

# DONOVAN PRIMARY SCHOOL



## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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
<b>School Email:</b>	<a href="mailto:office@donovanprimary.ac.nz">office@donovanprimary.ac.nz</a>

# DONOVAN PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2022

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# Donovan Primary School

## Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

Aaron Kerr

Full Name of Presiding Member



Signature of Presiding Member

16 June 2023

Date:

Petr Joseph Hopwood

Full Name of Principal



Signature of Principal

16/6/2023

Date:

# Donovan Primary School

## Members of the Board

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Aaron Kerr	Presiding Member	Elected	Aug 2025
Peter Hopwood	Principal	ex Officio	
Scott Forbes	Parent Representative	Elected	Aug 2025
Jeffrey Walker	Parent Representative	Elected	Aug 2025
Rumi Pfeiffer	Parent Representative	Elected	Aug 2025
Lee-Anne Bogle	Parent Representative	Elected	Aug 2025
Karen Leadley	Staff Representative	Elected	Aug 2025
Karen Hargest	Parent Representative	Elected	Aug 2022
Jill Wilkinson	Parent Representative	Elected	Aug 2022
Tristan Duffell	Parent Representative	Elected	Aug 2022

# Donovan Primary School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	3,572,382	2,764,775	3,504,229
Locally Raised Funds	3	83,156	60,740	105,375
Interest Income		28,911	12,000	10,970
		<u>3,684,449</u>	<u>2,837,515</u>	<u>3,620,574</u>
<b>Expenses</b>				
Locally Raised Funds	3	62,482	26,800	40,839
Learning Resources	4	2,542,710	1,895,143	2,606,119
Administration	5	191,146	173,309	169,236
Finance		1,884	-	2,007
Property	6	775,565	736,312	680,121
Loss on Disposal of Property, Plant and Equipment		1,542	-	2,363
		<u>3,575,329</u>	<u>2,831,564</u>	<u>3,500,685</u>
<b>Net Surplus / (Deficit) for the year</b>		109,120	5,951	119,889
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>109,120</u>	<u>5,951</u>	<u>119,889</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 School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		1,583,237	1,583,237	1,463,348
Total comprehensive revenue and expense for the year		109,120	5,951	119,889
Contribution to MOE Property Project		(32,202)	-	-
<b>Equity at 31 December</b>		1,660,155	1,589,188	1,583,237
Accumulated comprehensive revenue and expense		1,660,155	1,589,188	1,583,237
<b>Equity at 31 December</b>		1,660,155	1,589,188	1,583,237

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 School

## Statement of Financial Position

As at 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	455,081	427,603	400,152
Accounts Receivable	8	192,451	185,554	185,554
GST Receivable		-	34,962	34,962
Prepayments		14,472	12,497	12,497
Investments	9	946,373	820,351	820,351
Funds Receivable for Capital Works Projects	15	15,216	-	-
		<u>1,623,593</u>	<u>1,480,967</u>	<u>1,453,516</u>
<b>Current Liabilities</b>				
GST Payable		3,050	-	-
Accounts Payable	11	257,480	292,138	292,138
Revenue Received in Advance	12	4,302	4,687	4,687
Provision for Cyclical Maintenance	13	68,026	52,607	49,049
Finance Lease Liability	14	15,953	15,733	15,733
Funds held for Capital Works Projects	15	143,201	74,568	74,568
		<u>492,012</u>	<u>439,733</u>	<u>436,175</u>
<b>Working Capital Surplus/(Deficit)</b>		1,131,581	1,041,234	1,017,341
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	601,272	632,908	664,408
		<u>601,272</u>	<u>632,908</u>	<u>664,408</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	67,484	68,664	82,222
Finance Lease Liability	14	5,214	16,290	16,290
		<u>72,698</u>	<u>84,954</u>	<u>98,512</u>
<b>Net Assets</b>		<u>1,660,155</u>	<u>1,589,188</u>	<u>1,583,237</u>
<b>Equity</b>		<u>1,660,155</u>	<u>1,589,188</u>	<u>1,583,237</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 School

## Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		947,758	821,841	883,789
Locally Raised Funds		83,463	60,740	105,233
Goods and Services Tax (net)		38,012	-	(26,621)
Payments to Employees		(531,355)	(462,571)	(481,720)
Payments to Suppliers		(351,451)	(340,059)	(236,336)
Interest Received		19,184	12,000	9,730
Net cash from/(to) Operating Activities		205,611	91,951	254,075
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment		(33,456)	(64,500)	(38,280)
Purchase of Investments		(126,022)	-	(97,606)
Net cash (to)/from Investing Activities		(159,478)	(64,500)	(135,886)
<b>Cash flows from Financing Activities</b>				
Board Contribution to MOE Property Project		(32,202)	-	-
Finance Lease Payments		(12,419)	-	(12,667)
Funds Administered on Behalf of Third Parties		53,417	-	74,568
Net cash from/(to) Financing Activities		8,796	-	61,901
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>54,929</b>	<b>27,451</b>	<b>180,090</b>
Cash and cash equivalents at the beginning of the year	7	400,152	400,152	220,062
<b>Cash and cash equivalents at the end of the year</b>	7	<b>455,081</b>	<b>427,603</b>	<b>400,152</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 School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### 1.1. Reporting Entity

Donovan Primary School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 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 whole 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 best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance 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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 20b.

##### *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 to which they relate. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programmes are recorded as revenue when the School has the rights to the funding in the period to which they relate. The grants are not received in cash by the School and are paid directly 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. Grants for the use of land and buildings 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 where conditions exist**

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 recognised as revenue as the conditions are fulfilled.

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

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

## **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 expected 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 funded by the Board to buildings owned by the Crown or directly by the board 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 Statement of Comprehensive Revenue and Expense 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	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 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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised as 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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 Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

### **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 entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned by non teaching staff, but not yet taken at balance date.

#### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 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. Remeasurements are recognised in Statement of Comprehensive Revenue and Expense in the period in which they arise.

### **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. Funds held for Capital Works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

### **1.15. 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.

Cyclical maintenance, which involves painting of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

### **1.16. Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

The School's financial liabilities comprise accounts payable, and finance lease liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

### **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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	956,568	830,170	939,030
Teachers' Salaries Grants	2,070,833	1,400,000	2,095,542
Use of Land and Buildings Grants	534,605	534,605	469,657
Other Government Grants	10,376	-	-
	<u>3,572,382</u>	<u>2,764,775</u>	<u>3,504,229</u>

The School has opted in to the donations scheme for this year. Total amount received was \$65,850 (2021: \$64,950).

## 3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations & Bequests	11,660	23,000	42,833
Fees for Extra Curricular Activities	23,762	17,800	20,071
Trading	3,443	4,000	3,813
Fundraising & Community Grants	40,275	15,240	31,171
Other Revenue	4,016	700	7,487
	<u>83,156</u>	<u>60,740</u>	<u>105,375</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	34,410	22,800	21,139
Trading	3,067	4,000	3,200
Fundraising & Community Grant Costs	25,005	-	16,500
	<u>62,482</u>	<u>26,800</u>	<u>40,839</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>20,674</u>	<u>33,940</u>	<u>64,536</u>

## 4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	36,990	83,223	76,581
Information and Communication Technology	8,456	8,220	7,073
Library Resources	1,645	6,800	1,741
Employee Benefits - Salaries	2,381,826	1,689,400	2,410,157
Staff Development	8,207	11,500	6,453
Depreciation	105,586	96,000	104,114
	<u>2,542,710</u>	<u>1,895,143</u>	<u>2,606,119</u>

## 5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,437	5,437	5,279
Board Fees	4,700	5,355	5,935
Board Expenses	6,532	8,000	5,325
Communication	3,147	4,000	3,048
Consumables	9,742	9,000	13,570
Operating Lease	10,037	22,500	10,071
Other	18,265	15,617	14,743
Employee Benefits - Salaries	124,698	93,500	103,344
Insurance	5,888	7,200	5,371
Service Providers, Contractors and Consultancy	2,700	2,700	2,550
	<u>191,146</u>	<u>173,309</u>	<u>169,236</u>

## 6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	24,704	21,000	20,731
Cyclical Maintenance Provision	27,239	20,000	18,690
Grounds	5,980	12,900	15,812
Heat, Light and Water	29,553	30,000	27,497
Rates	5,625	6,100	5,232
Repairs and Maintenance	48,717	22,207	22,899
Use of Land and Buildings	534,605	534,605	469,657
Security	3,286	1,500	955
Employee Benefits - Salaries	95,856	88,000	98,648
	<u>775,565</u>	<u>736,312</u>	<u>680,121</u>

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	455,081	427,603	400,152
Cash and Cash Equivalents for Statement of Cash Flows	<u>455,081</u>	<u>427,603</u>	<u>400,152</u>

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

Of the \$455,081 Cash and Cash Equivalents, \$167,962 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 2023 on Crown owned school buildings.

