

# Otahuhu Intermediate School

## Annual Report for the year ended 31 December 2022

<b>Ministry Number:</b>	1408
<b>Principal:</b>	Brent Woods
<b>School Address:</b>	22 Luke Street, Auckland
<b>School Postal Address:</b>	PO Box 22165, Auckland, 1640
<b>School Phone:</b>	09-2766421
<b>School Email:</b>	BWoods@otahuhuint.school.nz
<b>Service Provider:</b>	Edtech Financial Services Ltd

## OTAHUHU INTERMEDIATE SCHOOL

# Members of the Board

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Term expired/expires</b>
Chris France	Presiding Member	Re-elected	Jul-25
Brent Woods	Principal		
Matthew Jamieson	Parent Rep	Elected	Jul-25
Priscilla Singh	Parent Rep	Elected	Jul-25
James Maeva	Parent Rep	Elected	Jul-25
Verna Ernstzen	Staff Rep	Re-elected	Jul-25
<b>Outgoing Board</b>			
Chris France	Presiding Member	Elected	Jul-22
Sachin Kumar	Parent Rep	Elected	Jul-22
Cheryl Stephens	Parent Rep	Elected	Jul-22
Tala Page	Parent Rep	Elected	Jul-22
Sonya Griffiths	Parent Rep	Elected	Jul-22
Verna Ernstzen	Staff Rep	Elected	Jul-22

# OTAHUHU INTERMEDIATE SCHOOL

Annual Report - For the year ended 31 December 2022

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# Otahuhu Intermediate School

## Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

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

Christopher Robert France

Full Name of Presiding Member



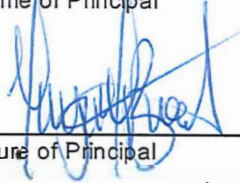
Signature of Presiding Member

20/03/2024

Date:

TANYA MICHELE BROOK

Full Name of Principal



Signature of Principal

20/03/2024

Date:

Please note I was not the Principal at Otahuhu Intermediate in 2022. I, Tanya Brook started as the Principal here at Otahuhu Intermediate on 31<sup>st</sup> July 2023.



# Otahuhu Intermediate School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	4,127,425	4,007,588	3,633,982
Locally Raised Funds	3	119,779	20,500	116,346
Resource Teachers Learning and Behaviour Income	14	2,915,775	-	2,708,496
Interest Income		8,610	3,000	1,572
Other Revenue		11,916	-	-
<b>Total Revenue</b>		<b>7,183,505</b>	<b>4,031,088</b>	<b>6,460,396</b>
<b>Expenses</b>				
Locally Raised Funds	3	124,713	-	122,496
Resource Teachers Learning and Behaviour Expense	14	2,915,775	-	2,708,496
Learning Resources	4	2,435,185	2,559,834	2,278,151
Administration	5	554,084	290,509	241,520
Finance		3,679	8,000	5,709
Property	6	1,152,088	1,327,322	1,080,894
Loss on Disposal of Property, Plant and Equipment		-	3,000	1,429
		<b>7,185,524</b>	<b>4,188,665</b>	<b>6,438,695</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>(2,019)</b>	<b>(157,577)</b>	<b>21,701</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>(2,019)</b>	<b>(157,577)</b>	<b>21,701</b>

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

# Otahuhu Intermediate School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		1,289,575	-	1,267,874
Total comprehensive revenue and expense for the year		(2,019)	-	21,701
<b>Equity at 31 December</b>		1,287,556	-	1,289,575
Accumulated comprehensive revenue and expense		1,287,556	-	1,289,575
Reserves		-	-	-
<b>Equity at 31 December</b>		1,287,556	-	1,289,575

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.

# Otaguhu Intermediate School

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	1,068,084	-	980,641
Accounts Receivable	8	377,928	-	339,330
GST Receivable		36,598	-	15,258
Prepayments		40,583	-	14,876
Inventories	9	57,620	-	66,478
Investments	10	107,383	-	106,363
Funds Receivable for Capital Works Projects	17	329,709	-	213,746
		2,017,905	-	1,736,692
<b>Current Liabilities</b>				
Accounts Payable	12	513,749	-	555,370
Revenue Received in Advance	13	191,491	-	237,924
Provision for Cyclical Maintenance	15	-	-	27,447
Finance Lease Liability	16	14,178	-	24,642
Funds held on behalf of EWIS / Attendance Service Cluster	18	312,548	-	-
		1,031,966	-	845,383
<b>Working Capital Surplus/(Deficit)</b>		985,939	-	891,309
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	678,478	-	683,190
		678,478	-	683,190
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	371,265	-	276,743
Finance Lease Liability	16	5,596	-	8,181
		376,861	-	284,924
<b>Net Assets</b>		1,287,556	-	1,289,575
<b>Equity</b>		1,287,556	-	1,289,575

