

# ST JOSEPHS SCHOOL (BALCLUTHA)

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### School Directory

<b>Ministry Number:</b>	3826
<b>Principal:</b>	Annette O'Mahony
<b>School Address:</b>	18 Stewart St, Balclutha
<b>School Postal Address:</b>	18 Stewart St, Balclutha 9230
<b>School Phone:</b>	03 418 2548
<b>School Email:</b>	<a href="mailto:office@stjosephs.school.nz">office@stjosephs.school.nz</a>

#### Members of the Board of Trustees

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Ben Cameron	Chair Person/ Parent Rep	Elected	May 2022
Annette O'Mahony	Principal	ex Officio	
Trish Breen	Parent Rep	Re-Elected	May 2022
Craig McCrostie	Parent Rep	Re-Elected	May 2022
Laura Irwin	Parent Rep/ Secretary	Elected/ Re-Elected	May 2022
John Thornley	Parent Rep	Through Selection 2020	May 2022
Father Chris O'Neill	Proprietors Rep	Appointed	
Tracey Murray	Proprietors Rep/ Treasurer	Appointed	
Glenn May	Proprietors Rep	Appointed	
Maria Hill	Proprietors Rep	Appointed	
Anna Grant	Staff Rep	Appointed 2020	

<b>Accountant / Service Provider:</b>	Shand Thomson Ltd Balclutha
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# ST JOSEPHS SCHOOL (BALCLUTHA)

Annual Report - For the year ended 31 December 2020

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# St Josephs School (Balclutha)

## Statement of Responsibility

For the year ended 31 December 2020

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 2020 fairly reflects the financial position and operations of the school.

The School's 2020 financial statements are authorised for issue by the Board.

BENJAMIN JAMES CAMERON

Full Name of Board Chairperson

Bameron

Signature of Board Chairperson

28/9/21

Date:

Annette Anne Marie O'Mahony

Full Name of Principal

A.M. O'Mahony

Signature of Principal

28/9/21

Date:

# St Josephs School (Balclutha)

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>				
Government Grants	2	531,880	129,282	471,572
Locally Raised Funds	3	9,446	-	19,434
Use of Proprietor's Land and Buildings		104,400	-	104,400
Interest income		1,475	2,000	1,779
		<u>647,201</u>	<u>131,282</u>	<u>597,185</u>
<b>Expenses</b>				
Locally Raised Funds	3	6,546	2,500	7,658
Learning Resources	4	420,625	62,760	380,603
Administration	5	52,233	49,260	48,749
Property	6	131,852	31,550	135,391
Depreciation	7	18,160	6,415	18,089
Impairment of Property, Plant and Equipment	11	-	-	1,046
Loss on Disposal of Property, Plant and Equipment		55	-	-
Loss on Uncollectable Accounts Receivable		16	-	196
Amortisation of Intangible Assets	12	220	85	240
		<u>629,707</u>	<u>152,570</u>	<u>591,972</u>
<b>Net Surplus / (Deficit) for the year</b>		17,494	(21,288)	5,213
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>17,494</u></u>	<u><u>(21,288)</u></u>	<u><u>5,213</u></u>

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

# St Josephs School (Balclutha)

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2020

	Notes	Actual 2020 \$	Budget (Unaudited) 2020 \$	Actual 2019 \$
<b>Balance at 1 January</b>		<u>166,679</u>	<u>166,679</u>	<u>159,801</u>
Total comprehensive revenue and expense for the year		17,494	(21,288)	5,213
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		1,549	1,665	1,665
<b>Equity at 31 December</b>	21	<u>185,722</u>	<u>147,056</u>	<u>166,679</u>
Retained Earnings		185,722	147,056	166,679
<b>Equity at 31 December</b>		<u>185,722</u>	<u>147,056</u>	<u>166,679</u>

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.