## 8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	-	692	692
Interest Receivable	13,461	3,734	3,734
Teacher Salaries Grant Receivable	178,990	181,128	181,128
	<u>192,451</u>	<u>185,554</u>	<u>185,554</u>
Receivables from Exchange Transactions	13,461	4,426	4,426
Receivables from Non-Exchange Transactions	178,990	181,128	181,128
	<u>192,451</u>	<u>185,554</u>	<u>185,554</u>

## 9. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	946,373	820,351	820,351
Total Investments	<u>946,373</u>	<u>820,351</u>	<u>820,351</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	413,727	43,274	(39,957)	-	(38,004)	379,040
Furniture and Equipment	132,902	11,739	(2,448)	-	(19,017)	123,176
Information and Communication Technology	66,422	20,005	-	-	(28,888)	57,539
Leased Assets	32,745	5,864	-	-	(16,854)	21,755
Library Resources	18,612	5,186	(1,213)	-	(2,823)	19,762
<b>Balance at 31 December 2022</b>	<b>664,408</b>	<b>86,068</b>	<b>(43,618)</b>	<b>-</b>	<b>(105,586)</b>	<b>601,272</b>

The net carrying value of equipment held under a finance lease is \$21,755 (2021: \$32,745)

### Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	676,542	(297,502)	379,040	675,724	(261,997)	413,727
Furniture and Equipment	416,353	(293,177)	123,176	409,300	(276,398)	132,902
Information and Communication Technology	308,466	(250,927)	57,539	328,419	(261,997)	66,422
Leased Assets	56,110	(34,355)	21,755	56,379	(23,634)	32,745
Library Resources	55,124	(35,362)	19,762	53,614	(35,002)	18,612
<b>Balance at 31 December</b>	<b>1,512,595</b>	<b>(911,323)</b>	<b>601,272</b>	<b>1,523,436</b>	<b>(859,028)</b>	<b>664,408</b>

## 11. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	30,054	83,832	83,832
Accruals	34,674	5,279	5,279
Banking Staffing Overuse	-	8,329	8,329
Employee Entitlements - Salaries	180,935	182,881	182,881
Employee Entitlements - Leave Accrual	11,817	11,817	11,817
	<u>257,480</u>	<u>292,138</u>	<u>292,138</u>
Payables for Exchange Transactions	<u>257,480</u>	<u>292,138</u>	<u>292,138</u>
	<u>257,480</u>	<u>292,138</u>	<u>292,138</u>

The carrying value of payables approximates their fair value.

## 12. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Other Revenue in Advance	4,302	4,687	4,687
	<u>4,302</u>	<u>4,687</u>	<u>4,687</u>

### 13. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	131,271	131,271	121,225
Increase to the Provision During the Year	22,499	20,000	21,327
Other Adjustments	4,740	-	(2,637)
Use of the Provision During the Year	(23,000)	(30,000)	(8,644)
Provision at the End of the Year	135,510	121,271	131,271
Cyclical Maintenance - Current	68,026	52,607	49,049
Cyclical Maintenance - Non current	67,484	68,664	82,222
	135,510	121,271	131,271

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

### 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:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	16,991	17,254	17,254
Later than One Year and no Later than Five Years	5,481	17,019	17,019
Future Finance Charges	(1,305)	(2,250)	(2,250)
	21,167	32,023	32,023
Finance lease liability - Current	15,953	15,733	15,733
Finance lease liability - Non current	5,214	16,290	16,290
	21,167	32,023	32,023

### 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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Admin Upgrade #222385	74,568	29,696	(104,264)	-	-
Hall Toilet & Heating System Upgrade #227597	-	100,000	(47,103)	-	52,897
External Anti-slip Flooring #236575	-	16,479	(16,479)	-	-
Block C Remodel	-	-	(15,216)	-	(15,216)
Roof Replacement	-	120,000	(29,696)	-	90,304
Totals	74,568	266,175	(212,758)	-	127,985

#### Represented by:

Funds Held on Behalf of the Ministry of Education	143,201
Funds Receivable from the Ministry of Education	(15,216)

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
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## 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.

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
<i>Board Members</i>		
Remuneration	4,700	5,935
<i>Leadership Team</i>		
Remuneration	372,166	378,617
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	376,866	384,552

There are five members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance (four members) and Property (two members) that meet monthly and quarterly respectively. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### Principal

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

	<b>2022 Actual \$000</b>	<b>2021 Actual \$000</b>
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:

<b>Remuneration \$000</b>	<b>2022 FTE Number</b>	<b>2021 FTE Number</b>
100 -110	2.00	3.00
110 -120	1.00	-
	3.00	3.00

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 members, 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:

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
Total	-	-
Number of People	-	-

## 19. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: 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 2022, a contingent liability for the school may exist.

### TAPEC Wash-up Funding:

The Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The School has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined at the date of reporting .

## 20. Commitments

### (a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) \$329,718 contract for the Hall Toilet & Heating System Upgrade to be completed in 2023, which will be funded by \$295,218 the Ministry of Education and \$34,500 by a Board donation. \$100,000 has been received of which \$47,103 has been spent on the project to date.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$74,568)

### (b) Operating Commitments

As at 31 December 2022 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2021: 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	455,081	427,603	400,152
Receivables	192,451	185,554	185,554
Investments - Term Deposits	946,373	820,351	820,351
Total Financial assets measured at amortised cost	<u>1,593,905</u>	<u>1,433,508</u>	<u>1,406,057</u>

### Financial liabilities measured at amortised cost

Payables	257,480	292,138	292,138
Finance Leases	21,167	32,023	32,023
Total Financial liabilities measured at amortised Cost	<u>278,647</u>	<u>324,161</u>	<u>324,161</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.

## Donovan Primary Statement of Variance 2022 - Management

AREA	PRIORITY/PROCESS	MONITORING AND EVALUATING IMPACT
<b>Well being</b>	<ol style="list-style-type: none"> <li>1. Resilience will need to be embedded further by involving parent education and continuing to link to our vision.</li> <li>2. To work with staff around job conditions and ways to increase teacher efficiency.</li> <li>3. Support In school Counselling Service.</li> <li>4. Continue Sports Assistant Programme.</li> <li>5. To use Accord TOD's to provide ease to workload.</li> <li>6. Continue Social and Emotional Learning.</li> </ol>	<ol style="list-style-type: none"> <li>7. There has been little traction with parent education, but we have continued to promote resilience through celebrating this in school assemblies.</li> <li>8. This has been a continued focus. Our 'Wellbeing Focus Group' meets termly<sup>7</sup> and plans activities to promote good work conditions for staff.</li> <li>9. We have had no success in attracting a part-time Counselling Service but have arranged a programme 'Seasons for Change' to start for groups of children starting week 3 Term 2 2023. This will be focused on small groups of children who are not coping with change, grief, or general feeling of loss.</li> <li>10. We have been able to successfully keep our sports assistant Programme for all of 2022. This programme benefited over 170 students.</li> <li>11. These have been completed.</li> <li>12. We have continued our delivery of Second Steps (Social and Emotional Learning). It is now becoming part of normal practice in our classrooms.</li> </ol>
<b>Engagement</b>	<ol style="list-style-type: none"> <li>1. To implement changes to LTP and Events calendar.</li> <li>2. To continue research into teacher strategies that help focus learners on their learning.</li> <li>3. To continue to promote positive play opportunities to all age levels eg fitness track and cycle opportunities.</li> </ol>	<ol style="list-style-type: none"> <li>4. We have adjusted Long Term Plans to meet the needs of NZ Histories inside Social Sciences. With the delays in the work around Progression inside the Curriculum refresh, there has been delays in how we adjust these parts of Long Term Plans.</li> <li>5. We have been looking at strategies to increase Maths knowledge, especially, basic facts and place value knowledge.</li> <li>6. We have continued our P.A.L's programme. It is becoming very much embedded within our playground culture. The fitness track has been a huge asset to the school and the wider community. The use of it growing which is good to see. We still hope to expand this facility into cycling activities.</li> </ol>
<b>Achievement</b>	<ol style="list-style-type: none"> <li>1. To be more effective in data driven decision making.</li> <li>2. Uplift action in Digital Curriculum.</li> <li>3. To be able to report easily with our evaluation framework.</li> <li>4. To embed and continue staff research into best practice in raising achievement for Maths learners</li> <li>5. To report to the BOT so they are fully informed around achievement.</li> </ol>	<ol style="list-style-type: none"> <li>1. We have been working inside the Edge Platform to create better ways of presenting and collating data. We have trained and started using 'ASSAY' in the suite in Edge.</li> <li>2. We have made minor shifts and we are still using the ICT facilitator to work in classrooms.</li> <li>3. Our new 'ASSAY' and a greater use of 'Markbook' are helping in this area.</li> <li>4. We have held several staff meetings and been looking at what best practice looks like. We have analysed data in a slightly different way by picking out small strands and digging deeper.</li> <li>5. We have continued to report to BOT mid and end year data.</li> </ol>