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

# Otaguhu Intermediate School

## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		1,495,706	-	1,475,391
Locally Raised Funds		169,810	-	120,917
Goods and Services Tax (net)		(21,338)	-	17,843
Payments to Employees		(538,600)	-	(476,332)
Payments to Suppliers		(1,069,718)	-	(771,285)
Interest Paid		(3,679)	-	(5,707)
Interest Received		8,132	-	1,599
Net cash from/(to) Operating Activities		40,313	-	362,426
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(121,444)	-	(107,301)
Purchase of Investments		(1,020)	-	(490)
Net cash from/(to) Investing Activities		(122,464)	-	(107,791)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(26,992)	-	(33,206)
Funds Administered on Behalf of Third Parties		196,586	-	52,573
Net cash from/(to) Financing Activities		169,594	-	19,367
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>87,443</b>	<b>-</b>	<b>274,002</b>
Cash and cash equivalents at the beginning of the year	7	980,641	-	706,639
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>1,068,084</b>	<b>-</b>	<b>980,641</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.



# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Otahuhu Intermediate School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education and Training Act 2020. The Board is of the view that the School is a public benefit entity for financial reporting purposes.

##### b) Basis of Preparation

###### *Reporting Period*

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

###### *Basis of Preparation*

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

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

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

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

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

###### *Measurement Base*

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

###### *Presentation Currency*

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

###### *Specific Accounting Policies*

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

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

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

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

# Otaguhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### *Cyclical maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 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. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 16. Future operating lease commitments are disclosed in note 22b.

#### *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.

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 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.

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

Other Ministry Grants for directly funded programs are recorded as revenue when the School has the rights to the funding in the period they relate to. The grants are not received in cash by the School and are paid directly by the Ministry of

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

##### **Other Grants where conditions exist**

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

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

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

##### **Interest Revenue**

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

#### d) 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.

#### e) 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.

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### **f) 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.

#### **g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

#### **h) Inventories**

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

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

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

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.

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### **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:

Board Owned Buildings	5–40 years
Furniture and equipment	5–10 years
Information and communication technology	4 years
Leased assets held under a Finance Lease	Term of Lease
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 and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information.

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

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

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

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

##### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

#### **o) Revenue Received in Advance**

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

#### **p) 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.

#### **q) Funds held for Capital Works**

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

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

#### **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTLB programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### s) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

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

The School carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

#### t) Financial Instruments

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

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

#### u) 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.

#### v) Budget Figures

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

#### w) 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.

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 2. Government Grants

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Government Grants - Ministry of Education	1,452,595	929,514	1,057,203
Teachers' Salaries Grants	1,807,703	2,000,000	1,751,037
Use of Land and Buildings Grants	867,127	1,078,074	825,742
	<u>4,127,425</u>	<u>4,007,588</u>	<u>3,633,982</u>

The school has opted in to the donations scheme for this year. Total amount received was \$52,950.

#### 3. Locally Raised Funds

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
<b>Revenue</b>			
Donations & Bequests	50	-	-
Fees for Extra Curricular Activities	11,611	1,500	6,056
Trading	105,207	19,000	104,577
Other Revenue	2,911	-	5,713
	<u>119,779</u>	<u>20,500</u>	<u>116,346</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	46,460	-	14,209
Trading	78,253	-	108,287
	<u>124,713</u>	<u>-</u>	<u>122,496</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>(4,934)</u>	<u>20,500</u>	<u>(6,150)</u>



# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 4. Learning Resources

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Curricular	106,571	86,334	70,884
Information and Communication Technology	8,995	18,000	17,337
Library Resources	1,926	3,000	3,293
Employee Benefits - Salaries	2,109,404	2,237,000	2,000,559
Staff Development	64,816	55,500	32,731
Depreciation	143,473	160,000	153,347
	<u>2,435,185</u>	<u>2,559,834</u>	<u>2,278,151</u>

#### 5. Administration

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Audit Fee	9,681	15,000	9,399
Board Fees	2,505	3,000	2,760
Board Expenses	5,862	16,750	11,221
Communication	1,728	3,000	1,608
Consumables	6,015	5,000	3,521
Operating Lease	3,783	16,500	3,383
Other	343,490	50,600	36,345
Employee Benefits - Salaries	161,905	161,500	153,373
Insurance	2,949	3,159	4,208
Service Providers, Contractors and Consultancy	16,166	16,000	15,702
	<u>554,084</u>	<u>290,509</u>	<u>241,520</u>

