

# OTEHA VALLEY SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### School Directory

**Ministry Number:** 6946  
**Principal:** Rosemary Neal  
**School Address:** 2 Medallion Drive, Oteha, Auckland 0632  
**School Postal Address:** 2 Medallion Drive, Oteha, Auckland 0632  
**School Phone:** 09 477 0033  
**School Email:** [enquiries@oteha.school.nz](mailto:enquiries@oteha.school.nz)

#### Members of the Board of Trustees

Name	Position	How Position Gained	Term Expired/ Expires
Steve Newman	Chair Person	Elected	Jun-19
Georgina Dew	Chair Person	Elected	Jun-22
Rose Neal	Principal	ex Officio	Current
Brad Hicks	Parent Rep	Elected	Jun-22
Charlotte Khoo	Parent Rep	Elected	Jun-19
Debbie Wu	Parent Rep	Co-opted	Jun-19
Georgina Dew	Parent Rep	Elected	Jun-19
Justine Haves	Parent Rep	Elected	Jun-22
Lynn Tao	Parent Rep	Elected	Jun-22
Marty Bamford	Parent Rep	Elected	Jun-19
Robert Bao	Parent Rep	Co-opted	Jun-19
Viaan Janse Van Rensburg	Parent Rep	Elected	Jun-22
Sherryl Prangle	Staff Rep	Elected	Jun-22

**Accountant / Service Provider:** Anna Rutherford - S.A.J. Services Ltd

# OTEHA VALLEY SCHOOL

Annual Report - For the year ended 31 December 2019

## Index

Page	Statement
	<b>Financial Statements</b>
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 10</u>	Statement of Accounting Policies
<u>11 - 19</u>	Notes to the Financial Statements
	<b>Other Information</b>
	Analysis of Variance
	Kiwisport

# Oteha Valley School

## Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

Georgina Ann Dew  
Full Name of Board Chairperson

[Signature]  
Signature of Board Chairperson

18/05/2020  
Date:

Rosmarie Leigh Neal  
Full Name of Principal

[Signature]  
Signature of Principal

18/05/2020  
Date:

**Oteha Valley School**  
**Statement of Comprehensive Revenue and Expense**  
For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Revenue</b>				
Government Grants	2	4,833,762	4,127,911	4,361,102
Locally Raised Funds	3	305,553	141,000	306,385
Interest income		17,827	10,000	18,642
		<u>5,157,142</u>	<u>4,278,911</u>	<u>4,686,129</u>
<b>Expenses</b>				
Locally Raised Funds	3	131,365	15,568	127,332
Learning Resources	4	3,063,554	2,509,086	2,760,370
Administration	5	203,680	220,679	203,374
Finance		2,667	2,500	2,918
Property	6	1,716,596	1,576,439	1,526,127
Depreciation	7	99,907	85,000	92,113
Loss on Disposal of Property, Plant and Equipment		1,542	-	6,743
		<u>5,219,311</u>	<u>4,409,272</u>	<u>4,718,977</u>
<b>Net Surplus / (Deficit) for the year</b>		(62,169)	(130,361)	(32,848)
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(62,169)</u>	<u>(130,361)</u>	<u>(32,848)</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.

Oteha Valley School

**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		977,291	977,291	873,639
Total comprehensive revenue and expense for the year		(62,169)	(130,361)	(32,848)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		5,022	-	136,500
Equity at 31 December	23	920,144	846,930	977,291
Retained Earnings		920,144	846,930	977,291
Equity at 31 December		920,144	846,930	977,291

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.

