

LAKE ROTOITI SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

School Street Address:	State Highway 63, Lake Rotoiti, St Arnaud
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Ministry Number:	3199

Lake Rotoiti School
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Lake Rotoiti School

Statement of Responsibility

For the year ended 31 December 2018

The Board of Trustees (the Board) has pleasure in presenting the annual report of Lake Rotoiti School incorporating the financial statements and the auditor's report, for the year ended 31 December 2018.

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2018 fairly reflects the financial position and operations of the school.

The School's 2018 financial statements are authorised for issue by the Board Chairperson and the principal.

The Board of Trustees (the Board) has pleasure in presenting the annual report of Lake Rotoiti School incorporating the financial statements and the auditor's report, for the year ended 31 December 2018.

Dominique Larayne McCrostie

Full Name of Board Chairperson

Susan Christine Genefoos-Ford
Full Name of Principal

McCrostie
Signature of Board Chairperson

S Ford
Signature of Principal

4/6/19
Date:

4/6/19
Date:

Lake Rotoiti School
Statement of Comprehensive Revenue and Expense
For the Year Ended 31 December 2018

		2018	2018	2017
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	503,379	507,158	559,875
Interest Revenue		21	3,500	4,248
Locally Raised Funds	3	14,148	33,100	24,397
School House	24	6,698	11,860	3,180
		524,246	555,618	591,700
Expenditure				
Administration	5	26,212	19,875	35,798
Depreciation	7	54,872	53,000	44,650
Learning Resources	4	202,093	255,300	259,578
Locally Raised Funds	3	27,158	27,600	24,957
Property	6	183,337	126,210	166,953
School Bus		29,747	116,000	28,915
School House	24	9,248	5,800	19,366
		532,667	603,785	580,217
Net Surplus/(Deficit) For Year	-	8,421	-48,167	11,483
Other Comprehensive Income and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year	-	8,421	-48,167	11,483

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes and policies.

Lake Rotoiti School
Statement of Changes in Net Assets/Equity
For the Year Ended 31 December 2018

	2018		2018	2017
	Actual		Budget	Actual
	\$		(Unaudited)	\$
Equity as at 1 January 2018	706,494		706,494	695,011
Total Comprehensive Revenue and Expense	- 8,421	-	48,167	11,483
Capital Contributions Received	743		-	-
Equity as at 31 December 2018	698,816		658,327	706,494

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes and policies.

Lake Rotoiti School
Statement of Financial Position
As at 31 December 2018

	Note	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
CURRENT ASSETS				
Accounts Receivable	9	15,009	15,898	15,868
Cash and Cash Equivalents	8	83,619	40,700 -	129
GST Receivable		-	-	30,751
Prepayments		-	5,780	5,761
Total Current Assets		98,628	62,378	52,251
CURRENT LIABILITIES				
Accounts Payable	12	11,122	48,600	48,618
Finance Lease Liability - Current Portion	16	3,019	2,000	2,040
GST Payable		8,866	5,500	-
Revenue Received in Advance	13	500	500	500
Funds Held for Capital Works	14	22,844	-	-
Total Current Liabilities		46,351	56,600	51,158
WORKING CAPITAL SURPLUS		52,277	5,778	1,093
NON CURRENT ASSETS				
Property, Plant and Equipment	11	688,478	690,000	737,852
Total Non Current Assets		688,478	690,000	737,852
NON CURRENT LIABILITIES				
Provision for Cyclical Maintenance	15	35,466	35,466	30,466
Finance Lease Liability - Term Portion	16	6,472	1,985	1,985
Total Non Current Liabilities		41,938	37,451	32,451
NET ASSETS		698,816	658,327	706,494
This is represented by:				
EQUITY		698,816	658,327	706,494

The above Statement of Financial Position should be read in conjunction with the accompanying notes and policies.

Lake Rotoiti School
Statement of Cash Flow
As at 31 December 2018

		2018	2018	2017
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
CASH FLOW FROM OPERATING ACTIVITIES				
Government Grants		205,196	200,000	200,002
Locally Raised Funds		16,136	16,000	24,398
Goods and Services Tax (net)		34,614	35,000	-31,796
Payments to Employees		-48,207	-65,000	-75,110
Payments to Suppliers		-151,556	-154,760	-104,305
Interest Paid		-127	-120	-
Interest Received		21	3,500	3,694
School House Rent Received		6,698	11,860	3,180
Net Cash Flow from/(to) Operating Activities		62,775	46,480	20,063
CASH FLOW FROM INVESTING ACTIVITIES				
MOE Project in Progress		22,844	-	-
Proceeds from Sale of PPR (and Intangibles)		-	-	-
Purchase of PPE (and Intangibles)		-2,097	-5,151	-377,883
Net Cash Flow from/(to) Investing Activities		20,747	-5,151	-377,883
CASH FLOW FROM FINANCING ACTIVITIES				
Furniture and Equipment Grant		743	-	-
Finance Lease Payments		-517	-500	-728
Painting Contract Payments		-	-	-
Loans Received/Repayment of Loan		-	-	-
Funds Administered on Behalf of Third Parties		-	-	-
Funds Held for Capital Works Projects		-	-	-
Net Cash Flow from/(to) Financing Activities		226	-500	-728
Net Increase/(Decrease) in Cash and Cash Equivalents		83,748	40,829	-358,548
Cash and Cash Equivalents at the Beginning of the Year	8	-129	-129	358,419
Cash and Cash Equivalents at the End of the Year	8	83,619	40,700	-129

The statement only records those cashflows 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.

Lake Rotoiti School

Statement of Accounting Policies

For the Year Ended 31 December 2018

1 Statement of Significant Accounting Policies

a Reporting Entity

Lake Rotoiti School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view 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 2018 to 31 December 2018 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

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 statements are set out below.

Critical Accounting Estimates and Assumptions

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

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

Useful Lives of Property, Plant and Equipment

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

Critical Judgements in Applying Accounting Policies

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

Lake Rotoiti School

Statement of Accounting Policies

For the Year Ended 31 December 2018

Classification of Leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operating or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

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 Ministry of Education.

For Non-Integrated Schools Only:

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. 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.

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 Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of 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 of Education. 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 expense that is offset by a non-cash grant received by the Ministry of Education.

e Operating Lease Payments

Payments made under operating leases are recognised in the Statement of Comprehensive Revenue and Expense on a straight line basis over the term of the lease.

Lake Rotoiti School

Statement of Accounting Policies

For the Year Ended 31 December 2018

f Finance Lease Payments

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

g Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, bank balances, deposits held at call with banks, other short term highly liquid investments with original maturities of 90 days or less, and bank overdrafts. The carrying amount of cash and cash equivalents represent fair value.

h Accounts Receivable

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

i Inventories

Inventories are consumable items held for sale and comprise 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.

j Investments

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

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

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

The School has met the requirements under Schedule 6 of the Education Act 1989 in relation to the acquisition of investment securities.

k 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.

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

Lake Rotoiti School

Statement of Accounting Policies

For the Year Ended 31 December 2018

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 into the Statement of Comprehensive Revenue and Expense.

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases.

The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. The leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

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:

Building Improvements to Crown Owned Assets	10 - 75 years
Furniture and Equipment	10 -15 years
Information and Communication Technology	4 - 5 years
Leased Assets Held Under a Finance Lease	5 Years
Library Resources and Texts	12.5% Diminishing Value
Motor Vehicles	5 years

l Software

Software Costs

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

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

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

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

m Impairment of Property, Plant, 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.

Lake Rotoiti School

Statement of Accounting Policies

For the Year Ended 31 December 2018

Non Cash Generating Assets

Property, plant, 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.

n 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.

o Employee Entitlements

Short Term Employee Entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

p Revenue Received in Advance

Revenue received in advance relates to fees 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 international students, should the School be unable to provide the services to which they relate.

q Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry of Education. The Ministry of Education 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 the day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry of Education and is based on the Board's ten year property plan (10YPP).

r Financial Assets and Liabilities

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

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

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

Lake Rotoiti School
Statement of Accounting Policies
For the Year Ended 31 December 2018

s Goods and Services Tax (GST)

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

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cashflow in the Statement of Cash Flow.