# Otahuhi Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 6. Property

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	15,614	16,000	15,586
Consultancy and Contract Services	45,166	51,000	44,544
Cyclical Maintenance Provision	67,075	25,000	64,915
Grounds	11,827	17,000	12,478
Heat, Light and Water	23,527	22,000	20,043
Repairs and Maintenance	28,967	39,248	21,353
Use of Land and Buildings	867,127	1,078,074	825,742
Security	10,323	9,000	9,313
Employee Benefits - Salaries	82,462	70,000	66,920
	<u>1,152,088</u>	<u>1,327,322</u>	<u>1,080,894</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

#### 7. Cash and Cash Equivalents

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Bank Accounts	1,068,084	-	980,641
		-	
Cash and cash equivalents for Statement of Cash Flows	<u>1,068,084</u>	<u>-</u>	<u>980,641</u>

Of the \$1,068,084 Cash and Cash Equivalents, \$46,271 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.

Of the \$1,068,084 Cash and Cash Equivalents, \$312,548 is held by the School on behalf of EWIS / Attendance Service cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

Of the \$1,068,084 Cash and Cash Equivalents, \$140,031 is held by the Group on behalf of the RTLB Service. See note 14 for details of how the funding received for the service has been spent in the year.

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 8. Accounts Receivable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Interest Receivable	713	-	235
Teacher Salaries Grant Receivable	377,215	-	339,095
	<u>377,928</u>	<u>-</u>	<u>339,330</u>
Receivables from Exchange Transactions	713	-	235
Receivables from Non-Exchange Transactions	377,215	-	339,095
	<u>377,928</u>	<u>-</u>	<u>339,330</u>

#### 9. Inventories

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Stationery	3,478	-	3,861
School Uniforms	53,607	-	62,276
Canteen	535	-	341
	<u>57,620</u>	<u>-</u>	<u>66,478</u>

#### 10. Investments

The School's investment activities are classified as follows:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	107,383	-	106,363
	<u>107,383</u>	<u>-</u>	<u>106,363</u>

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2022</b>						
Buildings	313,877	-	-	-	(11,420)	<b>302,457</b>
Furniture and Equipment	244,120	45,865	-	-	(50,750)	<b>239,235</b>
Information and Communication Technology	76,673	75,433	-	-	(51,124)	<b>100,982</b>
Leased Assets	34,412	15,470	-	-	(28,166)	<b>21,716</b>
Library Resources	14,108	1,993	-	-	(2,013)	<b>14,088</b>
<b>Balance at 31 December 2022</b>	<b>683,190</b>	<b>138,761</b>	<b>-</b>	<b>-</b>	<b>(143,473)</b>	<b>678,478</b>

The net carrying value of equipment held under a finance lease is \$21,716 (2021: \$34,412)

#### Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022 Cost or Valuation \$	2022 Accumulate d Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Buildings	447,113	(144,656)	<b>302,457</b>	447,113	(133,236)	<b>313,877</b>
Furniture and Equipment	804,724	(565,489)	<b>239,235</b>	758,859	(514,739)	<b>244,120</b>
Information and Communication Technology	333,852	(232,870)	<b>100,982</b>	258,419	(181,746)	<b>76,673</b>
Leased Assets	131,366	(109,650)	<b>21,716</b>	171,946	(137,534)	<b>34,412</b>
Library Resources	43,645	(29,557)	<b>14,088</b>	41,652	(27,544)	<b>14,108</b>
<b>Balance at 31 December</b>	<b>1,760,700</b>	<b>(1,082,222)</b>	<b>678,478</b>	<b>1,677,989</b>	<b>(994,799)</b>	<b>683,190</b>

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	43,140	-	116,509
Accruals	27,653	-	17,572
Banking Staffing Overuse	23,000	-	48,052
Employee Entitlements - Salaries	392,649	-	353,399
Employee Entitlements - Leave Accrual	27,307	-	19,838
	<u>513,749</u>	<u>-</u>	<u>555,370</u>
Payables for Exchange Transactions	513,749	-	555,370
	<u>513,749</u>	<u>-</u>	<u>555,370</u>

The carrying value of payables approximates their fair value.