# St Josephs School (Balclutha) Statement of Financial Position

As at 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	8	94,840	41,698	62,027
Accounts Receivable	9	27,039	24,194	24,194
Prepayments		2,820	2,988	2,988
Investments	10	57,816	56,213	56,213
		<u>182,515</u>	<u>125,093</u>	<u>145,422</u>
<b>Current Liabilities</b>				
GST Payable		8,151	3,203	3,204
Accounts Payable	13	38,393	30,768	30,768
Provision for Cyclical Maintenance	14	3,750	-	-
Finance Lease Liability - Current Portion	15	5,860	4,854	4,854
		<u>56,154</u>	<u>38,825</u>	<u>38,826</u>
<b>Working Capital Surplus/(Deficit)</b>		126,361	86,268	106,596
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	71,055	81,981	81,275
Intangible Assets	12	-	220	220
		<u>71,055</u>	<u>82,201</u>	<u>81,495</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	1,365	6,834	6,834
Finance Lease Liability	15	10,329	14,579	14,578
		<u>11,694</u>	<u>21,413</u>	<u>21,412</u>
<b>Net Assets</b>		<u>185,722</u>	<u>147,056</u>	<u>166,679</u>
<b>Equity</b>	21	<u>185,722</u>	<u>147,056</u>	<u>166,679</u>

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

# St Josephs School (Balclutha)

## Statement of Cash Flows

For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		191,275	130,947	139,405
Locally Raised Funds		11,405	-	17,094
Goods and Services Tax (net)		4,944	-	7,216
Payments to Employees		(84,205)	(65,750)	(61,930)
Payments to Suppliers		(81,011)	(80,321)	(74,413)
Interest Received		1,696	2,000	1,737
Net cash from/(to) Operating Activities		44,104	(13,124)	29,109
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(6,255)	(7,205)	(13,163)
Purchase of Investments		(1,603)	-	(1,683)
Proceeds from Sale of Investments		-	-	1,046
Net cash from/(to) Investing Activities		(7,858)	(7,205)	(13,800)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		1,549	-	1,665
Finance Lease Payments		(4,982)	-	(4,827)
Net cash from/(to) Financing Activities		(3,433)	-	(3,162)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>32,813</b>	<b>(20,329)</b>	<b>12,147</b>
Cash and cash equivalents at the beginning of the year	8	62,027	62,027	49,880
<b>Cash and cash equivalents at the end of the year</b>	8	<b>94,840</b>	<b>41,698</b>	<b>62,027</b>

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

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

# St Josephs School (Balclutha)

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

St Josephs School (Balclutha) (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 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 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

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

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

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

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

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

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

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

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

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

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

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

###### **Cyclical maintenance**

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

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

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

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

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



### *Classification of leases*

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

### *Recognition of grants*

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

## **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 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.

Grants for the use of land and buildings are also 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 Proprietor. Use of land and building grants are recorded as income in the period the school uses the land and building.

### **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 Proprietor. The expense is based on an assumed market rental yield on the land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Proprietor.

## **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 (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.

## **i) 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.

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

Land and buildings owned by the Proprietor 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 Proprietor 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:

Furniture and equipment	5-15 years
Information and communication technology	4-5 years
Leased assets held under a Finance Lease	3-12 years
Library resources	12.5% Diminishing value

## **k) Intangible Assets**

### **Software costs**

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

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

**p) Provision for Cyclical Maintenance**

The property from which the school operates is owned by the Proprietor. 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 Instruments**

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

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

The School's financial liabilities comprise accounts payable, borrowings, 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) Borrowings**

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

Borrowings include but are not limited to operating leases and finance leases.

**s) 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.

**t) Budget Figures**

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

**u) 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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	150,543	121,032	122,594
Teachers' Salaries Grants	340,605	-	332,425
Other MoE Grants	39,363	-	10,683
Other Government Grants	1,369	8,250	5,870
	<u>531,880</u>	<u>129,282</u>	<u>471,572</u>

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

Other MOE Grants total includes additional COVID-19 funding totalling \$20,594 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
Donations	6,481	-	11,386
Activities	1,326	-	5,377
Trading	1,600	-	550
Fundraising	39	-	2,121
	<u>9,446</u>	<u>-</u>	<u>19,434</u>
<b>Expenses</b>			
Activities	5,169	1,500	6,575
Trading	1,377	1,000	966
Fundraising (Costs of Raising Funds)	-	-	117
	<u>6,546</u>	<u>2,500</u>	<u>7,658</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>2,900</u>	<u>(2,500)</u>	<u>11,776</u>