Commitments and contingencies are disclosed exclusive of GST.

t Budget Figures

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

u Services Received In-Kind

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

Lake Rotoiti School
Notes to the Financial Statements
For the Year Ended 31 December 2018

2 Government Grants

Government grants are made up of:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Operational Grants	87,018	86,898	85,985
Other Government Grants	320	500	-
Other MoE Grants	5,655	-	8,979
Teachers Salaries Grant	175,341	213,000	228,181
Transport Grants	106,186	116,000	105,038
Use of Land and Buildings Grant	128,859	90,760	131,692
	503,379	507,158	559,875

3 Locally Raised Funds

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

Revenue

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Activities	9,080	25,000	19,988
Donations	986	3,000	1,930
Fundraising/Local Grants	2,500	2,500	-
Other Revenue	-	500	124
Trading	1,582	2,100	2,603
	14,148	33,100	24,397

Expenditure

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Activities	24,877	25,500	20,484
Trading	2,281	2,100	4,473
	27,158	27,600	24,957

*Surplus/(Deficit) for the Year
Locally Raised Funds*

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
	-13,010	5,500	-560

4 Learning Resources

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Curricular	5,589	3,000	6,934
Employee Benefits/Salaries	180,090	241,000	246,459
Information and Communication Technology	5,410	2,000	40
Library Resources	-	-	1,008
Resource/Attached Teacher Costs	687	2,300	-
Staff Development	10,317	7,000	5,137
	202,093	255,300	259,578

Lake Rotoiti School
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
5 Administration			
Audit Fee	3,129	2,500	2,885
Board of Trustees Expenses	1,289	300	5,835
Board of Trustees Fees	1,076	4,400	3,320
Communication	1,495	1,925	1,598
Consumables	1,475	2,300	2,027
Employee Benefits/Salaries	10,385	-	11,804
Insurance	1,647	2,000	339
Operating Leases	2,188	2,300	1,860
Other (General Expenses)	3,528	4,150	6,130
	26,212	19,875	35,798

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
6 Property			
Caretaking and Cleaning Consumables	1,023	1,000	1,861
Cyclical Maintenance Provision	5,000	5,000	71
Employee Benefits/Salaries	13,778	17,000	14,448
Grounds	12,081	2,050	978
Heat, Light and Water	11,073	3,700	5,182
Rates	1,191	2,200	1,228
Repairs and Maintenance	10,332	4,500	11,493
Use of Land and Buildings	128,859	90,760	131,692
	183,337	126,210	166,953

The use of land and buildings figure represents 8% of the School's total property value. This is used as a 'proxy' for the market rental of the property. 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 process.

Lake Rotoiti School
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
7 Depreciation of Property, Plant and Equipment			
Building Improvements	12,362	12,000	12,362
Furniture and Equipment	6,316	6,000	4,279
Information and Communication Technology	3,969	3,500	5,609
Motor Vehicles	8,152	8,150	8,152
Leased Assets	1,215	1,200	1,470
Library Resources	2,756	2,700	2,746
Swimming Pool	20,102	19,450	10,032
	54,872	53,000	44,650

School house depreciation is reported separately in Note 23 for consistency with prior year's reporting.

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
8 Cash and Cash Equivalents			
Bank Current Account	43,587	700	-129
Bank Bonus Saver Account	40,032	40,000	-
Short Term Bank Deposits	-	-	-
Net Cash and Cash Equivalents and Bank Overdraft for Cash Flow Statement	83,619	40,700	-129

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

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
9 Accounts Receivable			
Bank Staffing Underuse	3,321	-	-
Receivables	1,738	1,198	1,148
Interest Receivable	-	8,500	8,517
Teacher Salaries Grant Receivable	9,950	6,200	6,203
	15,009	15,898	15,868
Receivables from Exchange Transactions	1,738	1,198	1,148
Receivables from Non-Exchange Transactions	13,271	14,700	14,720
	15,009	15,898	15,868

Lake Rotoiti School
Notes to the Financial Statements
For the Year Ended 31 December 2018

10 Investments

The School's investment activities are classified as follows:

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
<i>Current Asset</i>			
Short Term Bank Deposits	-	-	-

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2018.

11 Property, Plant & Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
2018					
Buildings - School	170,368			-12,362	158,006
Furniture and Equipment	21,190			-6,316	14,874
Information and Communication Technology	7,300	1,184		-3,969	4,515
Leased Assets	3,869	5,983		-1,215	8,637
Library Resources	9,728	913		-2,756	7,885
Motor Vehicles	41,440			-8,152	33,288
School House	91,957			-2,582	89,375
Swimming Pool	392,000			-20,102	371,898
	737,852	8,080	0	-57,454	688,478

	Cost \$	Accumulated Depreciation \$	Net Book Value \$
2018			
Buildings - School	327,869	-169,863	158,006
Furniture and Equipment	98,047	-83,173	14,874
Information and Communication Technology	51,184	-46,669	4,515
Leased Assets	12,057	-3,420	8,637
Library Resources	49,419	-41,534	7,885
Motor Vehicles	70,217	-36,929	33,288
School House	121,970	-32,595	89,375
Swimming Pool	402,032	-30,134	371,898
	1,132,795	-444,317	688,478

Lake Rotoiti School
Notes to the Financial Statements
For the Year Ended 31 December 2018

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Depreciation \$	Total (NBV) \$
2017					
Buildings - School	182,730			-12,362	170,368
Furniture and Equipment	20,045	5,424		-4,279	21,190
Information and Communication Technology	12,909			-5,609	7,300
Leased Assets	4,270	1,069		-1,470	3,869
Library Resources	11,779	695		-2,746	9,728
Motor Vehicles	49,592			-8,152	41,440
School House	94,539			-2,582	91,957
Swimming Pool		402,032		-10,032	392,000
	375,864	409,220	0	-47,232	737,852

	Cost \$	Accumulated Depreciation \$	Net Book Value \$
2017			
Buildings - School	327,869	-157,501	170,368
Furniture and Equipment	98,047	-76,857	21,190
Information and Communication Technology	50,000	-42,700	7,300
Leased Assets	6,074	-2,205	3,869
Library Resources	48,507	-38,779	9,728
Motor Vehicles	70,217	-28,777	41,440
School House	121,970	-30,013	91,957
Swimming Pool	402,032	-10,032	392,000
	1,124,716	-386,864	737,852

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
12 Accounts Payable			
Operating Payables	-	41,600	41,628
Banked Staffing Overuse	-	-	-
Employee Entitlements - Leave Accrual	1,172	800	787
Employee Entitlements - Salaries	9,950	6,200	6,203
	11,122	48,600	48,618
Payables for Exchange Transactions	11,122	48,600	48,618
	11,122	48,600	48,618

The carrying value of payables approximates their fair value.

Lake Rotoiti School
Notes to the Financial Statements
For the Year Ended 31 December 2018

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
13 Revenue Received in Advance			
Other - Carried Forward from 2015 Year	500	500	500
	500	500	500

14 Funds Held for Capital Works

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

2018	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Water Supply Upgrade - In Progress	-	22,844	-	-	22,844
	-	22,844	-	-	22,844

Represented By:

Funds Held on Behalf of the

Ministry of Education

Funds Due from the Ministry of

Education

22,844
-
22,844

	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
15 Provision for Cyclical Maintenance			
Provision at Start of the Year	30,466	30,466	30,395
Increase to Provision During the Year	5,000	5,000	71
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	-	-
Provision at End of Year	35,466	35,466	30,466
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Term	35,466	35,466	30,466
	35,466	35,466	30,466

Lake Rotoiti School

Notes to the Financial Statements

For the Year Ended 31 December 2018

16 Finance Lease Liability

The School has entered into a number of finance lease arrangements for computers. This year in December 2018 a lease arrangement for a photocopier was entered into. Minimum lease payments are payable.