#### 13. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	46,271	-	-
Funds for Resource Teachers of Learning and Behaviour Services (RTLBS)	140,031	-	222,405
Other revenue in Advance	5,189	-	15,519
	<u>191,491</u>	<u>-</u>	<u>237,924</u>

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 14. Funds for Resource Teachers of Learning and Behaviour Services (RTLB) - Revenue in Advance

The School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Learning and Behaviour to its cluster of schools.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds held at beginning of the year	222,405	-	198,265
<i>Revenue</i>			
Teachers' Salary Grant	2,461,899	-	2,369,236
Administration Grant	91,474	-	89,485
Learning Support Funding Year 11-13 Funding	176,041	-	172,590
Travel Grant	82,547	-	83,069
Other Revenue	21,439	-	18,256
	<hr/> 2,833,400	-	<hr/> 2,732,636
Total funds available	<hr/> 3,055,805	-	<hr/> 2,930,901
<i>Expenses</i>			
Employee Benefit - Salaries	2,539,405	-	2,426,070
Administration	67,880	-	80,579
Learning Support Year 11-13	244,374	-	130,389
Travel	26,733	-	35,654
Other Expenses	22,667	-	10,972
	<hr/> 2,901,059	-	<hr/> 2,683,664
Purchase of Assets	14,715	-	24,832
Funds Held at Year End	<hr/> <hr/> 140,031	-	<hr/> <hr/> 222,405

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 15. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Provision at the Start of the Year	304,190	-	269,205
Increase to the Provision During the Year	68,025	-	64,915
Use of the Provision During the Year	(950)	-	(29,930)
Provision at the End of the Year	<u>371,265</u>	<u>-</u>	<u>304,190</u>
Cyclical Maintenance - Current	-	-	27,447
Cyclical Maintenance - Non current	371,265	-	276,743
	<u>371,265</u>	<u>-</u>	<u>304,190</u>

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2024. This plan is based on the schools 10 Year Property plan.

#### 16. Finance Lease Liability

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
No Later than One Year	15,661	-	27,171
Later than One Year and no Later than Five Years	5,896	-	8,894
Future Finance Charges	(1,783)	-	(3,242)
	<u>19,774</u>	<u>-</u>	<u>32,823</u>
<b>Represented by</b>			
Finance lease liability - Current	14,178	-	24,642
Finance lease liability - Non current	5,596	-	8,181
	<u>19,774</u>	<u>-</u>	<u>32,823</u>

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 17. Funds Held for Capital Works Projects

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

	2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
Tech Block Refurbishment	<i>In progress</i>	(266,319)		(12,966)	-	(279,285)
MOE SIP Pathway	<i>Completed</i>	30,206	1,271	(31,477)	-	-
MOE SIP Driveway Widening Project	<i>Completed</i>	29,897	15,316	(45,213)	-	-
MOE SIP Tree Removal Project	<i>In progress</i>	(7,530)	32,931	(69,840)	-	(44,439)
MOE SIP Security Access	<i>In progress</i>	-	47,339	(51,036)	-	(3,697)
MOE SIP Spouting & Guttering	<i>In progress</i>	-	31,361	(33,649)	-	(2,288)
<b>Totals</b>		<b>(213,746)</b>	<b>128,218</b>	<b>(244,181)</b>	<b>-</b>	<b>(329,709)</b>

#### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Receivable from the Ministry of Education

-

(329,709)

	2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$	\$	\$
Tech Block Refurbishment	<i>In progress</i>	(266,319)	-	-	-	(266,319)
MOE SIP Pathway	<i>In progress</i>	-	59,117	(28,911)	-	30,206
MOE SIP Driveway Widening Project	<i>In progress</i>	-	41,190	(11,293)	-	29,897
MOE SIP Tree Removal Project	<i>In progress</i>	-	-	(7,530)	-	(7,530)
<b>Totals</b>		<b>(266,319)</b>	<b>100,307</b>	<b>(47,734)</b>	<b>-</b>	<b>(213,746)</b>

#### Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Receivable from the Ministry of Education

60,103

(273,849)



# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 18. Funds Held on Behalf of EWIS / Attendance Service Cluster

Otahuhu Intermediate School became the lead school and holds funds on behalf of the EWIS (Engagement Workers in Schools) / Attendance Service Cluster, a group of schools funded by the Ministry. This commenced during 2022.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held at Beginning of the Year	-	-	-
Funds Received from MoE	476,118	-	-
Total funds received	<hr/> 476,118	-	-
Funds Spent on Behalf of the Cluster	163,570	-	-
Funds remaining	<hr/> 312,548	-	-
Distribution of Funds	-	-	-
Funds Held at Year End	<hr/> <hr/> 312,548	-	-

