

OKAIHAU COLLEGE

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 7

Principal: Thomas Davison

School Address: 58 Settlers Way

School Postal Address: 58 Settlers Way RD 1, Okaihau, 0475

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Accountant / Service Provider:

Education  *Services.*
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OKAIHAU COLLEGE

Annual Report - For the year ended 31 December 2021

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Okaihau College

Statement of Responsibility

For the year ended 31 December 2021


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 2021 fairly reflects the financial position and operations of the school.

The School's 2021 financial statements are authorised for issue by the Board.

Alex Graham
Full Name of Presiding Member


Signature of Presiding Member

6th July 2022
Date:

Thomas Davison
Full Name of Principal


Signature of Principal

6th July 2022
Date:

Okaihau College Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	6,454,346	6,440,279	6,175,397
Locally Raised Funds	3	208,099	330,000	305,463
Interest Income		4,552	25,000	11,213
Gain on Sale of Property, Plant and Equipment		-	-	7,826
Other Revenue		534	-	-
		<u>6,667,531</u>	<u>6,795,279</u>	<u>6,499,899</u>
Expenses				
Locally Raised Funds	3	132,922	217,000	214,422
Learning Resources	4	4,268,287	4,457,738	4,180,758
Administration	5	859,845	458,365	382,706
Finance		16,150	5,000	6,181
Property	6	1,313,764	1,440,415	1,439,059
Depreciation	11	225,089	165,000	181,831
Loss on Disposal of Property, Plant and Equipment		1,759	-	16
Loss on Uncollectable Accounts Receivable		1,447	-	-
		<u>6,819,263</u>	<u>6,743,518</u>	<u>6,404,973</u>
Net Surplus / (Deficit) for the year		(151,732)	51,761	94,926
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(151,732)</u>	<u>51,761</u>	<u>94,926</u>

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



Okaihau College
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		2,161,503	2,052,548	2,066,577
Total comprehensive revenue and expense for the year		(151,732)	51,761	94,926
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant		39,021	-	-
Equity at 31 December		2,048,792	2,104,309	2,161,503
Retained Earnings		2,048,792	2,104,309	2,161,503
Equity at 31 December		2,048,792	2,104,309	2,161,503

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.



Okaihau College
Statement of Financial Position
As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	909,448	815,034	1,227,009
Accounts Receivable	8	314,667	222,014	284,364
GST Receivable		24,530	29,570	-
Prepayments		14,875	15,164	-
Inventories	9	38,092	35,081	39,540
Investments	10	242,696	234,961	240,766
Funds owed for Capital Works Projects	16	2,489	-	-
		<u>1,546,817</u>	<u>1,351,824</u>	<u>1,791,679</u>
Current Liabilities				
GST Payable		-	-	11,603
Accounts Payable	12	373,221	292,220	405,286
Revenue Received in Advance	13	66,664	518	6,106
Provision for Cyclical Maintenance	14	213,005	52,990	115,958
Finance Lease Liability	15	71,756	36,848	46,412
Funds held for Capital Works Projects	16	-	-	147,190
Funds held on behalf of Alternative Education Cluster	17	14,690	121,101	40,034
		<u>739,336</u>	<u>503,677</u>	<u>772,589</u>
Working Capital Surplus/(Deficit)		<u>807,481</u>	<u>848,147</u>	<u>1,019,090</u>
Non-current Assets				
Property, Plant and Equipment	11	1,475,532	1,379,288	1,383,675
		<u>1,475,532</u>	<u>1,379,288</u>	<u>1,383,675</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	130,900	68,925	197,316
Finance Lease Liability	15	103,321	54,201	43,946
		<u>234,221</u>	<u>123,126</u>	<u>241,262</u>
Net Assets		<u>2,048,792</u>	<u>2,104,309</u>	<u>2,161,503</u>
Equity		<u>2,048,792</u>	<u>2,104,309</u>	<u>2,161,503</u>


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



Signature of Presiding Member

6th July 2022

Date:



Signature of Principal

6th July 2022

Date:

Okaihau College
Statement of Cash Flows
For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		1,968,344	2,240,279	1,905,441
Locally Raised Funds		206,134	165,000	308,363
Goods and Services Tax (net)		(36,133)	-	41,173
Payments to Employees		(1,309,313)	(1,241,988)	(1,202,411)
Payments to Suppliers		(800,823)	(1,157,757)	(712,213)
Interest Paid		(16,150)	(5,000)	(6,181)
Interest Received		4,329	25,000	12,374
Net cash from/(to) Operating Activities		16,388	25,534	346,546
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	6,087
Purchase of Property Plant & Equipment (and Intangibles)		(153,104)	(236,000)	(177,567)
Purchase of Investments		(1,930)	-	(5,806)
Net cash from/(to) Investing Activities		(155,034)	(236,000)	(177,286)
Cash flows from Financing Activities				
Furniture and Equipment Grant		39,021	-	-
Finance Lease Payments		(61,265)	-	(36,341)
Funds Administered on Behalf of Third Parties		(156,671)	-	68,590
Net cash from/(to) Financing Activities		(178,915)	-	32,249
Net increase/(decrease) in cash and cash equivalents		(317,561)	(210,466)	201,509
Cash and cash equivalents at the beginning of the year	7	1,227,009	1,025,500	1,025,500
Cash and cash equivalents at the end of the year	7	909,448	815,034	1,227,009

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.

Okaihau College Notes to the Financial Statements For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Okaihau College (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 reports have been prepared for the period 1 January 2021 to 31 December 2021 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 expenditure threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. 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

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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.

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

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

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

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 are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	40 Years
Buildings	40 Years
Furniture and Equipment	10 Years
Information and Communication Technology	5 Years
Motor Vehicles	5 Years
Library Resources	8 Years
Leased assets held under a Finance Lease	Term of Lease

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.

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

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

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

Non cash generating assets

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

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

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

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

m) Accounts Payable

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before twelve 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.

o) Revenue Received in Advance

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

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

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 Comprehensive Revenue and Expenses.

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

q) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Comprehensive Revenue and Expenses. The School holds sufficient funds to enable the funds to be used for their intended purpose.

r) 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 an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

s) Financial Instruments

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

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

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

t) Borrowings

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

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

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.

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	1,453,367	1,707,007	1,453,896
Teachers' Salaries Grants	3,190,441	3,150,000	3,083,814
Use of Land and Buildings Grants	901,769	1,050,000	1,083,849
Other MoE Grants	860,191	471,579	523,391
Other Government Grants	48,578	61,693	30,447
	<u>6,454,346</u>	<u>6,440,279</u>	<u>6,175,397</u>

The school has opted in to the donations scheme for this year. Total amount received was \$61,350.

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	1,195	10,000	8,869
Fees for Extra Curricular Activities	101,450	135,000	119,403
Trading	52,461	115,000	114,586
Fundraising & Community Grants	3,573	20,000	8,418
Other Revenue	49,420	50,000	54,187
	<u>208,099</u>	<u>330,000</u>	<u>305,463</u>
Expenses			
Extra Curricular Activities Costs	25,099	45,000	41,929
Trading	78,835	155,000	159,337
Fundraising & Community Grant Costs	-	5,000	140
Other Locally Raised Funds Expenditure	28,988	12,000	13,016
	<u>132,922</u>	<u>217,000</u>	<u>214,422</u>
<i>Surplus for the year Locally raised funds</i>	<u>75,177</u>	<u>113,000</u>	<u>91,041</u>

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	269,399	382,750	180,684
Information and Communication Technology	65,947	60,000	62,010
Library Resources	1,716	3,000	2,146
Employee Benefits - Salaries	3,905,654	3,976,488	3,913,763
Staff Development	25,571	35,000	22,155
Minor Equip/r&m	-	500	-
	<u>4,268,287</u>	<u>4,457,738</u>	<u>4,180,758</u>

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	8,669	8,095	8,095
Board Fees	4,180	5,170	4,435
Board Expenses	4,704	8,000	7,904
Communication	2,368	4,200	3,043
Consumables	29,822	24,000	18,249
Operating Lease	756	45,000	-
Other	117,408	122,400	107,577
Employee Benefits - Salaries	234,873	213,000	204,955
Insurance	18,170	19,000	18,948
Service Providers, Contractors and Consultancy	9,559	9,500	9,500
Healthy School Lunch Programme	429,336	-	-
	<u>859,845</u>	<u>458,365</u>	<u>382,706</u>

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	21,052	24,500	24,402
Cyclical Maintenance Provision	30,631	20,000	40,353
Grounds	14,912	17,465	15,518
Heat, Light and Water	44,904	55,250	22,991
Rates	13,327	10,000	389
Repairs and Maintenance	62,542	37,800	32,695
Use of Land and Buildings	901,769	1,050,000	1,083,849
Security	11,707	15,000	6,229
Employee Benefits - Salaries	192,922	202,500	205,498
Minibus	10,193	7,000	6,685
Consultancy	9,805	900	450
	<u>1,313,764</u>	<u>1,440,415</u>	<u>1,439,059</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	77,143	35,881	395,534
Short-term Bank Deposits	832,305	779,153	831,475
Cash and cash equivalents for Statement of Cash Flows	<u>909,448</u>	<u>815,034</u>	<u>1,227,009</u>

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

Of the \$909,448 Cash and Cash Equivalents \$3,792 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	5,400	-	376
Receivables from the Ministry of Education	-	-	38,344
Banking Staffing Underuse	39,225	-	-
Interest Receivable	610	1,548	387
Teacher Salaries Grant Receivable	269,452	220,466	245,257
	<u>314,687</u>	<u>222,014</u>	<u>284,364</u>
Receivables from Exchange Transactions	6,010	1,548	39,107
Receivables from Non-Exchange Transactions	308,677	220,466	245,257
	<u>314,687</u>	<u>222,014</u>	<u>284,364</u>

9. Inventories

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Stationery	4,589	8,915	10,862
Uniforms	33,503	26,166	28,678
	<u>38,092</u>	<u>35,081</u>	<u>39,540</u>

10. Investments

The School's investment activities are classified as follows:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Asset			
Short-term Bank Deposits	242,696	234,961	240,766
Total Investments	<u>242,696</u>	<u>234,961</u>	<u>240,766</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	793,766	22,720	-	-	(29,771)	786,715
Furniture and Equipment	279,730	89,291	(21)	-	(55,177)	313,823
Information and Communication Technology	175,798	48,543	-	-	(58,058)	166,283
Motor Vehicles	26,201	-	-	-	(9,739)	16,462
Leased Assets	85,378	166,385	(12,684)	-	(69,020)	170,059
Library Resources	22,802	2,712	-	-	(3,324)	22,190
Balance at 31 December 2021	1,383,675	329,651	(12,705)	-	(225,089)	1,475,532

The net carrying value of equipment held under a finance lease is \$170,059 (2020: \$85,378)

	2021	2021	2021	2020	2020	2020
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	1,200,546	(413,831)	786,715	1,177,827	(384,061)	793,766
Furniture and Equipment	1,184,643	(870,820)	313,823	1,097,112	(817,382)	279,730
Information and Communication Technology	434,801	(268,518)	166,283	387,567	(211,769)	175,798
Motor Vehicles	53,686	(37,224)	16,462	53,686	(27,485)	26,201
Leased Assets	262,599	(92,540)	170,059	180,290	(94,912)	85,378
Library Resources	94,499	(72,309)	22,190	91,786	(68,984)	22,802
Balance at 31 December	3,230,774	(1,755,242)	1,475,532	2,988,268	(1,604,593)	1,383,675

12. Accounts Payable

	2021	2021	2020
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	61,557	23,650	39,514
Accruals	8,905	8,095	8,331
Banking Staffing Overuse	-	15,588	15,588
Employee Entitlements - Salaries	269,452	220,466	311,130
Employee Entitlements - Leave Accrual	33,307	24,421	30,723
	373,221	292,220	405,286
Payables for Exchange Transactions	373,221	292,220	405,286
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	373,221	292,220	405,286

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
MoE Grants in Advance	63,000	-	-
Other Received In Advance	3,664	518	6,106
	<u>66,664</u>	<u>518</u>	<u>6,106</u>

14. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	313,274	101,915	285,300
Increase to the Provision During the Year	40,845	20,000	35,855
Adjustment to the Provision	(10,214)	-	4,498
Use of the Provision During the Year	-	-	(12,379)
Provision at the End of the Year	<u>343,905</u>	<u>121,915</u>	<u>313,274</u>
Cyclical Maintenance - Current	213,005	52,990	115,958
Cyclical Maintenance - Term	130,900	68,925	197,316
	<u>343,905</u>	<u>121,915</u>	<u>313,274</u>

15. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	84,366	36,848	52,801
Later than One Year and no Later than Five Years	112,628	54,201	47,253
Future finance charges	(21,917)	-	(9,696)
	<u>175,077</u>	<u>91,049</u>	<u>90,358</u>
Represented by			
Finance lease liability - Current	71,756	36,848	46,412
Finance lease liability - Term	103,321	54,201	43,946
	<u>175,077</u>	<u>91,049</u>	<u>90,358</u>

16. Funds Held (Owed) for Capital Works Projects

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

2021	Project No.	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$		\$
Fire Alarm	217627	6,659	-	(3,801)	-	2,858
Emergency Water Tanks	219373	67	(67)	-	-	-
SIP Canopy	223818	136,161	-	(142,244)	-	(6,083)
SIP Pool Pump	completed	4,303	(4,303)	-	-	-
SIP Signage	233994	-	3,065	(2,663)	-	402
SIP Fixed Park Benches	233993	-	1,890	(1,358)	-	532
SIP Fixed Outdoor Table	234282	-	5,760	(5,958)	-	(198)
Caretaker House Reroof	completed	-	15,452	(15,452)	-	-
Totals		147,190	21,797	(171,476)	-	(2,489)
Represented by:						
Funds Held on Behalf of the Ministry of Education						3,792
Funds Due from the Ministry of Education						(6,281)
						(2,489)

2020	Project No.	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
		\$	\$	\$		\$
Block R: Math Block Commons	completed	(19,573)	49,467	(29,894)	-	-
Fire Alarm	217627	(614)	25,869	(18,596)	-	6,659
Emergency Water Tanks	219373	-	28,133	(28,066)	-	67
SIP Volleyball Court	completed	-	33,916	(33,916)	-	-
SIP Canopy	223818	-	137,084	(923)	-	136,161
SIP Playground	completed	-	54,855	(54,855)	-	-
SIP Pool Pump	in progress	-	36,072	(31,769)	-	4,303
Room 10 Demolition	completed	-	64,975	(64,975)	-	-
Flood Damage	completed	-	6,220	(6,220)	-	-
Totals		(20,187)	436,591	(269,214)	-	147,190

17. Funds held on behalf of Alternative Education Cluster

Okaihau College is the lead school and holds funds on behalf of the Alternative Education cluster, a programme funded by the Ministry of Education to provide Alternative Education.

	2021	2021 Budget	2020
	Actual	(Unaudited)	Actual
	\$	\$	\$
Funds Held at Beginning of the Year	40,036	121,101	121,102
Funds Received from Cluster Members	415,152	-	405,556
Funds Spent on Behalf of the Cluster	440,498	-	486,624
Funds Held at Year End	14,690	121,101	40,034

18. Related Party Transactions

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

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

19. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	4,180	4,435
<i>Leadership Team</i>		
Remuneration	1,522,303	1,317,149
Full-time equivalent members	14.30	12.00
Total key management personnel remuneration	<u>1,526,483</u>	<u>1,321,584</u>

There are 11 members of the Board excluding the Principal. The Board had held 9 full meetings of the Board in the year. The Board also has Finance (4 members) and Property (0 members) that met 9 and 0 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	160 - 170	150 - 160
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	7.00	2.00
110 - 120	3.00	5.00
120 - 130	1.00	-
	<u>11.00</u>	<u>7.00</u>

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

20. Compensation and Other Benefits Upon Leaving

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

	2021 Actual	2020 Actual
Total	\$8,450	-
Number of People	1	-

21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: 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 2021, a contingent liability for the school may exist.

22. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

\$23,462 contract for the Fire Alarm as agent for the Ministry of Education. This project is fully funded by the Ministry and \$25,869 has been received of which \$23,011 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$152,315 contract for the SIP Canopy as agent for the Ministry of Education. This project is fully funded by the Ministry and \$137,084 has been received of which \$143,167 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$3,405 contract for the SIP Signage as agent for the Ministry of Education. This project is fully funded by the Ministry and \$3,065 has been received of which \$2,663 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$2,100 contract for the SIP Fixed Park Benches as agent for the Ministry of Education. This project is fully funded by the Ministry and \$1,890 has been received of which \$1,358 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$6,400 contract for the SIP Fixed Outdoor Table as agent for the Ministry of Education. This project is fully funded by the Ministry and \$5,760 has been received of which \$5,958 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020:

\$23,462 contract for the Fire Alarm as agent for the Ministry of Education. This project is fully funded by the Ministry and \$25,869 has been received of which \$19,210 has been spent on the project to balance date. This project has been approved by the Ministry; and

contract for the Emergency Water Tanks as agent for the Ministry of Education. This project is fully funded by the Ministry and \$28,133 has been received of which \$28,066 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$152,315 contract for the SIP Canopy as agent for the Ministry of Education. This project is fully funded by the Ministry and \$137,084 has been received of which \$923 has been spent on the project to balance date. This project has been approved by the Ministry; and

contract for the SIP Pool Pump as agent for the Ministry of Education. This project is fully funded by the Ministry and \$36,072 has been received of which \$31,769 has been spent on the project to balance date. This project has been approved by the Ministry.)

(b) Operating Commitments

There are no operating commitments as at 31 December 2021 (Operating commitments at 31 December 2020: nil).

23. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	909,448	815,034	1,227,009
Receivables	314,687	222,014	284,364
Investments - Term Deposits	242,696	234,961	240,766
Total Financial assets measured at amortised cost	<u>1,466,831</u>	<u>1,272,009</u>	<u>1,752,139</u>

Financial liabilities measured at amortised cost

Payables	373,221	292,220	405,286
Finance Leases	175,077	91,049	90,358
Total Financial Liabilities Measured at Amortised Cost	<u>548,298</u>	<u>383,269</u>	<u>495,644</u>

24. Events After Balance Date

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

25. Comparatives

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

26. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.

Okaihau College

Members of the Board

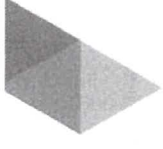
Name	Position	How Position Gained	Term Expired/ Expires
Michelle Harrison	Presiding Member	Elected	Jun 2021
Alex Graham	Presiding Member	Elected	Sep 2022
Thomas Davison	Principal		
Mark Clunie	Parent Representative	Elected	Sep 2022
Andrea Donaldson	Parent Representative	Elected	Sep 2022
Fran Clayden	Parent Representative	Elected	Sep 2022
Chloe Schiscka	Parent Representative	Co-opted	Sep 2022
Huia Clarke	Parent Representative	Elected	Sep 2022
Karlene Kitchingman	Staff Representative	Elected	Sep 2022
Grace Hamlin	Student Representative	Elected	Jul 2021
Osgar Gilbert	Student Representative	Elected	Sep 2021

Okaihau College

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$8,294 (excluding GST). The funding was spent on sporting endeavours.

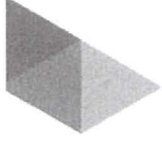
Analysis of Variance Reporting



School Name:	Okaihau College	School Number:	007
Strategic Aim:	Maori Ora - Maori Achieving success as Maori		
Annual Aim:	Continue to develop learning programmes in a cultural context		
Target:	Reduce the gap between Staff and student/whanau responses in the relational and pedagogical responses of Rongohia te Hau data		
Baseline Data:	Inconsistency between the mean response values for staff and students/whanau in both relational and pedagogical aspects of the Rongohia te Hau. Student/whanau responses were consistently less positive than staff. Maori achievement data shows a gap between Maori and non-Maori students of 10-20% at senior level.		

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>Critical Buddy programme - Teachers met regularly and recorded their personal learning journey through classroom observations and critical conversations.</p> <p>Te Reo lessons for staff as part of PLD.</p>	<p>The feedback was more positive from students/whanau. The gap reduced in the average numerical value of the feedback between staff and students/whanau, but it is still there.</p> <p>Teacher practice, in terms of pedagogy, improved between the 2020 snapshot observations and the 2021 version. However, the lack of Te Reo in the classroom is still a concern.</p> <p>Initial NCEA results indicate a persistent achievement gap in NCEA</p>	<p>Still developing critical conversation expertise among staff. Aspects of practice like the use of Te Reo still require improvement.</p> <p>The various interruptions due to Covid did not help teachers gain momentum with their critical observations. 2 sets of observation shad to be cancelled due to lockdowns.</p>	<p>Consolidation for 2022. Critical Buddy observations to continue. Further develop the formation and effectiveness of small group critical conversations to build on buddy versions. Focus on high accountability.</p> <p>Clear expectations of using Te Reo in the classroom</p> <p>Focus on a small number of evidence-based teaching strategies to reduce inconsistency.</p> <p>Increase robustness and consistency of NCEA tracking systems to ensure early interventions for students at risk.</p>
<p>Planning for next year:</p>			
<p>Critical observation times confirmed – work with external provide to build internal capacity. Plan out meetings for Te Reo lessons.</p>			