	2018	2018	2017
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
No Later Than One Year	3,019	2,000	2,040
Later Than One Year and no Later Than Five Years	6,471	1,984	1,984
Later Than Five Years	-	-	-
	9,490	3,984	4,024

17 Related Party Transactions

The school is an entity controlled by 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 favorable 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 conditions 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.

18 Remuneration

Key Management Personnel Compensation

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

	2018 Actual	2017 Actual
<i>Board Members</i>		
Remuneration	1,068	3,320
Full Time Equivalent Members	0.1	0.1
<i>Leadership Team</i>		
Remuneration - Principal 1	88,976	42,726
Remuneration - Principal 2	-	53,720
Full Time Equivalent Members	1	1
Total Key Management Personnel Remuneration	90,044	99,766
Total Full Time Equivalent Personnel	1.10	1.10

Lake Rotoiti School

Notes to the Financial Statements

For the Year Ended 31 December 2018

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

Principal

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

	2018	2017
	Actual	Actual
	\$000	\$000
Salary and Other Payments	80-90	90-100
Benefits and Other Emoluments	0-10	-
Termination Benefits	-	-

Other Employees

There were no other employees with remuneration greater than \$100,000.

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

19 Contingencies

Holiday Act Compliance - Schools Payroll.

The Ministry of Education performs payroll processing and payments on behalf of schools' Board of Trustees, through payroll service provider Education Payroll Limited.

The Ministry has commenced a review of the schools sector payroll to ensure compliance with the Holidays Act 2003. The initial phase of this review has identified areas of non-compliance, however the potential impact on any specific school or individual and any associated historical liability will not be known until further detailed analysis has been completed.

To the extent that any obligation cannot reasonably be quantified at 31 December 2018, a contingent liability for the school may exist.

There are no other known contingent liabilities or contingent assets as at 31 December 2018. (Contingent liabilities and assets as at 31 December 2017 were nil).

20 Commitments

(a) Capital Commitments

Capital Commitments as at 31 December 2018 were nil.

(Capital Commitments as at 31 December 2017 were nil).

Lake Rotoiti School **Notes to the Financial Statements** **For the Year Ended 31 December 2018**

(b) Operating Commitments

As at 31 December 2018 the Board has no operating commitments.

	2018 Actual	2017 Actual
No Later Than One Year	-	-
Later Than One Year and no Later Than Five Years	-	-
Later Than Five Years	-	-
	-	-

21 Managing Capital

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

22 Financial Instruments

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

<i>Loans and Receivables</i>	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Cash and Cash Equivalents	83,619	40,700	-129
Receivables	15,009	15,898	15,868
Total Cash and Receivables	98,628	56,598	15,739

<i>Financial Liabilities Measured at Amortised Cost</i>	2018 Actual \$	2018 Budget (Unaudited) \$	2017 Actual \$
Payables	11,122	48,600	48,618
Finance Leases	9,490	3,985	4,025
Total Financial Liabilities Measured at Amortised Cost	20,612	52,585	52,643

23 Events After Balance Date

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

Lake Rotoiti School
Notes to the Financial Statements
For the Year Ended 31 December 2018

24 School House

	2018	2018	2017
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<i>Income Rent Received</i>	6,698	11,860	3,180
<i>School House Expenditure</i>			
Depreciation	2,582	1,500	2,582
Maintenance & Insurance	5,499	2,500	15,154
Provision	-	-	-
Rates	1,167	1,800	1,630
	9,248	5,800	19,366
<i>Net Surplus/(Deficit) School House</i>	- 2,550	6,060	- 16,186

25 Breach of Law - Failure to Meet Statutory Reporting Deadline

The Board of Trustees did not comply with Section 87A of the Education Act, in that the School did not submit their annual financial statements for audit by 31st March 2019.

Breach of Law - Failure to Meet

26 Statutory Reporting Deadline

The Board of Trustees did not comply with Section 87C of the Education Act, in that the school did not submit audited annual financial statements to the Secretary for Education by the 31st May 2019

Lake Rotoiti School
Board of Trustee Members
For the Year Ended 31 December 2018

Position	Name	Occupation	Term Expires
Chairman/Treasurer	Dominique McCrostie	Business Owner	
Principal	Sue Ford	Principal	N/A
Secretary/Staff Rep	Liz McCauley	Teacher	
Parent Rep	Nik Joice	DOC Ranger	
Parent Rep	Megan Jordan		

Analysis of Variance

Strategic Aim:	Teaching and Learning: To demonstrate strong cultural practices and support an inclusive school environment.
Annual Aim:	1.1 To develop culturally responsive practices across the school. 1.2 To ensure all ākonga have equitable outcomes.
Baseline Data:	Teaching staff and the Principal were new to the school/kura 2018. Our priority was to get to know tamariki, whānau and the wider community.

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>Engaging learners/ākonga in learning, using a contextual learning approach.</p> <p>Use of PD – Total participatory pedagogy techniques</p> <p>Blooms</p> <p>Used learning maps to develop an awareness of how, why, where, who we learn from and revisiting these in Term 4 to reflect on changes.</p>	<p>Empowered and enabled ākonga to make meaning based on their own experiences. Developed a 'high expectations' culture nurtured with support. Created collaborative learning opportunities. Actively and cognitively engaged ākonga to reflect, analyse, synthesis, collaborate, share and justify. They were more motivated to learn from each other. Deliberate conversations became the norm.</p>	<p>This teaching modality worked was successful for all ākonga, as their personal experiences were valued and shared. This had a significant impact with our priority learners as they were enabled to participate and share in small group settings. The techniques supported these learners through valuing individual contributions, sharing success for all, actively allowing all contributions for all ākonga.</p> <p>Tuakana teina, mixed ability grouping, and proximal learning groups were all used.</p>	<p>Continue to embed teacher/Kaiako skill sets in these techniques.</p>
<p>Creating a sense of belonging</p> <p>Developing a school/kura culture of 'Whanaungatanga' getting to know our learners/ākonga, through building sound relationships which include whānau.</p> <p>Developing learning inquiry</p> <p>'Turangawaewae:' getting to know</p>	<p>A sense of understanding has developed over the year.</p> <p>Relationships, trust, respect continue to develop.</p> <p>More whānau are attending meetings and dropping in for chats. Tamariki are supported in their learning environment. The kura/school are</p>	<p>Kaiako have continued to build relationships using an open, respectful and inclusive culture, through PRIDE values and a Rights responsibility lens.</p> <p>We are supportive of whānau and community needs.</p> <p>Through transparent communication parents are informed of what tamariki</p>	<p>Continue to build genuine relationships with whānau – asking whānau what their expectations are.</p> <p>Develop more robust systems of sharing student learning –</p>

<p>our place, our home culture and cultures of others who have historically been associated with the area we live in.</p> <p>Meeting with parents and seeking input – Whānau Hui, Survey, PD, Student Led Conferences, termly gatherings</p> <p>Meeting as a whole school/kura twice weekly - Wa Whānau</p>	<p>using community experts to assist in delivering specialised programmes. The school/kura is celebrating the unique environment and have connected with Doc and river care. Akonga value their identity and heritage and are proud of their local environment. A survey sent out to whānau was completed by ¾ of the community. Results were extremely favourable, with whānau siting relationships, curriculum, communication and connections to the environment strong.</p> <p>Akongā developed a more broader approach of thinking toward Te Tiri O Waitangi. Akonga were enabled to understand the rights and responsibilities of the people of this time.</p> <p>Continue to develop relationships. Seeking other ways to connect with local iwi.</p>	<p>are learning, what is driving our learning processes and why. This is building confidence and connecting ākongā, whānau and the wider community, supporting all learners. What has worked well:</p> <p>Student lead conference, new reporting system</p> <p>See saw</p> <p>Hapara</p> <p>School Stream</p>	<p>through 'student learning' programmes.</p> <p>Embed culturally responsive practices throughout the school. Seek more PD.</p> <p>Re-assessing our approaches and hui with local iwi south of Lake Rotoiti, but still in the same iwi.</p>
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Planning for next year:	
Engage providers and fund programmes to support staff professional learning, to meet strategic goals	
Collaborate with schools in the Kāhui Ako to accelerate student/ākonga progress across the cluster	
Continue to build on cultural responsive practices through connecting with whanau, iwi, local community and Kāhui Ako	