## 4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	19,348	15,510	10,387
Library Resources	-	200	27
Employee Benefits - Salaries	396,423	39,750	362,079
Staff Development	4,854	7,300	8,110
	<u>420,625</u>	<u>62,760</u>	<u>380,603</u>

## 5. Administration

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,335	2,750	3,238
Board of Trustees Fees	4,285	5,700	4,855
Board of Trustees Expenses	927	1,600	2,482
Communication	2,289	2,400	2,091
Consumables	2,432	7,000	2,026
Operating Lease	375	1,200	54
Other	7,131	3,550	6,058
Employee Benefits - Salaries	23,946	18,000	20,764
Insurance	3,253	2,500	2,263
Service Providers, Contractors and Consultancy	4,260	4,560	4,918
	<u>52,233</u>	<u>49,260</u>	<u>48,749</u>

## 6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	2,656	1,400	1,983
Cyclical Maintenance Provision	(1,718)	-	2,167
Grounds	2,652	4,000	2,884
Heat, Light and Water	9,045	10,500	10,635
Rates	2,171	2,150	2,126
Repairs and Maintenance	1,420	4,500	1,223
Use of Land and Buildings	104,400	-	104,400
Security	598	1,000	480
Employee Benefits - Salaries	10,628	8,000	9,493
	<u>131,852</u>	<u>31,550</u>	<u>135,391</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

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	7,436	2,632	7,421
Information and Communication Technology	3,858	1,345	3,793
Leased Assets	5,941	2,084	5,878
Library Resources	925	354	997
	<u>18,160</u>	<u>6,415</u>	<u>18,089</u>

## 8. Cash and Cash Equivalents

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Bank Current Account	75,423	23,178	43,508
Bank Call Account	19,417	18,520	18,519
Cash and cash equivalents for Statement of Cash Flows	94,840	41,698	62,027

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

## 9. Accounts Receivable

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Receivables	623	2,660	2,660
Allowance for uncollectable outstanding receivable balances	(88)	(150)	(150)
Interest Receivable	414	635	635
Banking Staffing Underuse	-	3,309	3,309
Teacher Salaries Grant Receivable	26,090	17,740	17,740
	27,039	24,194	24,194
Receivables from Exchange Transactions	949	3,145	3,145
Receivables from Non-Exchange Transactions	26,090	21,049	21,049
	27,039	24,194	24,194

## 10. Investments

The School's investment activities are classified as follows:

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Current Asset			
Short-term Bank Deposits	57,816	56,213	56,213

## 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2020</b>						
Furniture and Equipment	52,964	2,146	-	-	(7,436)	47,674
Information and Communication Technology	7,985	3,631	-	-	(3,858)	7,758
Leased Assets	13,350	1,741	-	-	(5,941)	9,150
Library Resources	6,976	477	-	(55)	(925)	6,473
<b>Balance at 31 December 2020</b>	81,275	7,995	-	(55)	(18,160)	71,055

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2020</b>			
Furniture and Equipment	100,473	(52,799)	<b>47,674</b>
Information and Communication Technology	51,495	(43,737)	<b>7,758</b>
Leased Assets	28,506	(19,356)	<b>9,150</b>
Library Resources	20,304	(13,831)	<b>6,473</b>
<b>Balance at 31 December 2020</b>	<b>200,778</b>	<b>(129,723)</b>	<b>71,055</b>

	<b>Opening Balance (NBV)</b>	<b>Additions</b>	<b>Disposals</b>	<b>Impairment</b>	<b>Depreciation</b>	<b>Total (NBV)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2019</b>						
Furniture and Equipment	57,329	3,784	-	(728)	(7,421)	<b>52,964</b>
Information and Communication Technology	6,096	5,955	-	(273)	(3,793)	<b>7,985</b>
Leased Assets	14,913	4,315	-	-	(5,878)	<b>13,350</b>
Library Resources	4,595	3,424	-	(45)	(997)	<b>6,976</b>
<b>Balance at 31 December 2019</b>	<b>82,933</b>	<b>17,478</b>	<b>-</b>	<b>(1,046)</b>	<b>(18,089)</b>	<b>81,275</b>

	<b>Cost or Valuation</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2019</b>			
Furniture and Equipment	98,326	(45,362)	<b>52,964</b>
Information and Communication Technology	47,864	(39,879)	<b>7,985</b>
Leased Assets	26,766	(13,416)	<b>13,350</b>
Library Resources	19,983	(13,007)	<b>6,976</b>
<b>Balance at 31 December 2019</b>	<b>192,939</b>	<b>(111,664)</b>	<b>81,275</b>

## 12. Intangible Assets

The School's Intangible Assets are made up of acquired computer software.

	<b>Acquired software</b>	<b>internally generated software</b>	<b>Total \$</b>
<b>Cost</b>			
Balance at 1 January 2019	1,832	-	<b>1,832</b>
Balance at 31 December 2020	1,832	-	1,832
<b>Accumulated Amortisation and impairment losses</b>			
Balance at 1 January 2019	1,612	-	<b>1,612</b>
Balance at 31 December 2020	1,612	-	1,832
<b>Carrying amounts</b>			
At 1 January 2019	220	-	220
At 31 December 2019 / 1 January 2020	220	-	220
At 31 December 2020	220	-	-

Restrictions

There are no restrictions over the title of the school's intangible assets, nor are any intangible assets pledged as security for liabilities.

*Capital commitments*

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2019: \$nil)

**13. Accounts Payable**

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Operating Creditors	1,501	12,154	12,154
Accruals	7,050	-	-
Employee Entitlements - Salaries	28,811	17,740	17,740
Employee Entitlements - Leave Accrual	1,031	874	874
	<u>38,393</u>	<u>30,768</u>	<u>30,768</u>
Payables for Exchange Transactions	38,393	30,768	30,768
	<u>38,393</u>	<u>30,768</u>	<u>30,768</u>

The carrying value of payables approximates their fair value.

**14. Provision for Cyclical Maintenance**

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Provision at the Start of the Year	6,834	6,834	4,666
Increase/ (decrease) to the Provision During the Year	(1,719)	-	2,168
Adjustment to the Provision	-	-	-
Provision at the End of the Year	<u>5,115</u>	<u>6,834</u>	<u>6,834</u>
Cyclical Maintenance - Current	3,750	-	-
Cyclical Maintenance - Term	1,365	6,834	6,834
	<u>5,115</u>	<u>6,834</u>	<u>6,834</u>

**15. Finance Lease Liability**

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

	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
No Later than One Year	8,892	8,229	8,229
Later than One Year and no Later than Five Years	14,032	21,101	21,101
	<u>22,924</u>	<u>29,330</u>	<u>29,330</u>



## 16. Related Party Transactions

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

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

The Proprietor of the School (Catholic Diocese of Dunedin) is a related party of the Board because the proprietor appoints representatives to the Board, giving the proprietor significant influence over the Board. Any services or contributions between the Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as 'Use of Land and Buildings'.

Tracey Murray is a Trustee of the Board and also an associate partner at Shand Thomson Ltd. During the year the School contracted Shand Thomson Ltd to prepare monthly cash reports, the 2020 annual report and provide the School with its cashbook software. The total value of all transactions for the year was \$6,510 (2019: \$6,645), \$1,820 of which is outstanding at balance date (2019: 1,300).

Glenn May is a Trustee of the Board and a shareholder and director of Southern Plumbing Ltd. During the year the School contracted Southern Plumbing Ltd to undertake plumbing repair work at the School. The total value of all transactions for the year was \$351 (2019: \$500), of which none is outstanding at balance date (2019: nil).

Nick Jenkinson is a Parent of children at the School and a shareholder and director of Jenkinson Electrical Ltd. During the year the School contracted Jenkinson Electrical Ltd to undertake electrical work at the School. The total value of all transactions for the year was \$432 (2019: \$1,061), of which none is outstanding at balance date (2019: nil).

## 17. Remuneration

### *Key management personnel compensation*

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	4,285	4,855
Full-time equivalent members	0.08	0.23
<i>Leadership Team</i>		
Remuneration	233,215	192,239
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	237,500	197,094
Total full-time equivalent personnel	3.08	3.23

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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	100-110
Benefits and Other Emoluments	3-4	2-3
Termination Benefits	-	-

### Other Employees

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

Remuneration \$000	2020 FTE Number	2019 FTE Number
100-110	0.00	0.00
110-120	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

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

## 18. Compensation and Other Benefits Upon Leaving

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

	2020 Actual	2019 Actual
Total	-	-
Number of People	-	-

## 19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: 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's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. The current phase of this review is to design potential solutions for any compliance breaches discovered in the initial phase of the Programme. 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 2020, a contingent liability for the school may exist.

## 20. Commitments

### (a) Capital Commitments

As at 31 December 2020 the Board has not entered into contract agreements for capital works

(Capital commitments at 31 December 2019: nil)

### (b) Operating Commitments

As at 31 December 2020 the Board has entered into the following contracts:

(a) operating lease of the service portion of the photocopier;

	2020 Actual \$	2019 Actual \$
No later than One Year	1,635	1,635
Later than One Year and No Later than Five Years	2,862	4,497
	<u>4,497</u>	<u>6,132</u>

## 21. Managing Capital

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

## 22. Financial Instruments

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

### Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	94,840	41,698	62,027
Receivables	27,039	24,194	24,194
Investments - Term Deposits	57,816	56,213	56,213
Total Financial assets measured at amortised cost	<u>179,695</u>	<u>122,105</u>	<u>142,434</u>

### Financial liabilities measured at amortised cost

Payables	38,393	30,768	30,768
Finance Leases	16,189	19,433	19,432
Total Financial Liabilities Measured at Amortised Cost	<u>54,582</u>	<u>50,201</u>	<u>50,200</u>

## 23. Events After Balance Date

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

## 24. Comparatives

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



**School Name:**

St Joseph's Balclutha

**School Number:**

3826

**Strategic Aim: 2020**

**Strategic Goal 1**

Continue to commit to ongoing learning in all aspects of Catholic Special Character so that individuals deepen their personal relationship with Christ.

The BOT to continue to support the Principal and teachers to work towards qualifications in Religious Education.

Continue to work with the new bridging document in the Religious Education programme.

The school along with the parish to continue to build on practices already in place to further engage families/whanu in the faith journey of students.

To support students for reception of the Sacraments including Baptism.

The school and Parish continue to build a strong relationship together.

**Strategic Goal 2**

For all students to be fully engaged in their learning by enabling all students to access the New Zealand Curriculum as evidenced by progress and achievement in Reading, Writing and Maths.

To lift the achievement in Reading from yr3 to yr8 so a greater number of students will achieve at the Above level.

To look at the digital technology curriculum and to start implementing areas into the school

**Strategic Goal 3**

To continue with a Learner Agency approach to learning so that all children can learn with curiosity, creativity and purpose.

To continue an Inquiry Learning approach to children's learning

To continue using our self-review framework and timetable including national priorities.

**Strategic Goal 4**

To develop a careers programme for the Year 7 and Year 8 students

To continue with the St Vincent de Paul programme in the school

To develop and maintain a practical commitment to achieving positive bi-cultural relationships with Maori and a practical commitment to developing a resilient multi-cultural society