# Oteha Valley School Statement of Financial Position

As at 31 December 2019

	Notes	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	390,757	98,275	224,859
Accounts Receivable	9	173,898	33,978	181,829
GST Receivable		13,021	-	-
Prepayments		19,612	24,276	24,276
Inventories	10	3,366	4,112	4,112
Investments	11	221,037	533,792	533,792
		<u>821,691</u>	<u>694,433</u>	<u>968,868</u>
<b>Current Liabilities</b>				
GST Payable		-	14,396	14,396
Accounts Payable	13	182,104	33,472	181,322
Revenue Received in Advance	14	1,237	3,402	3,403
Provision for Cyclical Maintenance	15	2,800	18,075	18,075
Finance Lease Liability - Current Portion	16	19,358	21,183	21,183
Funds held for Capital Works Projects	17	-	90,263	90,263
		<u>205,499</u>	<u>180,791</u>	<u>328,642</u>
<b>Working Capital Surplus/(Deficit)</b>		616,192	513,642	640,226
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	<u>372,642</u>	<u>381,049</u>	<u>384,826</u>
		372,642	381,049	384,826
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	48,421	32,978	32,978
Finance Lease Liability	16	20,264	14,783	14,783
		<u>68,685</u>	<u>47,761</u>	<u>47,761</u>
<b>Net Assets</b>		<u>920,149</u>	<u>846,930</u>	<u>977,291</u>
<b>Equity</b>				
	23	<u>920,149</u>	<u>846,930</u>	<u>977,291</u>

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

**Oteha Valley School**  
**Statement of Cash Flows**  
For the year ended 31 December 2019

	Note	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		983,893	997,038	891,239
Locally Raised Funds		333,203	234,194	306,421
Goods and Services Tax (net)		(27,417)	31,927	31,927
Payments to Employees		(737,706)	(736,596)	(693,947)
Payments to Suppliers		(521,817)	(465,420)	(499,480)
Cyclical Maintenance Payments in the year		(21,069)	(25,130)	-
Interest Paid		(2,667)	(2,500)	(2,918)
Interest Received		17,572	10,000	18,664
<b>Net cash from Operating Activities</b>		<b>23,992</b>	<b>43,513</b>	<b>51,906</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE (and Intangibles)		(3,084)	(1,542)	(6,743)
Purchase of PPE (and Intangibles)		(73,381)	(64,847)	(88,778)
Purchase of Investments		312,756	(322,330)	(373,792)
<b>Net cash from Investing Activities</b>		<b>236,291</b>	<b>(388,719)</b>	<b>(469,313)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		5,022	-	136,500
Finance Lease Payments		(9,144)	(18,165)	(18,165)
Funds Held for Capital Works Projects		(90,263)	66,749	66,069
<b>Net cash from Financing Activities</b>		<b>(94,385)</b>	<b>48,584</b>	<b>184,404</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>165,898</b>	<b>(296,622)</b>	<b>(233,003)</b>
Cash and cash equivalents at the beginning of the year	8	224,859	394,897	457,862
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>390,757</b>	<b>98,275</b>	<b>224,859</b>

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

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

# **Oteha Valley School**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2019**

#### **1. Statement of Accounting Policies**

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

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

##### **b) Basis of Preparation**

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

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

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

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

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

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

###### ***Standard early adopted***

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

##### ***Classification of leases***

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

##### ***Recognition of grants***

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

#### **c) Revenue Recognition**

##### ***Government Grants***

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

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

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

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

##### ***Other Grants***

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

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

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

##### ***Interest Revenue***

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

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

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

**e) Operating Lease Payments**

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

**f) Finance Lease Payments**

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

**g) Cash and Cash Equivalents**

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

**h) Accounts Receivable**

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

**Prior Year Policy**

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

**i) Inventories**

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

**j) Investments**

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

**Prior Year Policy**

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

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

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

#### **k) Property, Plant and Equipment**

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

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

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

Property, plant and equipment acquired with individual values under \$500 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

#### **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	20 years
Furniture and equipment	10 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	2-4 years
Library resources	12.5% Diminishing value

#### **l) Impairment of property, plant, and equipment and intangible assets**

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

#### **Non cash generating assets**

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

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

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

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

**m) 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.

**n) Employee Entitlements**

*Short-term employee entitlements*

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

**o) Revenue Received in Advance**

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

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

**p) 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).

**q) Financial Assets and Liabilities**

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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

**r) 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.

**s) Budget Figures**

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

**t) Services received in-kind**

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

## 2. Government Grants

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	698,532	698,386	651,728
Teachers' Salaries Grants	2,422,611	1,917,636	2,136,030
Use of Land and Buildings Grants	1,427,258	1,316,889	1,309,833
Resource Teachers Learning and Behaviour Grants	20,379	16,000	19,058
Other MoE Grants	263,895	179,000	228,153
Other Government Grants	1,087	-	16,300
	<u>4,833,762</u>	<u>4,127,911</u>	<u>4,361,102</u>

