

ELSTHORPE SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



School Directory

Ministry Number: 2556
Principal: Timothy Waite
School Address: 25 Kenderdine Road, Elsthorpe
School Postal Address: 25 Kenderdine Road, Elsthorpe
School Phone: 06 858 4228
School Email: office@elsthorpe.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Lucie Gilbertson	Presiding Member	Re-elected	May 2025
Timothy Waite	Principal ex Officio		
Sandy Crawford	Principal ex Officio		Jun 2022
Nicola Wall	Member	Re-elected	May 2025
Mark Ferguson	Member	Re-elected	Feb 2022
Felicity MacLean	Member	Re-elected	May 2025
Rhonda Bartlett	Member	Re-elected	May 2025
Bryan Lorenz	Member	Elected	May 2025
Horiana Goldsmith	Member of Staff	Re-elected	May 2025
Raymond Munn	Member	Elected	May 2025
Catherine Ewen	Member	Elected	Aug 2022

Accountant / Service Provider: Eclipse Solutions 4 Schools Ltd

ELSTHORPE SCHOOL

Annual Report - For the year ended 31 December 2022

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Elsthorpe 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.

LUCIE GILBERTSON

Full Name of Presiding Member

Timothy Waite

Full Name of Principal

Lucie Gilbertson

Signature of Presiding Member

Timothy Waite

Signature of Principal

31/5/2023

Date:

31.5.23

Date:

Elsthorpe School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	641,570	566,493	550,235
Locally Raised Funds	3	70,527	70,630	80,976
Interest Income		1,589	300	194
Other Revenue		-	500	485
Total Revenue		713,686	637,923	631,890
Expenses				
Locally Raised Funds	3	42,270	21,396	6,609
Learning Resources	4	495,140	459,303	428,730
Administration	5	118,283	88,371	89,791
Finance		413	398	532
Property	6	125,913	87,223	89,655
Other Expenses	7	5,248	5,500	4,071
		787,267	662,191	619,388
Net Surplus / (Deficit) for the Year		(73,581)	(24,268)	12,502
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(73,581)	(24,268)	12,502

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes which form part of these financial statements.

Elsthorpe School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		453,653	385,000	451,530
Total Comprehensive Revenue and Expense for the Year		(73,581)	(24,268)	12,502
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	(10,379)
Equity at 31 December		380,072	360,732	453,653
Accumulated Comprehensive Revenue and Expense Reserves		380,072	360,732	453,653
Equity at 31 December		380,072	360,732	453,653

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.

Elsthorpe School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	8	489,267	145,000	252,071
Accounts Receivable	9	26,155	35,000	31,721
GST Receivable		-	2,662	1,311
Prepayments		11,063	2,500	7,064
Inventories	10	5,336	3,000	2,362
Biological Asset	11	44,180	63,000	62,255
Funds Receivable for Capital Works Projects	17	779	-	3,283
		576,780	251,162	360,067
Current Liabilities				
GST Payable		27,313	-	-
Accounts Payable	13	52,719	40,000	64,306
Revenue Received in Advance	14	1,810	-	280
Provision for Cyclical Maintenance	15	4,134	-	3,088
Finance Lease Liability	16	1,885	4,000	3,977
Funds Held for Capital Works Projects	17	270,165	-	16,508
		358,026	44,000	88,159
Working Capital Surplus/(Deficit)		218,754	207,162	271,908
Non-current Assets				
Property, Plant and Equipment	12	206,122	190,000	210,994
		206,122	190,000	210,994
Non-current Liabilities				
Provision for Cyclical Maintenance	15	43,165	33,430	28,260
Finance Lease Liability	16	1,639	3,000	989
		44,804	36,430	29,249
Net Assets		380,072	360,732	453,653
Equity		380,072	360,732	453,653

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



Elsthorpe School

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash Flows from Operating Activities				
Government Grants		214,325	120,712	159,277
Locally Raised Funds		77,490	65,130	94,957
Goods and Services Tax (net)		28,624	727	1,516
Payments to Employees		(151,273)	(106,972)	(96,791)
Payments to Suppliers		(174,215)	(134,999)	(126,124)
Interest Paid		(413)	(398)	(532)
Interest Received		1,572	300	194
Net Cash from/(to) Operating Activities		(3,890)	(55,500)	32,497
Cash Flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(14,251)	(10,000)	(26,795)
Net Cash from/(to) Investing Activities		(14,251)	(10,000)	(26,795)
Cash flows from Financing Activities				
Finance Lease Payments		(824)	(1,500)	(4,218)
Funds Administered on Behalf of Third Parties		256,161	-	(34,703)
Net Cash from/(to) Financing Activities		255,337	(1,500)	(38,921)
Net increase/(decrease) in cash and cash equivalents		237,196	(67,000)	(33,219)
Cash and Cash Equivalents at the Beginning of the Year	8	252,071	212,000	285,290
Cash and Cash Equivalents at the End of the Year	8	489,267	145,000	252,071

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.



Elsthorpe School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Elsthorpe 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.

b) 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 expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's 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 15.

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. 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 16.

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.

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.

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. 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 released to 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.

d) 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.

e) 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.

f) Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools 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.



g) Inventories

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

h) Biological Assets

Biological assets are initially measured at cost or, in the case of donated assets, fair value at the date of receipt.

Biological assets are subsequently measured at fair value less costs to sell, with any change recognised in the Statement of Comprehensive Revenue and Expense, as Trading Revenue within Locally Raised Funds. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs.

h) 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 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:

Land & Building Improvements	0 - 50 years
Furniture and Equipment	5 - 10 years
Information and Communication Technology	3 years
Leased Assets	Term of Lease
Library Resources	12.5% Diminishing value

i) 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. If such indication exists, the School estimates the asset's recoverable service amount. 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. 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.

j) 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.

k) 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, to but not yet taken at balance date.

l) Revenue Received in Advance

Revenue received in advance relates to fees received from students and grants 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.

m) 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 Revenue and Expense.

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

n) 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 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 schools carries out painting maintenance of the whole school over a 7 to 10 year period, 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.

o) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are 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 surplus or deficit.

p) 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.

q) Budget Figures

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

r) 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 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	218,040	155,753	159,495
Teachers' Salaries Grants	366,818	359,048	339,048
Use of Land and Buildings Grants	56,712	51,692	51,692
	<u>641,570</u>	<u>566,493</u>	<u>550,235</u>

The school has opted in to the donations scheme for this year. Total amount received was \$7,200.

3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue			
Donations & Bequests	10,073	6,575	24,321
Curriculum related Activities - Purchase of goods and services	-	1,040	64
Fees for Extra Curricular Activities	922	1,500	923
Trading	40,553	33,175	28,848
Fundraising & Community Grants	1,090	-	-
Other Revenue	17,889	28,340	26,820
	<u>70,527</u>	<u>70,630</u>	<u>80,976</u>
Expenses			
Extra Curricular Activities Costs	1,184	1,500	1,331
Trading	41,086	19,896	5,278
	<u>42,270</u>	<u>21,396</u>	<u>6,609</u>
<i>Surplus/ (Deficit) for the Year Locally Raised Funds</i>	<u>28,257</u>	<u>49,234</u>	<u>74,367</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	19,171	18,140	13,959
Equipment Repairs	956	500	269
Information and Communication Technology	3,106	2,500	3,262
Library Resources	217	600	391
Employee Benefits - Salaries	448,315	408,563	383,078
Staff Development	4,870	9,000	8,237
Depreciation	18,505	20,000	19,534
	<u>495,140</u>	<u>459,303</u>	<u>428,730</u>

5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,041	5,041	4,894
Board Fees	5,205	4,600	4,525
Board Expenses	9,023	3,600	4,905
Communication	1,076	1,060	935
Consumables	8,709	7,070	5,799
Other	10,034	4,315	4,489
Employee Benefits - Salaries	72,973	56,457	58,167
Insurance	466	484	457
Service Providers, Contractors and Consultancy	5,756	5,744	5,620
	118,283	88,371	89,791

6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,351	3,850	3,162
Cyclical Maintenance Provision	15,951	5,381	5,381
Grounds	3,817	1,800	2,160
Heat, Light and Water	11,915	10,200	9,877
Repairs and Maintenance	35,167	14,300	17,383
Use of Land and Buildings	56,712	51,692	51,692
	125,913	87,223	89,655

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. Other Expenses

	2022	2022	2021
	Actual	Budget	Actual
		(Unaudited)	
Transport	5,248	5,500	4,071
	5,248	5,500	4,071

8. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	489,267	145,000	252,071
Cash and cash equivalents for Statement of Cash Flows	489,267	145,000	252,071

Of the \$489,267 Cash and Cash Equivalents, \$270,165 is held by the School on behalf of the Ministry of Education. These funds have been provided by 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.

Of the \$489,267 Cash and Cash Equivalents, \$1,579 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.

9. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	2,267	10,000	9,279
Interest Receivable	17	-	-
Teacher Salaries Grant Receivable	23,871	25,000	22,442
	26,155	35,000	31,721
Receivables from Exchange Transactions	2,284	10,000	9,279
Receivables from Non-Exchange Transactions	23,871	25,000	22,442
	26,155	35,000	31,721

10. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	1,271	1,000	921
School Uniforms	4,065	2,000	1,441
	5,336	3,000	2,362

11. Biological Assets

	Livestock \$
Balance as at 1 January 2021	62,255
Purchases	18,800
Sales	(36,408)
Change in fair value due to growth and changes in prices	21,318
Net decrease due to deaths and missing	(21,785)
Balance as at 31 December 2022	44,180

At 31 December 2022 the school had 39 cattle on hand (2021:52). Livestock are owned by the school for the purpose of raising funds.



12. Property, Plant and Equipment

2022	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land & Building Improvements	177,055	2,991	-	-	(6,887)	173,159
Furniture & Equipment	15,116	6,797	-	-	(3,944)	17,969
Information & Communication Technology	3,038	-	-	-	(2,024)	1,014
Leased Assets	4,279	2,954	-	-	(4,202)	3,031
Library Resources	11,506	891	-	-	(1,448)	10,949
Balance at 31 December 2022	210,994	13,633	-	-	(18,505)	206,122

The net carrying value of furniture and equipment held under a finance lease is \$3,031 (2021: \$4,279)

Restrictions

There are no 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 \$
Land & Building Improvements	245,863	(72,704)	173,159	242,872	(65,817)	177,055
Furniture & Equipment	166,000	(148,031)	17,969	164,129	(149,013)	15,116
Information & Communication Technology	28,130	(27,116)	1,014	54,087	(51,049)	3,038
Leased Assets	15,272	(12,241)	3,031	15,890	(11,611)	4,279
Library Resources	36,103	(25,154)	10,949	35,212	(23,706)	11,506
Balance at 31 December	491,368	(285,246)	206,122	512,190	(301,196)	210,994

13. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	20,760	10,000	31,826
Accruals	3,841	5,000	3,694
Banking Staffing Overuse	2,955	-	5,294
Employee Entitlements - Salaries	23,871	25,000	22,442
Employee Entitlements - Leave Accrual	1,292	-	1,050
	<u>52,719</u>	<u>40,000</u>	<u>64,306</u>
Payables for Exchange Transactions	52,719	40,000	64,306
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>52,719</u>	<u>40,000</u>	<u>64,306</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	1,579	-	-
Other Revenue in Advance	231	-	280
	<u>1,810</u>	<u>-</u>	<u>280</u>

15. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	31,348	31,348	25,967
Increase to the Provision During the Year	6,907	5,381	5,381
Other Adjustments	9,044	(3,299)	-
Provision at the End of the Year	<u>47,299</u>	<u>33,430</u>	<u>31,348</u>
Cyclical Maintenance - Current	4,134	-	3,088
Cyclical Maintenance - Non current	43,165	33,430	28,260
	<u>47,299</u>	<u>33,430</u>	<u>31,348</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan / Property consultant review.

16. 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	1,885	4,000	4,129
Later than One Year and no Later than Five Years	1,995	3,500	1,177
Future Finance Charges	(356)	(500)	(339)
	<u>3,524</u>	<u>7,000</u>	<u>4,967</u>
Represented by			
Finance Lease Liability - Current	1,885	4,000	4,129
Finance Lease Liability - Non current	1,639	3,000	837
	<u>3,524</u>	<u>7,000</u>	<u>4,966</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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 8.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP 5YA Electrical Upgrade - 227301	16,508	185,568	(29,142)	-	172,934
Roof & Door Remediation - 227303	(3,283)	102,156	(1,642)	-	97,231
SIP Combined Storm Water - 227305	-	-	(779)	-	(779)
Totals	<u>13,225</u>	<u>287,724</u>	<u>(31,563)</u>	<u>-</u>	<u>269,386</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	270,165
Funds Receivable from the Ministry of Education	(779)

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Pool Remediation - 201986	(4,751)	4,788	(10,416)	10,379	-
Resurface Hardstand Court - 221923	42,300	6,665	(48,965)	-	-
SIP 5YA Electrical Upgrade - 227301	-	18,395	(1,887)	-	16,508
Roof & Door Remediation - 227303	-	-	(3,283)	-	(3,283)
Totals	<u>37,549</u>	<u>29,848</u>	<u>(64,551)</u>	<u>10,379</u>	<u>13,225</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	16,508
Funds Receivable from the Ministry of Education	(3,283)

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 Board members and Principal.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	5,205	4,525
 <i>Leadership Team</i>		
Remuneration	113,349	109,303
Full-time equivalent members	1.00	1.00
 Total key management personnel remuneration	118,554	113,828

There are 7 members of the Board excluding the Principal. The Board had held 11 full meetings of the Board in the year. 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 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	50 - 60	-
Benefits and Other Emoluments	1 - 2	-
Termination Benefits	-	-

Principal 2

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	20 - 30	-
Benefits and Other Emoluments	0 - 1	-
Termination Benefits	-	-

Principal 3

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

	2022	2021
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	20 - 30	100 - 110
Benefits and Other Emoluments	0 - 1	0 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration	2022	2021
\$000	FTE Number	FTE Number
100 - 110	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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

20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, 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:

	2022	2021
	Actual	Actual
Total	\$0.00	\$0.00
Number of People	-	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets 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.

22. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

(a) \$242,048 contract for 5YA Electrical Upgrade as agent for the Ministry of Education. This project is fully funded by the Ministry and \$203,964 has been received of which \$31,029 has been spent on the project to balance date. This project has been approved by the Ministry; and

(c) \$124,857 contract for Roof and Door Remediation as agent for the Ministry of Education. The project is fully funded by the Ministry and \$102,156 has been received of which \$4,925 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2021: \$nil)

(b) Operating Commitments

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

(Operating commitments at 31 December 2021: \$nil)

23. 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	489,267	145,000	252,071
Receivables	26,155	35,000	31,721
Total Financial Assets Measured at Amortised Cost	<u>515,422</u>	<u>180,000</u>	<u>283,792</u>

Financial Liabilities Measured at Amortised Cost

Payables	52,719	40,000	64,306
Finance Leases	3,524	7,000	4,966
Total Financial Liabilities Measured at Amortised Cost	<u>56,243</u>	<u>47,000</u>	<u>69,272</u>

24. Events After Balance Date

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

25. Comparatives

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

Elsthorpe School

Kiwisport Report

For the year ended 31 December 2022

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

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2022 the school received total Kiwisport funding of \$727 (excluding GST). The funding was put towards a range of sports equipment to resource the school to support and initiate student participation in a variety of sports.

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

Personnel Policy Compliance (s73 and s74 Public Service Act 2020)

For the year ended 31 December 2022

The Elsthorpe School Board:

- 1 Has developed and implemented personnel and industrial policies, within policy and procedural frameworks set by the Government from time to time, which promote high levels of staff performance, use educational resources effectively and recognise the needs of students;
- 2 Has reviewed its compliance against both its personnel policy and procedures and Education Review Office Board assurance Statement Personnel (Section 4) and can report that it meets all requirements and identified best practice;
- 3 Is a good employer as defined by the Public Service Act 2020 and complies with the conditions contained in the employment contracts applying to teaching and non-teaching staff;
- 4 Ensures all employees and applicants for employment are treated according to their skills, qualifications, abilities and aptitudes, without bias or discrimination;
- 5 Meets all EEO requirements.

Statement of Variance Reporting



School Name:	Elsthorpe School	School Number:	2556
Strategic Aim: Analysis report	To promote equitable and excellent outcomes for all students through quality teaching and learning opportunities, and positive relationships.		
Annual Aim:	Accelerate the achievement of all students in Writing Accelerate the achievement of all students in Reading Accelerate the achievement of all students in Mathematics		
Target:	80% of students achieving at or above expectation by the end of the year in Writing 65% of Maori students working at or above the expected level in Writing by the end of the year 85% of all students working at or above the expected level in Reading 75% of Maori students working at or above the expected level in Reading Implement new Early Literacy programme in Junior class 85% of all students working at or above the expected level in Mathematics 80% of Senior students working at or above the expected level in Mathematics 70% of Maori students working at or above the expected level in Mathematics		
Baseline Data:	February 2022 Writing <ul style="list-style-type: none"> ● 31% of students achieving above end of year expectation ● 41% of students achieving at end of year expectation ● 28% of children below expectation ● 6/10 Maori students are in target groups and needed to be monitored to make accelerated progress 		

Reading

- 27% of students achieving above end of year expectation.
- 45% of students achieving at or above end of year expectation.
- 33% of students sitting one sub level below expectation
- 20% of students are in target groups and needed to be monitored to make accelerated progress
- 4 Year 2 students on Reading Recovery
- 1 student is high needs and has specific MOE support
- 20% of Maori are achieving at expectation.
- 6/10 Maori students are in target groups and needed to be monitored to make accelerated progress

Maths

- 28% of students achieving above end of year expectation
- 75% of students achieving at or above the end of year expectation
- All students working towards expectation are only one sublevel below this
- 7/13 Maori are achieving at or above expectation. This needs to be a target for improvement
- 3 new Maori students came into school in the second half of the year well below expectation
- 4/10 target students made accelerated progress to reach expectation
- Year 1 and Year 3 are the group that needs to be monitored in 2022

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>Writing</p> <ul style="list-style-type: none"> • Use of student's blue folders to ensure progress against the school's writing matrix. • Teachers individually conference with students on their writing goals and next steps. • LSC support for target students across the school. • Endeavoured to use real-life experiences to engage students in the writing process. • Developed students ability to re-craft their writing and respond to feedback. • Teachers ensure students have the opportunity to share their writing with an audience and can hear what their writing sounds like. • Regularly share writing with their parents via Seesaw. • Students in Junior room have sentences modelled to them by the Teacher. • Weekly planning for writing ensures coverage and success for the students. • Making writing fun for the students. 	<p>Writing</p> <ul style="list-style-type: none"> • 21% of students achieving above end of year expectation, a 10% decrease on 2021 data • 85% of students achieving at or above end of year expectation • 15% of students are achieving below their end of year expectation. • 2 out of 4 target Maori students from the beginning of year data have left the school. • 69% of Maori are achieving at or above expectation, a 15% improvement on 2021. • 5/7 target group students made progress. • Year 4 group which was a target in Year 3 made great progress with all 7 at or above expectation at the end of the year. 	<p>Writing</p> <ul style="list-style-type: none"> • Covid-19 caused further disruption to learning. • LSC gave specific support to children in the Junior Room. • Teachers conferenced with students individually or during group sessions on their writing, giving them specific feedback based on our writing matrix. • The Teacher Aid timetable was regularly adjusted to utilise the best use of their time. • Data was shared with the board on a regular basis allowing for targeted funding. • Teachers adjusting their timetables and teaching styles to adapt to the needs in their classroom. • Discussions in staff meetings about target students. 	<p>Writing</p> <ul style="list-style-type: none"> • Teacher aide time is used to assist the competent writers in each class so that the Teacher is able to spend further time with struggling writers. • Successful application for the Better Start Literacy programme. • Continue to utilise Tracey Lancaster (LSC) and Hayley Henderson (RtLit) to support Teachers and Teacher aides provide a high quality programme for their students. • Asking Maori students for their input towards creating an engaging writing programme. What works for Maori students, will often work for all. • Continue to use the Elsthorpe Writing matrix with students to monitor what they can do in writing, where they are at and what they need to learn to do next. • Moderate writing with neighbouring school staff again. • Students share with parents/caregivers in Term 1 and Term 3 the goals and

Tātaritanga raraunga

- Moderation across the classrooms.

Reading

- Continued with Reading Recovery, 3 students worked
- Monitoring of student progress across classes with running records and other forms of assessment.
- Targeted teacher aid support.
- Goal setting and knowing next steps
- Support in the Junior Room from Hayley Henderson (RtLit).
- Support in the Middle and Senior Room with target students from Tracey Lancaster (LSC).
- Ongoing Professional Development of Teaching staff.
- Targeted support from the Teacher Aid.

Reading

- 29% of students achieving above end of year expectation, a 2% increase on 2021 data
- 89% of students achieving at or above end of year expectations
- 11% of students are achieving below their end of year expectation.
- 2 out of 4 target Maori students from the beginning of year data have left the school.
- 75% of Maori are achieving at or above expectation, a 55% improvement on 2021.
- 5/6 target group students made progress.

Reading

- Covid-19 caused further disruption to learning.
- LSC gave specific support to children in the Junior Room.
- Most target students are reading with a great deal more confidence and have made significant progress because;
- Reading Recovery provided structured 1:1 support for those students on it
- they were reading every day
- the teachers knew exactly where the students were at and constantly used running records to monitor the students throughout the year
- they used material that was appealing to their students and engaged their interest
- the teachers were developing specific reading strategies that were appropriate to the target students

progress made against the Elsthorpe Writing matrix.

- Students writing together across the classes.

Reading

- Continue with reading recovery to support students that need extra support.
- Accurate tracking of student data through the use of the school's assessment folders.
- Teacher aide time is used to assist the competent writers in each class so that the Teacher is able to spend further time with struggling writers.
- Successful application for the Better Start Literacy programme.
- Continue to utilise Tracey Lancaster (LSC) and Hayley Henderson (RtLit) to support Teachers and Teacher aides provide a high quality reading programme for their students.
- Moderation with schools from the surrounding area.
- Continue Early Literacy programme in Junior Room.

Tātaritanga raraunga

Maths

- Guided maths session, modelling, explicit teaching and using materials.
- Specific learning activities to improve students basic facts knowledge and recall.
- Used data from knowledge tests, Gloss and PATs, other formative strand assessments to identify specific areas that need more development.
- Students highlighted knowledge areas they have improved in and areas they need to develop.
- Use of Rich Tasks in the classroom where students apply the strategies they have learned and discuss these with peers, consolidating their thinking. Students self-assess against a rubric based on the focus task.

Maths

- 17% of students achieving above end of year expectation, a 11% decrease on 2021 data
- 79% of students achieving at or above end of year expectation
- 21% of students are achieving below their end of year expectation.
- 1 out of 4 target Maori students from the beginning of year data have left the school.
- 67% of Maori are achieving at or above expectation, a 14% improvement on 2021.
- 7/8 target group students made progress.

- students developed their understanding of what they were reading by retelling the main ideas or facts they had read.

Maths

- Covid-19 caused further disruption to learning.
- The majority of target students made progress because they were being taught specific numeracy strategies. Guided sessions using modelling and explicit teaching using materials made a difference.
- More games were being used in the classes to support the students knowledge learning.
- Purchasing of Maths equipment to enhance classroom programmes.
- Moving students from Year 5 through to the Senior room to allow targeted teaching.

Maths

- PAT Online testing to provide accurate data and feed forward opportunities with students.
- PLD with Julie Roberts (NZCER) to grow Maths pedagogy.
- Revising the Elsthorpe School curriculum.
- Ensuring collection of data by staff is moderated and consistent.
- Identify gaps in Basic Facts knowledge and utilise games to teach these gaps
- Accurate tracking of student data through the use of the school's assessment folders.
- Evaluating the daily timetable to ensure that Maths is being taught at the correct time.

Planning for next year:



Tātaritanga raraunga

Writing

- BSLA programme to support writing development in the Junior classroom.
- Develop a schoolwide learner profile in consultation with parents/teachers and students
- Use Readiness tool to begin to unpack Te Mataiaho
- Create a database of parents strengths and support systems that can enhance our local curriculum.
- Further develop the Elsthorpe School writing matrix

Reading

- Continue Reading Recovery programme
- BSLA programme to support reading development in the Junior classroom.
- Develop a schoolwide learner profile in consultation with parents/teachers and students
- Use Readiness tool to begin to unpack Te Mataiaho
- Create a database of parents strengths and support systems that can enhance our local curriculum.

Maths

- Maths development with Julie Roberts linked to new maths progress outcomes
- Develop a schoolwide learner profile in consultation with parents/teachers and students
- Use Readiness tool to begin to unpack Te Mataiaho
- Create a database of parents strengths and support systems that can enhance our local curriculum.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ELSTHORPE SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Elsthorpe School (the School). The Auditor-General has appointed me, Glenn Fan-Robertson, using the staff and resources of BDO Hawke's Bay, 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 18, 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 31 May 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.

PARTNERS: Glenn Fan-Robertson Heather Hallam Lisa Townshend
CONSULTANT: David Pearson

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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 Statement of Responsibility, Members of the Board, Kiwisport Statement, Personnel Policy Compliance, and Analysis of Variance, 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.



Glenn Fan-Robertson
BDO Hawke's Bay
On behalf of the Auditor-General
Hawke's Bay, New Zealand