<b>Annual Aim:</b>	<p><b>Writing</b> The 4 students working Below expectation at the end of 2019 will have made on year's progress and working towards or at the Curriculum at the end of 2020.</p> <p><b>Mathematics</b> The 5 students identified in 2019 as working below expectations will make at least one year's progress towards being at the Mathematics Curriculum at the end of 2020</p> <p><b>Reading</b> To continue encouraging a greater number of students who were working At the expected level at the end of 2019 to be working Above the standard at the end of 2020</p>
<b>Target:</b>	<p><b>Writing</b> These children are to make one year's progress ensuring they move from Below to At or Above the expected level. All children who were below the expected level in 2019 will make accelerated progress of more than one year by November 2020</p> <p><b>Maths</b> These children are to make one year's progress ensuring they move from Below to at or Above the expected level. All children who were below the expected level in 2019 will make accelerated progress of more than one year by November 2020. We will also continue with our focus in Basic Facts across the whole school.</p> <p><b>Reading</b> We would like to encourage a greater number of students who are working At the expected level in 2019 to be working Above the standard by November 2020</p>
<b>Baseline Data:</b>	<p><b>Writing</b> School data showed in December 2019 that 4 children were working below the expected curriculum level for Writing. 2 students were boys and 2 students were girls. All of these students formed a Target group0 in Room Aroha and in Room Awhero. On Student had English as a second Language and was getting extra ESOL support within the classroom programme. There was a mixture of abilities within the group. Their progress was monitored each term and next steps were put in place to help with their learning.</p> <p><b>Maths</b> In December school data showed 5 children were working below their expected curriculum level in Maths. These children required further support for them to reach the expected level before the end of 2020.1 student has English as a second language and this can be a barrier to her learning. There were 2 boys and 3 girls. These children were supported by the TA and had extra support with the teacher in their classroom programmes.</p>

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**Reading**

In December school data showed 12 students working Above the expected curriculum level for Maths. 6 students were girls and 6 students were boys.

<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><b>Writing</b> Children were assessed at the beginning of 2020 using e-asttle assessment and draft writing. This information was reported to the Principal. Baseline data was collected and children working below were put into Target groups to be monitored twice a term and reported on each term.</p> <p>The students that were identified received extra support from the classroom teacher, teacher aides within the classroom programme.</p> <p>Goals and expectations were set for the students and clear guidelines were set for each student.</p> <p>Regular monitoring meetings were organised to discuss progress of all students and Target Group students especially in areas of concern. Week 5 and end of each term.</p> <p>The Principal reported to the BOT at the end of each Term, 3 times in 2020 as some assessment was not completed because of Covid-19.</p>	<p>1 student has English as a second language but is still working below but is making good progress. We have introduced a new ESOL programme into the school and this is helping this student.</p> <p>1 students is still working below the expected curriculum level. They have made progress and are still receiving extra support each day within the daily writing programme.</p> <p>1 students has moved to another school</p> <p>1 student working at the expected level</p> <p>We reported to the BOT at the end of Term 2 Term 3 and Term 4. There were no surprises at the end of the year.</p> <p>We have 1 catch up meeting in the middle of each term and we discuss student achievement at the end of each term. Teachers change practice to work with children. Next steps were shared and goals were set.</p>	<p>1 student moved to another school.</p> <p>1 students has English as a second language. This student got extra support through ESOL funding but they are still working below the standard for Writing. They have made good progress but are still not at curriculum standard.</p> <p>1 student who was below is now working at the expected level.</p> <p>Covid-19 did not affect the results at the end of the year.</p>	<p>Continue with our Writing moderation and reporting to the BOT each term. I would like to add samples of good writing and for the staff to identify why they are an example of good writing.</p> <p>Ongoing teacher and student needs. Time to reflect on teaching and learning at staff meetings and share what is going well in each classroom.</p> <p>Continue attending literacy professional development when available. There are some excellent on - line courser we can be attending.</p> <p>Buying teacher resources to help with the writing process.</p> <p>Teachers to inquiry into their teaching styles and see where the gaps are.</p>