#### 19. 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.

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 20. Remuneration

##### *Key management personnel compensation*

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i> Remuneration	2,505	2,760
<i>Leadership Team</i> Remuneration Full-time equivalent members	698,806 6	681,099 6
Total key management personnel remuneration	701,311	683,859

There are five members of the Board excluding the Principal. The Board had held seven full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

##### *Principal*

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	180 - 190
Benefits and Other Emoluments	-	0 - 5
Termination Benefits	-	-

##### *Other Employees*

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
110 - 120	2	1
100 - 110	5	5
	7.00	6.00

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

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 21. Contingencies

There are no contingent liabilities as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

##### Holidays Act Compliance – Schools Payroll

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

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

#### 22. Commitments

##### (a) Capital Commitments

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

(a) Contract for Tree Removal to be completed in 2023, which will be fully funded by the Ministry of Education. \$32,931 has been received, \$77,370 has been spent on the project to date; and

(b) Contract for Security Access to be completed in 2023, which will be fully funded by the Ministry of Education. \$47,339 has been received, \$51,036 has been spent on the project to balance date; and

(c) Contract for Spouting and Guttering to be completed in 2023, which will be fully funded by the Ministry of Education. \$31,361 has been received, \$33,649 has been spent on the project to date.

(Capital commitments at 31 December 2021:

Contract for Driveway Widening which will be fully funded by the Ministry of Education. \$41,190 has been received of which \$11,293 has been spent on the project to date; and

Contract for Concrete Pathway Repairs which will be fully funded by the Ministry of Education. \$59,117 has been received of which \$28,911 has been spent on the project to date; and

Contract for Tree Removal which will be fully funded by the Ministry of Education. \$7,530 has been spent on the project to date.)

##### (b) Operating Commitments

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

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 23. Financial Instruments

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

##### Financial assets measured at amortised cost

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Cash and Cash Equivalents	1,068,084	-	980,641
Receivables	377,928	-	339,330
Investments - Term Deposits	107,383	-	106,363
Total Financial assets measured at amortised cost	<u>1,553,395</u>	-	<u>1,426,334</u>

##### Financial liabilities measured at amortised cost

Payables	513,749	-	555,370
Finance Leases	19,774	-	32,823
Total Financial Liabilities Measured at Amortised Cost	<u>533,523</u>	-	<u>588,193</u>

#### 24. Events After Balance Date

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Auckland region and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

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

# Otahuhu Intermediate School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 25. Comparatives

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

#### 26. Failure to Comply with Section 87C(1) of the Education Act 1989

The Board of Trustees has failed to comply with section 87C(1) of the Education Act 1989 as the Board were unable to supply their audited financial statements to the Ministry of Education no later than 31 May in the year after the previous financial year. The disruption caused by COVID-19 restrictions and auditor staff shortages meant the audit could not progress as planned. This resulted in the school missing the statutory deadline.

#### 27. Failure to Comply with Section 87(3)(i) of the Education Act 1989

The Board of Trustees were unable to provide the budgeted figures for the statement of financial position and statement of cash flows for the financial year as required by Section 87 (3)(i) of the Education Act 1989 and acknowledge that this is a breach of legislation. This is due to unique circumstances that the School does not expect to recur. Budgeted information for subsequent financial years is available and approved by the Board of Trustees.

#### 28. Breach of Legislation - Analysis of Variance

An Analysis of Variance Report of the year ended 31 December 2022, as required by Section 87(2)(e) of the Education Act 1989 was not prepared. This was due to the changes in key management personnel of the School and relevant information not being available.



## INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Otahuhu Intermediate School (the School). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, 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 26, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022 and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 20 March 2024. This is the date at which our opinion is expressed. Our audit was delayed due to the disruption of COVID-19 and auditor shortages in New Zealand.

The basis for our qualified 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 qualified opinion – Omission of Budgeted Figures**

The Board has not provided budgeted figures for the financial year in the statements of financial position, cash flows and, such other statements as are necessary to fairly reflect the financial operations of the Board for the financial year and its financial position at the end of the financial year. This is a departure from the statutory reporting requirements in terms of section 87(3)(i) of the Education Act 1989. Further information about this departure is disclosed in note 27 of the financial statements on page 26.

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

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

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

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

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board's responsibilities, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

## Other information

The Board of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility and KiwiSport Report, but does not include the financial statements, and our auditor's report thereon.

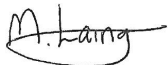
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

## Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *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.



### **Matt Laing**

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand