stand for election.</li> <li>• BOT feel successful through training and informed.</li> <li>• New Chair installed and understands role.</li> </ul>	<ul style="list-style-type: none"> <li>• Preparation has started for 2022 elections with a parent information evening to create interest and information about the role and the commitment.</li> <li>• We have worked with STA around BOT communication and Governance and Management. This was very useful. STA came to us and worked with just our BOT in Term 1.</li> <li>• The new presiding member has started the role and the past chair is now shadowing and assisting</li> </ul>
Consult	<ul style="list-style-type: none"> <li>• BOT to run Consultation with Māori Community</li> <li>• BOT to implement Wellbeing initiatives around Staff Wellbeing and work with Wellbeing Focus Group.</li> <li>• BOT to consult with Community in preparation for Co-option to BOT</li> </ul>	Chair BOT Members	T2/3	<ul style="list-style-type: none"> <li>• Our Māori community has their voice heard and they feel included in the Donovan Community.</li> <li>• Member co-option may have happened in preparation for induction of new BOT Members</li> </ul>	<ul style="list-style-type: none"> <li>• BOT ran consultation with our Māori Community in Term 4 (was postponed from Term 3 due to Covid). We shared achievement data and shared our work around NZ Histories.</li> <li>• BOT have achieved in setting up and maintaining the wellbeing group. New initiatives have worked well and will inform our work in 2022.</li> </ul>
Evaluative Priorities	<ul style="list-style-type: none"> <li>• BOT to evaluate their own effectiveness and communication processes</li> <li>• BOT to follow ERO self-evaluation around Indicators and keep abreast of new ERO Process.</li> </ul>	All BOT	T1/4	<ul style="list-style-type: none"> <li>• BOT to run effective systems.</li> <li>• BOT to feel part of New ERO process</li> </ul>	<ul style="list-style-type: none"> <li>• BOT have worked with STA to improve communication systems. Reading bags have been re-established and we have been trying to tighten up agenda and timing.</li> <li>• BOT have kept informed about New ERO model. We have been onboarded for Term 4 2021.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>• Complete Baxter St Gate</li> <li>• Complete Fitness Track</li> <li>• Complete Painting Blk B/C Roof</li> <li>• Complete Admin Upgrade and Toilet Upgrade</li> <li>• Remodel School Laundry and add Hot water and electrical upgrade to run all dryers.</li> </ul>	Property Group H/S Comm.	T1/4	<ul style="list-style-type: none"> <li>• The list creates new and exciting environments that meet the needs of Students and staff.</li> <li>• To leave great facilities for the future.</li> </ul>	<ul style="list-style-type: none"> <li>• Baxter Street Gate – completed</li> <li>• Fitness Track – Stage 1 completed; Stage 2 booked</li> <li>• Blk B/C Paint roof – help up, should be completed January 2022</li> <li>• Admin Upgrade and Toilet Upgrade – in progress</li> <li>• Laundry – not completed, builders busy and haven't quoted</li> </ul>

## Priority Cohort Tracking

Year 6 (2021) Girls Maths	Writing Year 4 (2021)
<p>We have 10 out of 16 girls achieving below expected curriculum levels in Maths. This is from the 2020 data gathering. We will monitor these girls and have ALIM type interventions. We will also back up with some 1-1 Ta support or small groups with TA support.</p>	<p>In Our 2020 data we find 9 learners at Year 3 who will need extra support to move to Early 2 or above during 2021. Our focus will be with the teachers of Year 4 to plan interventions that mirror the ALIM/ALL type approach.</p>
<p>It was noticed in the End of Year Maths data for 2020, that 10 Year 5 girls were achieving "Below" the expected level for their time at school. 2 of these students identified as Maori.</p> <p>The teachers identified these students on their Raising Achievement Plan 2021 and catered for their needs in a variety of ways. Teachers ran ALIM type interventions, as well as taking these students in their class maths groups, some students also worked daily with TAs under the guidance of the class teacher with a focus on Basic Facts, Place Value and Problem Solving.</p> <p>Each individual classroom teacher had a different focus in their teaching group which was based on the needs of the students in that group. Teaching groups changed as the needs of the students changed, with students joining the group or being moved from the group.</p> <p>This intervention met with moderate success.</p> <ul style="list-style-type: none"> <li>*1 student had accelerated progress and is now achieving at the expected Level for a Yr 6 student.</li> <li>7* students progressed to the next curriculum level but are still below the expected level for their time at school. Our 2 Maori students were in this group.</li> <li>*2 students stayed on the same level.</li> <li>*3 of these students in this cohort have been working below the expected level since they were Yr 4 students. They have been part of Alim type inventions but find maths learning difficult.</li> </ul> <p>These students are finding it difficult to understand and apply their learning to Level 2 maths concepts.</p>	<p>10 students (3 female: 7 male:) were identified at the end of Year 3 (2020) as needing extra support in writing during 2021. At the end of 2020, these students were working 'At' Level 1 which was Below the expected level for their time at school. It was hoped to move these students to 'Early' Level 2 or above during 2021.</p> <p>The teachers identified these students on their Raising Achievement Plan and catered for their needs in a variety of ways. Teachers ran ALL type interventions, as well as taking these students in their class writing groups, some students also worked daily with TAs under the guidance of the class teacher.</p> <p>Each individual classroom teacher had a different focus in their teaching group which was based on the needs of the students in that group. Teaching groups changed as the needs of the students changed, with students joining the group or being moved from the group.</p> <p>This intervention met with moderate success.</p> <p>We had 50% of identified students achieve the planned for outcomes and 50% remaining at the same level.</p> <ul style="list-style-type: none"> <li>*our 1 Maori student showed acceleration and went from 'At' Level 1 to 'At' Level 2</li> <li>*3 students showed acceleration and are now working 'At' the expected level for their time at school (2 female: 1 male:)</li> <li>*2 students (1female:1 male) are now working at Early Level 2, though they are still 'Below' for their expected time at school, they made the progress we were working towards.</li> <li>*5 students (5 males) made no progress and remain At Level, which is 'Well Below' the expected level for their time at school.</li> </ul>

We believe that Covid had an impact on these students' learning with many having little or no participation in their teacher's online learning programme or hard copy packs.

In Term 3; 4 of these 5 students also received daily support over a 4 week period through the RTLit. They made varied progress but are reading below the expected level for their time at school. For some of these students, this is the 2<sup>nd</sup> year that have been receiving this support and they will continue to do so in 2022.

A lot students in this cohort group are below in other curriculum areas and despite their efforts and that of the classroom teacher and the extra resources provided they find learning difficult.

The students working At Level 1 or Early Level 2 will need to be monitored carefully as Year 5 students, with some intensive writing support put in place for them.



## Kiwisport Statement for Annual Report

Kiwisport is a government funding initiative to support participation in organised sport. In 2021 Donovan Primary received \$6385.00 and we had carried over our balance for 2020 due to Covid 19. 2021 was still a challenging year with visitors coming onto school site. We were able to benefit all children from Year 0 to Year 6 in a physical activity programme delivered at school through a Dance Programme. This cost us \$13,452.17 and benefited all students during a period where the future of playing sport was still quite uncertain.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF DONOVAN PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Donovan Primary School (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 16, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 14 April 2022. 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 and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

#### 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 for the financial statements

The Board 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 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board 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's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of 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.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board 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 school 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arises from the Public Audit Act 2001.

#### Other information

The Board is responsible for the other information. The other information comprises the Members of the Board, Analysis of Variance and Kiwisport paragraph information included on page 2 and on pages 17 to 21, 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.



Aaron Higham  
BDO Invercargill  
On behalf of the Auditor-General  
Invercargill, New Zealand