Strategic Aim: 3	Evaluation: 3 Strengthen assessment practices school wide
Annual Aim:	3.1 Strengthen school assessment practices to ensure there is consistent evaluative capabilities that will create sustained and valued outcomes for all whānau ākonga. 3.2 Develop evaluative systems and processes.
Target:	This target was generated from our 2017 ERO findings.
Baseline Data:	Information from 2017 ERO report

<p>Actions <i>What did we do?</i></p>	<p>Outcomes <i>What happened?</i></p>	<p>Reasons for the variance <i>Why did it happen?</i></p>	<p>Evaluation <i>Where to next?</i></p>
<p>Constructing a school wide assessment calendar, with specific assessment tools and timelines and reviewing this during meetings.</p>	<p>Organised and precise assessment, robust and fit for purpose. Implemented school wide assessment with consistency</p>	<p>The combination of these actions had significant impact on kaiako understanding progress and achievement, plus recognising the importance of aligning assessment data school wide. A guided and succinct assessment approach enabled kaiako to have a school wide aligned approach to meet the needs of all ākonga. The use of formative and summative assessment helped drive deliberate acts of teaching and precision teaching (RTLB) to benefit all ākonga.</p>	<p>Continue to build learning relationships with ākonga.</p>
<p>Attending professional learning and development, such as PaCT, Arinui, NZSTA courses. Used a variety of assessment tools, Easttle, Running Records, IKANS, JAM, Probe Formative and summative assessment.</p>	<p>Implementing PaCT, Arinui and school review processes.</p>	<p>Embed the use of PaCT tool and other assessment tools to create OTJ's. Use formative and summative assessment to accelerate learning.</p>	<p>Embed the use of PaCT tool and other assessment tools to create OTJ's. Use formative and summative assessment to accelerate learning.</p>
<p>Provide professional development and complete a across school moderation cycle.</p>	<p>Shared folder with exemplars. More consistent understanding between classes with progress and achievement.</p>	<p>Moderation processes and exemplars developed a school wide understanding, pathways, consistency</p>	<p>Connect with other schools for moderation.</p>

<p>Aligning OTJ's with a schoolwide framework, which corresponds to Kahui Ako.</p> <p>Discuss learning outcomes with RTL and RTLIT.</p> <p>Professional conversations regarding OTJ's.</p> <p>Teaching as Inquiry cycle</p>	<p>External support that guided and supported the journey.</p> <p>Staff meetings and professional forums</p> <p>Robust dialogue and consistency – collaboratively building and sharing ideas.</p> <p>Coaching sessions/Inquiry</p>	<p>and confidence with kaiako and ākonga.</p> <p>Knowing and understanding our ākonga and their needs, including whānau. Using our unique, conceptual setting to teach to the needs of learners in this environment.</p>	<p>Implement valued professional learning</p>
<p>Identify individuals and groups who need their achievement lifted (Effective targeted planning)</p> <p>Work on any school wide disparities of groups of learners.</p>	<p>Priority learners identified and accelerated learning pathways monitored through the use of tracking sheets.</p> <p>High expectations for all ākonga.</p> <p>Improved student outcomes.</p> <p>Accelerated learning progress.</p>	<p>Being responsive to whānau and community needs and involving them directly with ākonga learning.</p>	<p>Identify individuals and groups in all planning areas.</p> <p>Build stronger and more genuine relationships with whānau.</p> <p>Embed evaluation that contributes to ongoing improvement for all ākonga.</p> <p>Collaborate with evidence-based decision making to build agency</p>
<p>Involve whānau in ākonga learning and achievement/Student led conferences.</p>	<p>Conversations on building relationships, supporting learning and supporting whānau. Learning maps – what works, what didn't and why.</p> <p>Part of the Teacher Inquiry Cycle.</p> <p>Asked good questions, used relevant data, clarified purpose of data, and</p>	<p>Being responsive to the needs of the ākonga. Creating social learning opportunities with collaborative approach.</p> <p>Programmes implemented focused on 'learner at the centre'.</p>	<p>Continue to develop social learning opportunities, sharing these approaches with whānau at home to build strong connections</p>

<p>Use data to analysis learning trajectories</p> <p>Self-reflection on student achievement shared at start of each term.</p> <p>Focused Teaching as Inquiry on target groups</p> <p>Use of participatory pedagogy and precision teaching</p>	<p>engaged in evidence-informed conversations</p> <p>Professional conversations of best practice, what worked why etc. Explored, reflected on teaching practice and what success looks like</p> <p>Developing exemplars with next learning steps, tuakana teina, mixed ability grouping etc.</p> <p>Focused professional conversations and inquiry processes based on evidence gathered in the class in a variety of ways</p> <p>Improved and modified pedagogy to meet the needs of the learners and the task</p>	<p>Kaiako felt supported to make changes and take risks . Coaching sessions and observations supported Kaiako to build stronger across school partnerships</p> <p>Akonga had a social, supported, and purposeful approach to engage with learning</p> <p>Gain a deeper understanding of the needs of the learner and actively pursue consistency across the kura</p> <p>Provide opportunities to build capabilities, ideas and collaboration</p> <p>Develop a learner at the centre culture within the kura</p>	<p>Embed reflective processes</p> <p>Embed Spirals of inquiry and evaluative processes</p> <p>Revisit pedagogy with new ako</p>
<p>Planning for next year</p>			
<p>Continue to develop more robust internal evaluation processes.</p> <p>Embed genuine learning relationships with whānau for priority learners and all learners.</p>			

Charter Review Cycle

- The Principal reports to the Board to review progress on Student achievement targets and Charter goals. August-September
- The Board consults with staff, parents, whānau, iwi and community as part of its annual Charter review. July – November
- A copy of the school's charter is available for the community via the schools web site.
- The Board, Principal and kaiako draft targets for the following year and complete analyse of variances. October-November
- Student achievement information is shared with parents. November
- Charter is finalised and ratified by the Board, shared with kaiako and the community plus submitted to Ministry February-March
- Parents are invited to Whānau Kōreo February
- Parents are invited to Student Led Interviews June
- Parents are invited to Learner Centres programmes Twice per term

Board of Trustees Members

Chairperson	Dominique McCrostie
Principal	Sue Ford
Staff Representative	Liz McCauley
Members	Megan Jordan
	Nik Joice

"Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2018, the school received total Kiwisport funding of \$400.00 (excluding GST).

The funding was spent on providing release for the Principal to set up, organise, promote and complete programmes using the outdoors. The number of students that participated in this organised programme was 27.

**INDEPENDENT AUDIT REPORT TO THE READERS OF
LAKE ROTOITI SCHOOL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Auditor-General is the auditor of Lake Rotoiti School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, 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 21 that comprise the statement of financial position as at 31 December 2018, 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:
 - financial position as at 31 December 2018; and
 - financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practices in New Zealand and have been prepared in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on the 4th June 2019. 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 of Opinion

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

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

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

Responsibilities of the Board of Trustees

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the Analysis of Variance, Kiwisport notice and Board of trustees listing, but does not include the financial statements, and our auditor's report thereon.

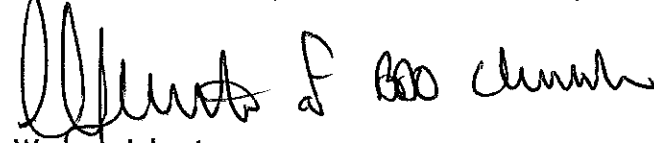
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

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



Warren Johnstone
BDO Christchurch

On behalf of the Auditor-General
Christchurch, New Zealand