## Donovan Primary Statement of Variance 2022 - Governance

AR- EA	PRIORITY/PROCESS	MONITORING AND EVALUATING IMPACT
<b>Effective Governance</b>	<ol style="list-style-type: none"> <li>1. BOT to be part of for External Review cycle.</li> <li>2. Possible change over of BOT Deputy chair as part of succession planning.</li> <li>3. BOT to keep abreast of Governance review.</li> <li>4. Prepare for BOT Elections.</li> <li>5. Work with community prior to Elections, hold parent forums and information evenings.</li> <li>6. Provide sound induction for new members.</li> <li>7. BOT to review Governance Manual and communication systems and storage to be ready for change over.</li> </ol>	<ol style="list-style-type: none"> <li>8. BOT have met with ERO evaluative partner in T2 and worked with ERO on draft Profile Report.</li> <li>9. With the delay in the change over of BOT elections, this hasn't been achieved yet. We also have three new members.</li> <li>10. New members have been issued with a reviewed Governance Manual.</li> <li>11. The BOT appointed a returning officer. They chose the common election date. They then followed subsequent timeline.</li> <li>12. We did several adverts and held a parent information evening. Subsequently we received just enough nominations therefore the Returning Officer declared no election required.</li> <li>13. With the late start for the BOT we have only just started getting into induction. We have covered Governance; BOT Responsibilities and Strategic Planning; and Code of Conduct.</li> <li>14. The past BOT reviewed and updated our Governance Manual before leaving office.</li> </ol>
<b>Consult</b>	<ol style="list-style-type: none"> <li>1. Review BOT Communication with all community to check effectiveness.</li> <li>2. BOT to work with community re 'our strategic thinking'.</li> <li>3. BOT to consult re health programme.</li> <li>4. BOT to consult around Elections.</li> <li>5. BOT to consult Staff re- wellbeing focus.</li> <li>6. Consult School Uniforms.</li> </ol>	<ol style="list-style-type: none"> <li>8. We have only partly achieved this and will need to include the goals through into 2023.</li> <li>9. This has been held off till the BOTs are trained in June/July 2023 in the new format and requirements.</li> <li>10. Completed.</li> <li>11. This was done in a parent information forum.</li> <li>12. This has been completed in reviewing with staff the effectiveness of wellbeing initiatives.</li> <li>13. Has not happened, will move to 2023.</li> <li>14. With the delay in Curriculum refresh this will be moved to 2023.</li> </ol>
<b>Evaluative Priorities</b>	<ol style="list-style-type: none"> <li>1. Evaluative framework should be part of culture of BOT actions.</li> <li>2. Systems of checking progress on goals should be soundly in place.</li> <li>3. Systems and routines for reporting achievement to BOT should be soundly in place.</li> </ol>	<ol style="list-style-type: none"> <li>4. The BOT worked through this as part of a stocktake inside Internal Review as we prepared to engage with our ERO evaluative partner.</li> <li>5. This was going well with immediate past Board, now we must induct new board into this way of thinking.</li> <li>6. This is going well. The new BOT are about to receive their first big issue of end of year data. This will be part of their induction.</li> </ol>
<b>Environment</b>	<ol style="list-style-type: none"> <li>1. Complete Running Track.</li> <li>2. Completion of Block C learning environment.</li> <li>3. Follow external painting plan Blk B/C Roofs.</li> <li>4. Admin Toilet upgrade and office.</li> <li>5. External Walkway replacement along with Part Roofs Blk E/Front signage.</li> <li>6. Remodel School Laundry.</li> </ol>	<ol style="list-style-type: none"> <li>1. Completed.</li> <li>2. Delayed by availability of contractors, now Term 2 2023.</li> <li>3. Completed.</li> <li>4. Completed.</li> <li>5. Still ongoing.</li> <li>6. Completed.</li> </ol>