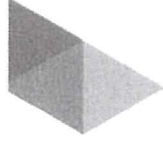
Analysis of Variance Reporting



School Name:	Okaihau College	School Number:	007
Strategic Aim:	Whanaungatanga - Enhance our collective responsibility for teaching and learning		
Annual Aim:	Participate in a reciprocal relationship with our community		
Target:	Improve whanau engagement with Okaihau College - increasing whanau participation in school events such as Whanau Learning Hui, Hui a Hapori.		
Baseline Data:	Whanau are engaging more-higher attendance at events at school such as whanau learning hui; need to constantly improve though. Improved whanau attendance at Whanau Learning Hui from 25% to 60% in 2019.		

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>
Establish Student Committees Community hui Facilitate community service	Student Committees were established, and students were able to organise events for the rest of the student body throughout the year between Covid breaks Community Hui (Hui a Hapori) continued to take place every month through the year. They had much to do with formulation of new school values. Attendance remained relatively small. Community service days did not happen in 2021	Much of the disruption was due to ongoing issues relating to Covid. Hui a Hapori is afterschool in the early evening... possibly not the best time for whanau although kai is provided. We were unable to make our community service days happen due to marae being closed to outsiders during the year at various times during Alert Levels 2-4.	Student committees will continue for 2022. Expand the number of events held... hopefully easier if there is less Covid disruption. Hui a Hapori will continue – better publicising of agenda may encourage whanau to attend. Less Covid = more community service organisation.
Planning for next year:			
Organisation for community service days well in advance, Agendas for Hui a Hapori publicised earlier – space for whanau to raise issues/ideas			

Analysis of Variance Reporting



School Name:	Okaihau College	School Number:	007
Strategic Aim:	Whanaungatanga - Enhance our collective responsibility for teaching and learning		
Annual Aim:	Increase akonga confidence in their language, identity, and culture		
Target:	Increase sense of belonging at school to reduce stand downs and suspensions		
Baseline Data:	Students currently not currently involved in organising/running school activities outside of the "big three", Maori students overrepresented in stand down/suspension stats, lack of Te Reo/cultural contexts observed in Rongohia te Hau classroom observation snapshots obs 10/20. Stand downs and Suspensions up in number in 2020		

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>
Implement Ngaru system Restorative Practice training for whole staff Establish Student Committees Continue to develop local curriculum 7-10	Ngaru system implemented – 4 houses to 3 Ngaru based on local story of Nukutawhiti arriving in the Hokianga. Restorative training for some staff (pastoral middle leaders and 1 day for whole staff) Student Committees established Learning Areas modified teaching programmes and pedagogy to be more culturally responsive – Rongohia te Hau data indicated that students/whanau were more likely to “feel good to be Maori” in our school. Observation data indicated that levels of culturally responsive contexts and teaching strategies has increased.	DP with responsibility for Pastoral left on extended sick leave at end of term 1 did not return and exited school in term 2. Acting DP in role until permanent appointment made at end of 2021.	Continue to develop Ngaru system in conjunction with Pastoral audit to improve systems that recognise local stories/figures Continue to develop local curriculum and increasing the use of Te Reo in the classroom to build on cultural relationships for responsive pedagogy. Pastoral audit and more restorative training for teachers
Planning for next year:			
Pastoral best practice school visits, further development of Ngaru system in more visible ways through the school – in practice and environmentally			

INDEPENDENT AUDITOR'S REPORT

**TO THE READERS OF OKAIHAU COLLEGE'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Auditor-General is the auditor of Okaihau College (the School). The Auditor-General has appointed me, Stewart Russell, using the staff and resources of PKF Francis Aickin Ltd, 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 20, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting.

Our audit was completed on 7 July 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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



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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'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 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



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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 2021 and the Kiwisport Report on pages 21 – 28, but does not include the financial statements, and our auditor's report thereon.

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

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.

Stewart Russell
PKF Francis Aickin Ltd
On behalf of the Auditor-General
Kaitia, New Zealand

