

ST JOSEPHS SCHOOL (BALCLUTHA)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

School Directory

Ministry Number:	3826
Principal:	Annette O'Mahony
School Address:	18 Stewart St, Balclutha
School Postal Address:	18 Stewart St, Balclutha 9230
School Phone:	03 418 2548
School Email:	office@stjosbalclutha.school.nz

Members of the Board of Trustees

Name	Position	How Position Gained	Occupation	Term Expired/ Expires
Ben Cameron	Chair Person	Elected	Farmer	May 2022
Ben Cameron	Parent Rep	Re-Elected	Farmer	May 2022
Annette O'Mahony	Principal	ex Officio	Principal	
Trish Breen	Parent Rep	Re-Elected	Office Executive	May 2022
Craig McCrostie	Parent Rep	Re-Elected	Farmer	May 2022
Laura Irwin	Parent Rep	Elected	Business Owner	May 2022
Laura Irwin	Secretary	Re-Elected	Business Owner	May 2022
Erin Munro	Parent Rep	Elected	Nurse	May 2022
Anna Grant	Staff Rep	Appointed 2018	Teacher	May 2019
Erica Milligan	Staff Rep	Elected 2019	Teacher	May 2022
Father Chris O'Neill	Proprietors Rep	Appointed	Parish Priest	
Tracey Murray	Proprietors Rep	Appointed	Accountant	
Tracey Murray	Treasurer	Appointed	Accountant	
Glenn May	Proprietors Rep	Appointed	Business Owner	
Maria Hill	Proprietors Rep	Appointed	Shop Assistant	

Accountant/Service Provider:	Shand Thomson Ltd Balclutha
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ST JOSEPHS SCHOOL (BALCLUTHA)

Annual Report - For the year ended 31 December 2019

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St Josephs School (Balclutha)

Statement of Responsibility

For the year ended 31 December 2019

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

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

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

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

BENJAMIN JAMES CAMERON

Full Name of Board Chairperson

Annette Anne Marie O'Hahony

Full Name of Principal

Bameron

Signature of Board Chairperson

A.M. O'Hahony

Signature of Principal

2/6/2020

Date:

2. June - 2020

Date:

St Josephs School (Balclutha)

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	471,572	121,032	466,097
Locally Raised Funds	3	19,434	-	13,678
Use of Land and Buildings Integrated		104,400	-	83,600
Interest income		1,779	2,004	2,182
		<hr/>	<hr/>	<hr/>
		597,185	123,036	565,557
Expenses				
Locally Raised Funds	3	7,658	2,500	5,479
Learning Resources	4	380,603	44,460	346,968
Administration	5	48,749	48,708	45,271
Property	6	135,391	32,400	113,830
Depreciation	7	18,089	6,391	14,261
Impairment of Property, Plant and Equipment	11	1,046	-	-
Loss on Uncollectable Accounts Receivable		196	-	-
Amortisation of Intangible Assets	12	240	109	240
		<hr/>	<hr/>	<hr/>
		591,972	134,568	526,049
Net Surplus / (Deficit) for the year		5,213	(11,532)	39,508
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
		5,213	(11,532)	39,508

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 2019

	Notes	Actual 2019 \$	Budget (Unaudited) 2019 \$	Actual 2018 \$
Balance at 1 January		<u>159,801</u>	<u>159,801</u>	<u>120,293</u>
Total comprehensive revenue and expense for the year		5,213	(11,532)	39,508
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		1,665	-	-
Equity at 31 December	21	<u>166,679</u>	<u>148,269</u>	<u>159,801</u>
Retained Earnings		166,679	148,269	159,801
Equity at 31 December		<u>166,679</u>	<u>148,269</u>	<u>159,801</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 2019

		2019	2019	2018
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	8	62,027	44,739	49,880
Accounts Receivable	9	24,194	17,066	17,066
GST Receivable		-	3,967	3,967
Prepayments		2,988	1,980	1,980
Investments	10	56,213	54,530	54,530
		<hr/>	<hr/>	<hr/>
		145,422	122,282	127,423
Current Liabilities				
GST Payable		3,204	-	-
Accounts Payable	13	30,768	26,405	26,405
Finance Lease Liability - Current Portion	15	4,854	4,617	4,617
		<hr/>	<hr/>	<hr/>
		38,826	31,022	31,022
Working Capital Surplus/(Deficit)		106,596	91,260	96,401
Non-current Assets				
Property, Plant and Equipment	11	81,275	76,542	82,933
Intangible Assets	12	220	460	460
		<hr/>	<hr/>	<hr/>
		81,495	77,002	83,393
Non-current Liabilities				
Provision for Cyclical Maintenance	14	6,834	4,666	4,666
Finance Lease Liability	15	14,578	15,327	15,327
		<hr/>	<hr/>	<hr/>
		21,412	19,993	19,993
Net Assets		<hr/>	<hr/>	<hr/>
		166,679	148,269	159,801
Equity	21	<hr/>	<hr/>	<hr/>
		166,679	148,269	159,801

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 2019

		2019	2019	2018
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		139,405	121,030	159,595
Locally Raised Funds		17,094	366	13,886
Goods and Services Tax (net)		7,216	(3)	(6,568)
Payments to Employees		(61,930)	(48,246)	(50,934)
Payments to Suppliers		(74,413)	(94,137)	(71,615)
Interest Received		1,737	2,007	2,246
Net cash from Operating Activities		29,109	(18,983)	46,610
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(13,163)	13,842	(47,009)
Purchase of Investments		(1,683)	-	15,675
Proceeds from Sale of Investments		1,046	-	-
Net cash from Investing Activities		(13,800)	13,842	(31,334)
Cash flows from Financing Activities				
Furniture and Equipment Grant		1,665	-	-
Finance Lease Payments		(4,827)	-	(2,915)
Net cash from Financing Activities		(3,162)	-	(2,915)
Net increase/(decrease) in cash and cash equivalents		12,147	(5,141)	12,361
Cash and cash equivalents at the beginning of the year	8	49,880	49,880	37,519
Cash and cash equivalents at the end of the year	8	62,027	44,739	49,880

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

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



St Josephs School (Balclutha)

Notes to the Financial Statements

For the year ended 31 December 2019

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 Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

Standard early adopted

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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



Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

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

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

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

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

Prior Year Policy

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

i) Investments

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

Prior Year Policy

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

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

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

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.

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



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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Furniture and equipment	5-20 years
Information and communication technology	5-7 years
Leased assets held under a Finance Lease	3-7 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 licences with individual values under \$500 are not capitalised, they 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. It's 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 4-5 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, annual leave earned to but not yet taken at balance date.

o) Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and 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.

p) Provision for Cyclical Maintenance

For Integrated schools use the following:

The property from which the school operates is owned by the Proprietor. The Board is responsible for maintaining the land, building 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 provisions for cyclical maintenance represents the obligations the Board has to the Proprietor and is based on the Board's ten year property plan (10YPP).

q) Financial Assets and Liabilities

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

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

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

r) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

s) Budget Figures

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

t) Services received in-kind

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



2. Government Grants

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operational Grants	122,594	121,032	121,667
Teachers' Salaries Grants	332,425	-	306,503
Other MoE Grants	10,683	-	7,777
Other Government Grants	5,870	-	30,150
	471,572	121,032	466,097

3. Locally Raised Funds

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Revenue			
Donations	11,386	-	8,801
Activities	5,377	-	1,521
Trading	550	-	1,708
Fundraising	2,121	-	1,648
	19,434	-	13,678
Expenses			
Activities	6,575	1,500	3,918
Trading	966	1,000	1,561
Fundraising (Costs of Raising Funds)	117	-	-
	7,658	2,500	5,479
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	11,776	(2,500)	8,199

4. Learning Resources

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Curricular	10,387	14,010	14,171
Library Resources	27	204	-
Employee Benefits - Salaries	362,079	22,242	327,973
Staff Development	8,110	8,004	4,824
	380,603	44,460	346,968



5. Administration

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,238	2,750	3,144
Board of Trustees Fees	4,855	5,150	3,945
Board of Trustees Expenses	2,482	1,600	998
Communication	2,091	2,400	2,105
Consumables	2,026	6,996	3,229
Operating Lease	54	1,200	-
Other	6,058	3,552	5,230
Employee Benefits - Salaries	20,764	18,000	21,024
Insurance	2,263	2,500	492
Service Providers, Contractors and Consultancy	4,918	4,560	5,104
	<u>48,749</u>	<u>48,708</u>	<u>45,271</u>

6. Property

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	1,983	1,800	1,477
Cyclical Maintenance Provision	2,167	-	329
Grounds	2,884	3,996	3,111
Heat, Light and Water	10,635	10,500	10,967
Rates	2,126	1,600	1,740
Repairs and Maintenance	1,223	5,504	2,069
Use of Land and Buildings	104,400	-	83,600
Security	480	996	1,960
Employee Benefits - Salaries	9,493	8,004	8,577
	<u>135,391</u>	<u>32,400</u>	<u>113,830</u>

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

7. Depreciation

	2019	2019	2018
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Furniture and Equipment	7,421	1,741	3,885
Information and Communication Technology	3,793	1,961	4,376
Leased Assets	5,878	2,395	5,344
Library Resources	997	294	656
	<u>18,089</u>	<u>6,391</u>	<u>14,261</u>



8. Cash and Cash Equivalents

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash on Hand	-	5	5
Bank Current Account	43,508	27,990	33,131
Bank Call Account	18,519	16,744	16,744
Cash and cash equivalents for Cash Flow Statement	62,027	44,739	49,880

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

Of the \$62,027 Cash and Cash Equivalents, \$2,120 is held by the School and has been ear marked to purchase new sports equipment. This funding is not subject to restrictions which specify how the funds are required to be spent.

9. Accounts Receivable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Receivables	2,660	366	366
Allowance for credit/ losses	(150)	-	-
Interest Receivable	635	593	593
Banking Staffing Underuse	3,309	-	-
Teacher Salaries Grant Receivable	17,740	16,107	16,107
	24,194	17,066	17,066
Receivables from Exchange Transactions	3,145	959	959
Receivables from Non-Exchange Transactions	21,049	16,107	16,107
	24,194	17,066	17,066

10. Investments

The School's investment activities are classified as follows:

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Current Asset			
Short-term Bank Deposits	56,213	54,530	54,530

11. Property, Plant and Equipment

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

The net carrying value of equipment held under a finance lease is \$13,350 (2018: \$14,913)

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

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2018	\$	\$	\$	\$	\$	\$
Furniture and Equipment	15,289	45,925	-	-	(3,885)	57,329
Information and Communication Technology	10,472	-	-	-	(4,376)	6,096
Leased Assets	16,217	4,040	-	-	(5,344)	14,913
Library Resources	4,167	1,084	-	-	(656)	4,595
Balance at 31 December 2018	46,145	51,049	-	-	(14,261)	82,933

The net carrying value of equipment held under a finance lease is \$14,913 (2017: \$16,217)



2018	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
Furniture and Equipment	95,283	(37,953)	57,329
Information and Communication Technology	43,107	(37,012)	6,096
Leased Assets	27,036	(12,123)	14,914
Library Resources	16,730	(12,135)	4,595
Balance at 31 December 2018	182,156	(99,223)	82,933

12. Intangible Assets

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

	Acquired software	Internally generated software	Total \$
Cost			
Balance at 1 January 2018	1,832	-	1,832
Balance at 31 December 2019	1,832	-	1,832
Accumulated Amortisation and impairment losses			
Balance at 1 January 2018	1,132	-	1,132
Balance at 31 December 2019	1,132	-	1,612
Carrying amounts			
At 1 January 2018	700	-	700
At 31 December 2018/ 1 January 2019	700	-	460
At 31 December 2019	700	-	220

Restrictions

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

Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2018 \$nil)

13. Accounts Payable

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Operating Creditors	12,154	9,524	9,524
Employee Entitlements - Salaries	17,740	16,107	16,107
Employee Entitlements - Leave Accrual	874	774	774
	30,768	26,405	26,405
Payables for Exchange Transactions	30,768	26,405	26,405
	30,768	26,405	26,405

The carrying value of payables approximates their fair value.



14. Provision for Cyclical Maintenance

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Provision at the Start of the Year	4,666	4,666	4,337
Increase/ (decrease) to the Provision During the Year	2,168	-	2,167
Adjustment to the Provision	-	-	(1,838)
Provision at the End of the Year	<u>6,834</u>	<u>4,666</u>	<u>4,666</u>
Cyclical Maintenance - Term	6,834	4,666	4,666
	<u>6,834</u>	<u>4,666</u>	<u>4,666</u>

15. Finance Lease Liability

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

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
No Later than One Year	8,229	5,620	5,620
Later than One Year and no Later than Five Years	21,101	22,977	22,977
	<u>29,330</u>	<u>28,597</u>	<u>28,597</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 (name of proprietor) 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 month cash flow reports, the 2019 annual report and to provide the Schools with its cashbook software. The total value of all transactions for the year was \$6,645 (2018: \$5,104), \$1,760 of which is outstanding at balance date (2018: \$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 Souther Plumbing Ltd to undertake plumbing repair work at the School. The total value of all transactions for the year was \$500 (2018: \$487) of which none is outstanding at balance date (2018: \$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 repair work at the School. The total value of all transactions for the year was \$1,061 (2018: \$243) of which none is outstanding at balance date (2018: \$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.

	2019 Actual \$	2018 Actual \$
<i>Board Members</i>		
Remuneration	4,855	3,995
Full-time equivalent members	0.23	0.14
<i>Leadership Team</i>		
Remuneration	192,239	102,117
Full-time equivalent members	3.00	1.00
Total key management personnel remuneration	197,094	106,112
Total full-time equivalent personnel	3.23	1.14

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

Principal

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

	2019 Actual \$000	2018 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	100 - 110	90 - 100
Benefits and Other Emoluments	2 - 3	2 - 3
Termination Benefits	-	-

Other Employees

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

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

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



18. Compensation and Other Benefits Upon Leaving

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

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

19. Contingencies

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

Holidays Act Compliance – schools payroll

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

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

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

20. Commitments

(a) Capital Commitments

As at 31 December 2019 the Board has not entered into any contract agreements for capital works projects.

(Capital commitments at 31 December 2018: nil)

(b) Operating Commitments

As at 31 December 2019 the Board has entered into the following contracts:

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

	2019 Actual \$	2018 Actual \$
No later than One Year	1,635	1,422
Later than One Year and No Later than Five Years	4,497	5,451
	<u>6,132</u>	<u>6,873</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 (2018: Loans and receivables)

	2019 Actual \$	2019 Budget (Unaudited) \$	2018 Actual \$
Cash and Cash Equivalents	62,027	44,739	49,880
Receivables	24,194	17,066	17,066
Investments - Term Deposits	56,213	54,530	54,530
Total Financial assets measured at amortised cost	<u>142,434</u>	<u>116,335</u>	<u>121,476</u>

Financial liabilities measured at amortised cost

Payables	30,768	26,405	26,405
Finance Leases	19,432	19,944	19,944
Total Financial Liabilities Measured at Amortised Cost	<u>50,200</u>	<u>46,349</u>	<u>46,349</u>

23. Events After Balance Date

Impact of COVID-19

On March 11, 2020, the World Health Organisation declared the outbreak of COVID-19 (a novel Coronavirus) a pandemic. Two weeks later, on 26 March, New Zealand increased its' COVID-19 alert level to level 4 and a nationwide lockdown commenced. As part of this lockdown all schools were closed until 18 May 2020.

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

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

24. Comparatives

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

26. Adoption of PBE IFRS 9 Financial Instruments

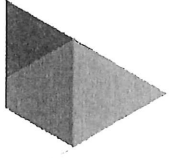
In accordance with the transitional provisions of PBE IFRS 9, the school has elected not to restate the information for previous years to comply with PBE IFRS 9. Adjustments arising from the adoption of PBE IFRS 9 are recognised in opening equity at 1 January 2019. Accounting policies have been updated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

- Note 8 Receivables: This policy has been updated to reflect that the impairment of short-term receivables is now determined by applying an expected credit loss model.
- Note 9 Investments - Term deposits: This policy has been updated to explain that a loss allowance for expected credit losses is recognised only if the estimated loss allowance is not trivial.

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



Analysis of Variance Reporting



<p>School Name:</p>	<p>St Joseph's Balclutha</p> <p>School Number: 3826</p>
<p>Strategic Aim:</p>	<p>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. Introduce and 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.</p> <p>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 achievement in Maths and Writing across all levels.</p> <p>CoL Goal Our aim is to lift achievement in Maths so that students achievement is At or Above the expected level for their year group by the end of 2019.</p> <p>Strategic Goal 3 To develop a student 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.</p> <p>Strategic Goal 4 To develop a careers programme for the Year 7 and Year 8 students 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</p>
<p>Annual Aim:</p>	<p>Writing The 4 students working Below expectation at the end of 2018 will have made on year's progress and working towards or at the schools standard at the end of 2019.</p> <p>Mathematics The 9 students identified in 2018 as working below expectations will make at least one year's progress towards being at the Mathematics Standard at the end of 2019</p> <p>Reading To continue encouraging a greater number of students who were working At the expected level at the end of 2018 to be working Above the standard at the end of 2019</p>

Target:**Writing**

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 2018 will make accelerated progress of more than one year by November 2019.

Maths

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 2018 will make accelerated progress of more than one year by November 2019. We will also continue with our focus in Basic Facts across the whole school.

Reading

We would like to encourage a greater number of students who are working At the expected level in 2018 to be working Above the standard by November 2019.

Baseline Data:**Writing**

School data November 2018 showed 4 children working below the expected level for writing. 3 students are boys and 1 student is girls. These students will form a Target group in room Aroha and room Awhero, Yr 3 to Yr8 students. 1 student has English as a second language and is getting extra support to help with their English and have extra funding allocated to this. 1 student is Maori and the other students are Pakeha. 1 student is Filipino. There is a mixture of abilities within the group. These students will form a Target Group in the school to ensure that they will make progress over time and will be monitored and reported back on twice a term.

Maths

School data November 2018 showed 9 students working below the schools Standard for Mathematics. These students require further support for them to reach the Standard by the end of 2019. 2 student have English as a second language. 1 students is Maori, 2 students is Filipino and the other students are Pakeha. There is a mixture of boys and girls within the group, 6 girls and 3 boys.

Reading

School Standard data November 2018 showed 29 students working Above the Standard for Reading. There was a good mixture of boys and girls. We would like to continue with this number of students reading above the standard.

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> <p>Children were assessed at the beginning of 2019 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 and RTLB and RTLit.</p> <p>Goals and expectations were set and these were in teacher appraisal.</p> <p>Regular monitoring meetings were organised to discuss progress of all students and Target Group students especially in areas of concern.</p> <p>The Principal reported to the BOT at the end of each Term (4 times a year).</p> <p>Teachers worked with parents and families in ways to support student learning at home 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</p>	<p>1 student has English as a second language \ working below but is making good progress.</p> <p>1 student is Maori / working below. This student is a year 8 and is using assisted technology to help with his writing. He has worked with the RTLit this year and this has helped some.</p> <p>1 students has moved to another school</p> <p>1 student working below</p> <p>We reported to the BOT at the end of each term so there are no surprises at the end of the term.</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>All children's writing was moderated four times during the year.</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 standard.</p> <p>1 student who is Maori is working below in all areas of the Curriculum. He has had extra support with the RTLB and RTLit this year but is still working below. He has made progress and is now working with assisted technology.</p> <p>1 students who was below is now working at the expected level.</p>	<p>Continue with our Writing moderation and reporting to the BOT each term.</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</p> <p>Teachers to inquiry into their teaching styles and see where the gaps are.</p>

the end of the year classroom teachers were in discussions on Student Agency. We would like to see this introduced in 2020 through Writing.

Maths

Children assessed and baseline data collected and reported to the Principal.

Teachers to identify students who need priority support and targeted instructions to accelerate their progress.

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.

We reviewed current practices Regular monitoring meetings to discuss progress using the spirals of Inquiry.

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

2 students moved from the school

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.

1 Boy is working below. This student has made good progress and with extra support should achieve the expected level by 2020.

5 students have achieved the expected level for Maths.

2 students have moved to another school.

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.

The 1 boy working below has made good progress but they are still working below. They have had extra support this year and have been part of a Target group in the school and working with ALIM. Basic Facts is an area of concern for the school.

Professional development organised through the school.

Continue with Maths bags so children can take these home and work with them with their families

Organise focus staff meetings where we talk about what are the good things happening in each classroom.

Revise the Maths Curriculum delivery plan

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

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 on the ALIm programme in Term 2 and Term 3

Planning for next year:

- Professional Development in Maths through ALIM
- 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
- 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
- What next after National Standards?
- Complete the Math's Curriculum delivery plan
- Replant gardens

St Josephs School (Balclutha)

Kiwisport

For the Year ended 31 December 2019

Kiwisport is a Government funding initiative to support student participation in organised sport. In 2019, the school received total Kiwisport funding of \$692. The funding was spent on a South Otago District Sports Activator and for children to attend sports tournaments. Every child participated in sports this year. (2018, \$708 spent on a South Otago District Sports Activator).

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF ST JOSEPHS SCHOOL (BALCLUTHA)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Auditor-General is the auditor of St Joseph 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 19, that comprise the statement of financial position as at 31 December 2019, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 2 June 2020. This is the date at which our opinion is expressed.

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

Emphasis of Matter - COVID-19

Without modifying our opinion, we draw attention to the disclosures in note 23 on page 19 which outline the possible effects of the Alert Level 4 lockdown as a result of the COVID-19 pandemic.

Basis for our opinion

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

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

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

Responsibilities of the Board of Trustees for the financial statements

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the analysis of variance, kiwisport paragraph and BOT listing included on pages 20 to 25, and the title page, but does not include the financial statements, and our auditor's report thereon.

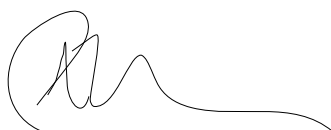
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



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