# Priority Cohort Tracking

## Year 2-6 Basic Facts

All classes have incorporated a Basic Facts component in the daily maths programme. This has ranged from games to written problems that promoted the use of Basic Facts. Children grew to expect the pattern of Basic Facts and many grew quite engaged and competitive.

Basic Facts Cohort Movement

**Year 2** – Cohort has moved from a range of –  
2 to 35 (May results)

7 to 71 (Nov results)

**Year 3** – cohort has moved from a range of –  
1 to 70 (May results)

23 to 85 (Nov results)

**Year 4** – cohort has moved from a range of –  
13 to 58 (May results)

20 to 68 (Nov results)

**Year 5** – cohort has moved from a range of –  
1 to 74 (May results)

15 to 97 (Nov results)

**Year 6** – cohort has moved from a range of –  
24 to 98 (May result)

23 to 100 (Nov result)

(4 students got 100%, 6 students got 99%)

There was a huge shift in Yr 2 Basic Facts Knowledge which was great to see. We are trying to create urgency in our Y2 Maths programme and lift expectations of how early to truly incorporate Basic Facts in class programme.

## Year 3-5 Place Value

**Year 3 2022** – There has been growth in all areas. We have increased to above the National Average, especially in the last 3 data collection questions. These 3 areas have had a large increase in percentage rise.

**Year 3 2022 Maori Learners** – There has been an increase in all areas. The one area for us to watch, is in the Year 3 cohort for both boys and girls in Fraction Knowledge. It has improved by 37% but is still below the national average.

**Year 4 2022** – The greatest area of improvement is in Fraction Knowledge where we went from 66% to an 83% improvement. An area of teaching to be a focus, is in the concept of ‘Nesting’. It has been identified in one of the collection questions. Overall Place Value has shown variable results but not as much as needed for us to be able to say we made a difference.

**Year 4 2022 Maori Learners** – Girls and boys have shown slight improvements in Fraction Knowledge. Boys have shown there is a need for how to interpret a question, even though we are now at the national average.

**Year 5 2022** – We are noticing that work needs to be done on adding Fractions for both boys and girls. The concept of ‘Nesting’ also appears in Year 5 data as a slight need. Also recognising how to interpret pictures. There has been an overall growth in interpreting 3 digit numbers. We have moved closer to the national average in Place Value.

**Year 5 2022 Maori Learners** – Boys – Number of boys too small to interpret patterns. Number of the seven questions were answered 100% correctly.

Girls – Slight improvements in Place Value. Adding in fractions has shown very good improvement.

**Year 6 2022**- There has been an increase in ability to interpret 4 digit numbers which is inside Place Value. There has also been sound increase in Fraction Knowledge.

**Year 6 2022 Maori Learners** – Boys – There has been a good increase in 7 out of 9 areas in the collection questions. In the other two areas we stayed at current levels ie, again the ‘concept of nesting’.

Girls – Mixed results in this area. Decimals are showing as a potential need area for more teaching to be focused.



## Kiwisport Statement for Annual Report

Kiwisport is a government funding initiative to support participation in organised sport. In 2022 Donovan Primary received \$6146.43. We were able to benefit all children from Year 0 to Year 6 by employing a sports facilitator at a cost of \$8934. She took practices, organised teams, allocated uniforms and supported the players at some games. We also utilised a school wide programme called Jump Jam for \$970.

These costs have benefited all students to help engage them in physical activity and/or team sports.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF DONOVAN PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 17, that comprise the statement of financial position as at 31 December 2022, 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 2022; 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 16 June 2023. 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 information included on page 2 and on pages 18 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