<p>Teachers worked with parents and students during Interviews and goals were set.</p> <p>All teaching staff attended the literacy day in the holidays. After discussions teachers changed their practice to implement different strategies. By the end of the year classroom teachers were in discussions on Student Agency. Some teachers introduced writing into their Student Agency programme.</p>	<p>All children's writing was moderated three times during the year.</p>		
<p><b>Maths</b> Children assessed and baseline data collected and reported to the Principal.</p> <p>Teachers to identify students who need priority support and targeted instructions to accelerate their progress.</p> <p>Professional development provided by the lead teacher of Maths. Teacher and lead teacher attended workshops in Balclutha. On going staff meetings before teaching of each strand. Teachers planned programmes together after long term planning meeting.</p>	<p>2 students moved from the school</p> <p>1 ESOL student working below in November. Her English can be a barrier to her learning. This student is working below in other curriculum areas.</p> <p>1 Boy is working below. This student has made good progress and with extra support should achieve the expected level by 2021.</p> <p>1 student has moved from Below to At but will continue to get extra support in 2-21</p>	<p>2 students have moved to another school.</p> <p>1 student has English as a second language and this can be a barrier to her learning. She has had extra support this year using ESOL funding.</p> <p>The 1 boy working below has made good progress but is still working below. He has had extra support this year and has been part of a Target group in the school and working with ALIM. Basic Facts is an area of concern for the school.</p>	<p>Professional development organised through the school.</p> <p>Continue with Maths bags so children can take these home and work with them with their families. This seemed to have been missed in 2020 and I would like to see them used again in 2021.</p> <p>Organise focus staff meetings where we talk about what are the good things happening in each classroom. We can learn from each other.</p> <p>Revise the Maths Curriculum delivery plan</p>




We reviewed current practices  
 Regular monitoring meetings.  
 Children still working with the new online maths programme which has helped with children's learning and progress.  
 The Teacher aide worked with groups in the classroom. This was organised by the classroom teacher.  
 Worked with parents to support children's needs and next learning steps.  
 One – one sessions during mid year reporting.  
 Children working below the expected curriculum level to receive extra support with the classroom teacher

Organise observations in each classroom by the lead teacher for Maths and the Principal.

### Planning for next year:

- Professional Development in Reading when available
- Review the Math's Curriculum delivery plan (finish off plan. We started this last year)
- Continue with Inquiry learning and develop this through our Religious Education Programme
- Target groups of students for Reading, Writing and Maths
- Look at Reading Assessment and using e-asTTle for Reading assessment
- Develop our own Reading assessment programme using the school journals.
- A focus to move children working from Below to At and from At to Above
- Review the Social Science Curriculum Plan (This should have been done last year but we ran out of time)
- Continue working with The Community of Learners
- New signage for the school. Not completed in 2020 because of Covid-19
- Complete the Reading Curriculum delivery plan
- Replant gardens not all completed in 2020
- Introduce a Careers programme for the Year 7 & 8 students
- Look at the new Religious Education Curriculum and begin to plan one area together.
- Using play base learning, Student Agency, project base learning and Inquiry learning through our Inquiry process

- 
- Rowena and Annette working together with teacher appraisals
  - Keep the outside of the school looking attractive
  - Introduce Play Base Learning into Room Aroha

# **St Josephs School (Balclutha)**

## **Kiwisport**

For the Year ended 31 December 2020

Kiwisport is a Government funding initiative to support student participation in organised sport. In 2020, the school received total Kiwisport funding of \$705. The funding was spent on a South Otago District Sports Activator and for children to attend sporting events. Every child participated in sports this year. (2019, \$692 spent on a South Otago District Sports Activator & attendance at sporting events).

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF ST JOSEPH SCHOOL (BALCLUTHA)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of St Joseph's School (Balclutha) (the School). The Auditor-General has appointed me, Greg Thomas, using the staff and resources of BDO Invercargill, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 17, that comprise the statement of financial position as at 31 December 2020, 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 2020; 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 28 September 2021. This is the date at which our opinion is expressed.

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

#### Basis for our opinion

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

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

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

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

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board 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 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 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 regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Board is responsible for the other information. The other information comprises the information included on the title page and on pages 18 to 25, but does not include the financial statements, and our auditor's report thereon.

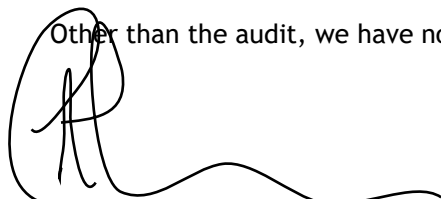
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

#### Independence

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

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



Greg Thomas  
BDO Invercargill  
On behalf of the Auditor-General  
Invercargill, New Zealand