## 3. Locally Raised Funds

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

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Donations	100,015	70,000	101,755
Activities	100,980	-	87,149
Trading	51,152	45,000	48,391
Fundraising	53,406	26,000	69,090
	<u>305,553</u>	<u>141,000</u>	<u>306,385</u>
<b>Expenses</b>			
Activities	95,072	7,818	95,057
Trading	7,553	5,250	4,468
Fundraising (Costs of Raising Funds)	28,740	2,500	27,807
	<u>131,365</u>	<u>15,568</u>	<u>127,332</u>
<b>Surplus/ (Deficit) for the year Locally raised funds</b>	<u>174,188</u>	<u>125,432</u>	<u>179,053</u>

## 4. Learning Resources

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	32,859	40,050	32,938
Equipment Repairs	647	1,750	-
Information and Communication Technology	28,457	66,500	42,119
Extra-Curricular Activities	25	-	49
Library Resources	3,320	3,150	2,593
Employee Benefits - Salaries	2,951,510	2,347,136	2,644,420
Staff Development	46,736	50,500	38,251
	<u>3,063,554</u>	<u>2,509,086</u>	<u>2,760,370</u>

## 5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	8,303	6,700	6,411
Board of Trustees Fees	2,515	4,500	3,820
Board of Trustees Expenses	5,896	7,700	3,445
Communication	4,353	6,700	4,625
Consumables	11,402	8,000	16,370
Operating Lease	420	420	1,559
Other	25,370	27,700	25,839
Employee Benefits - Salaries	128,919	142,000	125,101
Insurance	6,002	6,459	6,040
Service Providers, Contractors and Consultancy	10,500	10,500	10,164
	<u>203,680</u>	<u>220,679</u>	<u>203,374</u>

## 6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	12,071	15,500	12,295
Consultancy and Contract Services	57,292	56,200	49,544
Cyclical Maintenance Provision	21,237	24,800	(330)
Grounds	20,819	21,000	7,092
Heat, Light and Water	45,389	36,000	30,050
Rates	96	200	110
Repairs and Maintenance	62,920	45,000	46,910
Use of Land and Buildings	1,427,258	1,316,889	1,309,833
Security	8,607	5,500	2,948
Employee Benefits - Salaries	60,907	55,350	67,675
	<u>1,716,596</u>	<u>1,576,439</u>	<u>1,526,127</u>

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

## 7. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	213	181	151
Furniture and Equipment	39,529	33,631	38,893
Information and Communication Technology	34,347	29,222	27,715
Leased Assets	21,319	18,138	20,202
Library Resources	4,499	3,828	5,152
	<u>99,907</u>	<u>85,000</u>	<u>92,113</u>

## 8. Cash and Cash Equivalents

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	200	200	200
Bank Current Account	18,858	97,686	224,270
Bank Call Account	390	389	389
Short-term Bank Deposits	371,309	-	-
Cash and cash equivalents for Cash Flow Statement	<u>390,757</u>	<u>98,275</u>	<u>224,859</u>

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

## 9. Accounts Receivable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	1,836	33,978	31,652
Interest Receivable	2,581	-	2,326
Teacher Salaries Grant Receivable	169,481	-	147,851
	<u>173,898</u>	<u>33,978</u>	<u>181,829</u>
Receivables from Exchange Transactions	4,417	33,978	33,978
Receivables from Non-Exchange Transactions	169,481	-	147,851
	<u>173,898</u>	<u>33,978</u>	<u>181,829</u>

## 10. Inventories

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	3,366	4,112	4,112
	<u>3,366</u>	<u>4,112</u>	<u>4,112</u>

## 11. Investments

The School's investment activities are classified as follows:

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	221,037	533,792	533,792
Total Investments	<u>221,037</u>	<u>533,792</u>	<u>533,792</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2019						
Building Improvements	2,532	-	-	-	(213)	2,319
Furniture and Equipment	237,220	20,762	-	-	(39,529)	218,453
Information and Communication Technology	77,208	39,589	(321)	-	(34,347)	82,130
Leased Assets	31,804	27,760	-	-	(21,319)	38,246
Library Resources	36,062	1,152	(1,222)	-	(4,499)	31,494
Balance at 31 December 2019	384,826	89,263	(1,543)	-	(99,907)	372,642

The net carrying value of equipment held under a finance lease is \$38,245 (2018: \$31,805)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2019			
Building Improvements	4,258	(1,939)	2,319
Furniture and Equipment	661,253	(442,800)	218,453
Information and Communication Technology	195,102	(112,972)	82,130
Leased Assets	75,709	(37,463)	38,246
Library Resources	117,581	(86,087)	31,494
Balance at 31 December 2019	1,053,903	(681,261)	372,642

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2018						
Building Improvements	1,026	1,656	-	-	(151)	2,531
Furniture and Equipment	214,375	62,056	(319)	-	(38,893)	237,219
Information and Communication Technology	80,110	29,602	(4,787)	-	(27,715)	77,210
Leased Assets	41,841	10,165	-	-	(20,202)	31,804
Library Resources	40,644	2,207	(1,637)	-	(5,152)	36,062
Balance at 31 December 2018	377,996	105,686	(6,743)	-	(92,113)	384,826

The net carrying value of equipment held under a finance lease is \$31,804 (2017: \$41,841)

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2018			
Building Improvements	4,258	(1,726)	2,531
Furniture and Equipment	640,491	(403,271)	237,219
Information and Communication Technology	156,200	(78,992)	77,210
Leased Assets	62,909	(31,105)	31,804
Library Resources	120,511	(84,449)	36,062
Balance at 31 December 2018	984,369	(599,543)	384,826



### 13. Accounts Payable

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating Creditors	15,988	19,648	19,647
Accruals	6,603	-	4,811
Employee Entitlements - Salaries	154,883	7,332	150,372
Employee Entitlements - Leave Accrual	4,630	6,492	6,492
	<u>182,104</u>	<u>33,472</u>	<u>181,322</u>
Payables for Exchange Transactions	182,104	33,472	181,322
	<u>182,104</u>	<u>33,472</u>	<u>181,322</u>

The carrying value of payables approximates their fair value.

### 14. Revenue Received in Advance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	1,237	3,402	3,403
	<u>1,237</u>	<u>3,402</u>	<u>3,403</u>

### 15. Provision for Cyclical Maintenance

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	51,053	51,053	51,383
Increase/ (decrease) to the Provision During the Year	21,168	24,800	(330)
Use of the Provision During the Year	(21,000)	(24,800)	-
Provision at the End of the Year	<u>51,221</u>	<u>51,053</u>	<u>51,053</u>
Cyclical Maintenance - Current	2,800	18,075	18,075
Cyclical Maintenance - Term	48,421	32,978	32,978
	<u>51,221</u>	<u>51,053</u>	<u>51,053</u>

## 16. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	22,468	21,183	23,086
Later than One Year and no Later than Five Years	23,677	148,783	15,487
	<u>46,145</u>	<u>169,966</u>	<u>38,573</u>

## 17. Funds Held for Capital Works Projects

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

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Admin Block	<i>completed</i>	(5,127)	-	5,127	-	-
Multi Block Internal Finishings	<i>completed</i>	(11,500)	-	11,500	-	-
Field Drainage	<i>in progress</i>	(73,636)	(11,500)	85,136	-	-
Totals		<u>(90,263)</u>	<u>(11,500)</u>	<u>101,763</u>	<u>-</u>	<u>-</u>

### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

	2018	Opening Balances \$	Receipts from MoE \$	Payments \$		Closing Balances \$
Fire Alarm & Security	<i>completed</i>	-	-	680	-	-
Admin Block	<i>in progress</i>	-	-	20,705	-	(5,127)
Multi Block Internal Finishings	<i>in progress</i>	-	(149,332)	136,194	-	(11,500)
Siteworks	<i>completed</i>	-	(26,439)	26,439	-	-
Field Drainage	<i>in progress</i>	-	(176,600)	102,964	-	(73,636)
Totals		<u>-</u>	<u>(352,371)</u>	<u>286,982</u>	<u>-</u>	<u>(90,263)</u>

## 18. Related Party Transactions

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

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

## 19. Remuneration

### Key management personnel compensation

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

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	2,515	3,820
Full-time equivalent members	2.00	0.48
<i>Leadership Team</i>		
Remuneration	379,670	319,680
Full-time equivalent members	3	4
Total key management personnel remuneration	382,185	323,500
Total full-time equivalent personnel	5.00	4.48

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

### Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160 - 170	140 - 150
Benefits and Other Emoluments	0 - 5	0 - 5
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2019 FTE Number	2018 FTE Number
100 - 110	1.00	0.00
110 - 120	1.00	0.00
	2.00	0.00

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

## 20. Compensation and Other Benefits Upon Leaving

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

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

## 21. Contingencies

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

### Holidays Act Compliance – schools payroll

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

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

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

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2019 the Board has entered into no contract agreements for capital works.  
(Capital commitments at 31 December 2018: \$0)

### (b) Operating Commitments

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

## 23. Managing Capital

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

## 24. Financial Instruments

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

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	390,757	98,275	224,859
Receivables	173,898	33,978	181,829
Investments - Term Deposits	221,037	533,792	533,792
Total Financial assets measured at amortised cost	<u>785,691</u>	<u>666,045</u>	<u>940,480</u>

### Financial liabilities measured at amortised cost

Payables	182,104	33,472	181,322
Finance Leases	39,622	35,966	35,966
Total Financial Liabilities Measured at Amortised Cost	<u>221,726</u>	<u>69,438</u>	<u>217,288</u>

## 25. Events After Balance Date

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

## 26. Adoption of PBE IFRS 9 Financial Instruments

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

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.

- Note 9 Investments:

Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

Upon transition to PBE IFRS9 there were no material adjustments to these financial statements

## 27. Covid-19

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed. While the disruption is currently expected to be temporary, there is a level of uncertainty around the duration of the closure.

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

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

## Analysis of Variance Reporting



<b>School Name:</b>	Oteha Valley School	<b>School Number:</b>	6946
<b>Strategic Aim:</b>	To ensure our Competency based curriculum prepares our students for learning now and in the future and to strengthen the communication and engagement with our increasingly diverse community		
<b>Annual Aim:</b>	<p>Improve outcomes for all students with a focus on our Priority Learners and those with special needs</p> <p>Accelerate achievement of children not at expectation</p> <p>To ensure all students can succeed by providing a safe learning environment where bullying is identified, acknowledge and strategies are put in place to deal with it</p>		
<b>Target:</b>	<ol style="list-style-type: none"> <li>1. By the end of 2019 the % of children from Year 2-6 who report being bullied more than 2 or 3 times per month has decreased from 23%-19%</li> <li>2. By the end of 2019 the % of Year 4 learners (2018 Year 3 cohort) who report being bullied more than 2 or 3 times a month has decreased from 38%-28%</li> <li>3. Increase the % of our Maori learners achieving 'at' or 'above' in Writing from 68%- 75%</li> <li>4. Increase % of children at or above in Maths in Year 6 from 69%-75%</li> </ol>		
<b>Baseline Data:</b>	See above		

<b>Actions</b> <i>What did we do?</i>	<b>Outcomes</b> <i>What happened?</i>	<b>Reasons for the variance</b> <i>Why did it happen?</i>	<b>Evaluation</b> <i>Where to next?</i>
<p>Introduced the KiVA Anti-bullying programme across the school.</p> <p>Upskilled teachers, students and parents in definition of bullying and the KiVA approach</p> <p>Teachers worked through the KiVA lessons and activities</p> <p>We held a parent information evening to inform parents</p>	<p>Students from Year 2-6 completed a survey about bullying at the end of 2018 and 2019.</p> <p>Overall the % of children across Year 2-6 who reported being bullied more than 2-3 times per month remained at 23 %</p> <p>The Year 4 cohort that we focused on reported a reduction in being bullied from 38%-29%</p>	<p>The KiVA team kept accurate records of all reported bullying that they dealt with and their data is more positive than the survey. Tears of children in Year 2-4 felt that many of the children did not answer the questions accurately. We have a very high percentage of ESOL children in our school and the survey data is probably not very accurate.</p>	<p>Our own in-school KiVA Data showed positive results from adopting the KiVA approach and we are going to continue using this approach. We have several new teachers starting in 2020 and they will need training/upskilling in the programme. We also want to keep informing our parents about how this works.</p> <p>One of the interesting results of the survey was the percentage of children who didn't know we are a KiVA school, so we have planned ways to increase knowledge and understanding of this across the school.</p> <p>We are also going to make a decision about whether we get the Year 2-3s to complete the survey as teachers of those children really felt many children had no idea what they were being asked.</p>

Maori Achievement in Writing	Writing:		
	65% of Maori students at/above- this was not an improvement on 2018	In 2019 we changed our SMS from Assembly to Linc-Ed and along with that our assessment and reporting changed to Progressions. This means it is impossible to make comparisons with the 2018 data and the end of 2019.	<p>We are going to continue to focus on our Priority Learners in all the key areas to try to bring their achievement level with, or better than that of our NZE and Asian students.</p> <p>We did some positive work with our Kāhui Ako on connecting with our Maori families/whanau more effectively at the end of 2019, and we are going to build on that work to engage better with our Maori families to support their children</p>
Year 6 Maths	Maths		
	67% of Year 6s were at/above in Maths	This cohort of Year 6 students had been tracked since they started school, as their achievement has been lower than all other cohorts for the past 6 years. We had one of our Year 6 teachers leave suddenly part-way through the year and had a reliever in one of the Year 6 classes in Term 4.	In Maths we have made the decision to change our teaching approach, as we move towards more collaborative teaching, and we review the literature and data on what the most appropriate methods for our students are. We have appointed a teacher to lead Maths, and we are moving towards a more problem-solving approach, and away from the workshops that we had run for the past few years.



#### Planning for next year:

We consulted and got feedback from a wide range of stakeholders throughout 2019- staff, students, parents, as well as working closely with our Kāhui Ako schools and community. As a result, we have developed new strategic priorities that align with the goals and aspirations of parents, students and teachers, and reflect the changing demographic and challenges in our community.

We have 4 new strategic priorities for 2020-2022, that align with our Kāhui Ako Strategic Priorities, as well as ensuring our individual needs, goals and aspirations are being met. These 4 strategic priorities are: Wellbeing, Complex Needs, Cultural Connectedness and Powerful Learning. We have developed a comprehensive strategic plan and roadmap that will help us meet our aspirational goals. We are utilising the strength of teachers in our school who will lead some of these strands, as well as the collective strengths of our Kāhui Ako schools, through our ASLs, and WSLs.

Our Board of Trustees are fully engaged and supportive of this new direction and we are excited about the positive outcomes for all our students that we hope will come out of this.



### **KiwiSport Funding Report for Year Ended 31 December 2019**

We received \$7,614.96 for Kiwisport for 2019. This money was used to hire sports coaches for Dance and Athletics. All children participated in the coaching sessions. Teachers attended as well, and they learnt new skills and were able to complete follow up tasks and activities after the session.

Level of participation      100%

*ASA*  
17/12/19

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF OTEHA VALLEY PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of Oteha Valley Primary School (the School). The Auditor-General has appointed me, Wayne Monteith, using the staff and resources of BDO Auckland, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2019; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 20 May 2020. This is the date at which our opinion is expressed.

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

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to

enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board of Trustees' responsibilities arise from the Education Act 1989.

#### **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the School's approved budget.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise, from the Public Audit Act 2001.

#### **Emphasis of Matter - COVID-19**

Without modifying our opinion we draw attention to the disclosures in note 27 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Board of Trustees Listing and Kiwisport Report, but does not include the financial statements, and our auditor's report thereon.

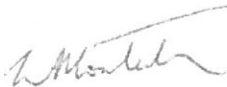
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

#### **Independence**

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

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



Wayne Monteith  
BDO Auckland  
On behalf of the Auditor-General  
Wellington, New Zealand