

Kaiti School

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

School Address:	517 Wainui Road Kaiti, Gisborne 4010
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Ministry Number:	2584

Kaiti School

Financial Statements - For the year ended 31 December 2016

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Kaiti School

Statement of Responsibility

For the year ended 31 December 2016

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 2016 fairly reflects the financial position and operations of the school.

The School's 2016 financial statements are authorised for issue by the Board.

Denise Walker

Full Name of Board Chairperson



Signature of Board Chairperson

22 May 2017

Date:

Billie-Jean Potaka-Ayton

Full Name of Principal



Signature of Principal

22 May 2017

Date:

Kaiti School**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue				
Government Grants	2	2,677,521	2,537,696	2,340,397
Locally Raised Funds	3	102,922	39,700	75,412
Interest Earned		5,016	14,000	15,388
		<u>2,785,459</u>	<u>2,591,396</u>	<u>2,431,197</u>
Expenses				
Locally Raised Funds	3	91,177	21,373	30,190
Learning Resources	4	1,958,599	1,830,582	1,726,672
Administration	5	152,180	141,864	145,360
Finance Costs		2,582	-	2,114
Property	6	493,563	453,880	325,222
Depreciation	7	78,472	55,000	64,541
Loss on Disposal of Property, Plant and Equipment		2,540	-	221
		<u>2,779,113</u>	<u>2,502,699</u>	<u>2,294,320</u>
Net Surplus / (Deficit)		6,346	88,697	136,877
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>6,346</u>	<u>88,697</u>	<u>136,877</u>

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



Kaiti School**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2016

	Actual 2016 \$	Budget (Unaudited) 2016 \$	Actual 2015 \$
Balance at 1 January 2016	817,278	817,278	636,840
Total comprehensive revenue and expense for the year	6,346	88,697	136,877
Capital Contributions from the Ministry of Education			
Contribution - Furniture & Equipment Grant	8,048	-	27,923
Contribution - SNUP	-	-	15,638
Equity at 31 December 2016	831,672	905,975	817,278
 Retained Earnings	 831,672	 905,975	 817,278
Reserves	-	-	-
Equity at 31 December 2016	831,672	905,975	817,278

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes.



Kaiti School
Statement of Financial Position
As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Assets				
Cash and Cash Equivalents	8	444,306	517,986	440,979
Accounts Receivable	9	132,819	95,198	95,198
Prepayments		1,306	23,476	23,476
Inventories	10	12,154	8,593	8,593
		<u>590,585</u>	<u>645,253</u>	<u>568,246</u>
Current Liabilities				
GST Payable		7,254	7,712	7,712
Accounts Payable	12	121,430	145,796	145,796
Revenue Received in Advance	13	-	38,607	38,607
Provision for Cyclical Maintenance	14	50,953	23,847	38,847
Finance Lease Liability - Current Portion	15	13,452	-	5,689
Funds held in Trust	16	43,782	30,000	30,000
Funds held for Capital Works Projects	16	56,196	14,571	14,571
		<u>293,067</u>	<u>260,533</u>	<u>281,223</u>
Working Capital Surplus/(Deficit)		297,518	384,720	287,023
Non-current Assets				
Property, Plant and Equipment	11	636,391	619,968	613,968
		<u>636,391</u>	<u>619,968</u>	<u>613,968</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	93,492	93,589	78,589
Finance Lease Liability	15	8,745	5,122	5,123
		<u>102,237</u>	<u>98,712</u>	<u>83,712</u>
Net Assets		<u><u>831,672</u></u>	<u><u>905,975</u></u>	<u><u>817,278</u></u>
Equity				
		<u><u>831,672</u></u>	<u><u>905,975</u></u>	<u><u>817,278</u></u>

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



Kaiti School**Statement of Cash Flows**

For the year ended 31 December 2016

	Note	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash flows from Operating Activities				
Government Grants		882,212	768,408	886,655
Locally Raised Funds		90,090	39,700	170,162
Goods and Services Tax (net)		(458)	-	(58,442)
Payments to Employees		(511,432)	(364,000)	(461,152)
Payments to Suppliers		(393,547)	(314,411)	(390,107)
Interest Paid		(2,582)	-	(2,114)
Interest Received		5,016	14,000	15,388
Net cash from / (to) the Operating Activities		69,299	143,697	160,390
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	7,000	(221)
Purchase of PPE (and Intangibles)		(84,692)	(68,000)	(133,416)
Net cash from / (to) the Investing Activities		(84,692)	(61,000)	(133,637)
Cash flows from Financing Activities				
Furniture and Equipment Grant		8,048	-	43,561
Finance Lease Payments		(7,360)	(5,690)	(3,574)
Funds Administered on Behalf of Third Parties		18,032	-	(524,652)
Net cash from Financing Activities		18,720	(5,690)	(484,665)
Net increase/(decrease) in cash and cash equivalents		3,327	77,007	(457,912)
Cash and cash equivalents at the beginning of the year	8	440,979	440,979	898,891
Cash and cash equivalents at the end of the year	8	444,306	517,986	440,979

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 omitted.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



Kaiti School

Notes to the Financial Statements

For the year ended 31 December 2016

1. Statement of Accounting Policies

a) Reporting Entity

Kaiti 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 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 2016 to 31 December 2016 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 financial statements are set out below.

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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



Kaiti School

Notes to the Financial Statements

For the year ended 31 December 2016

Critical Judgements in applying accounting policies

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

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 operation 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 carryforward amounts unspent. The School believes all grants received have been appropriately recognised as a liability if required. Government grants are disclosed at note 2.

c) Revenue Recognition

Government Grants

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

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

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

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. 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 from the Ministry.

e) Operating Lease Payments

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

f) Finance Lease Payments

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



Kaiti School

Notes to the Financial Statements

For the year ended 31 December 2016

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

i) Inventories

Inventories are consumable items held for sale and comprise of 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) 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.

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.

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. 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 - Crown	50 years
Furniture & Equipment	3-10 years
Other Equipment	5-10 years
Information and Communication Technology	3-5 years
Motor Vehicles	5 years
Leased Assets	3-5 years
Library Resources	12.5% Diminishing value



Kaiti School

Notes to the Financial Statements

For the year ended 31 December 2016

k) Impairment of Property, Plant and Equipment

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.

l) 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.

m) 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.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows

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

o) 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 for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).



Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

p) 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.

q) 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.

r) Budget Figures

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

s) 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.



Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

2. Government Grants

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operational grants	759,689	713,908	724,101
Teachers' salaries grants	1,462,808	1,462,808	1,228,429
Use of Land and Buildings grants	306,480	306,480	225,313
Other MoE Grants	92,901	54,500	162,554
Other government grants	55,643	-	-
	<u>2,677,521</u>	<u>2,537,696</u>	<u>2,340,397</u>

3. Locally Raised Funds

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Revenue			
Donations	19,192	10,000	13,309
Fundraising	11,670	-	2,571
Trading	16,272	15,000	17,209
Activities	55,788	14,700	42,323
	<u>102,922</u>	<u>39,700</u>	<u>75,412</u>
Expenses			
Trading	17,280	16,000	19,371
Fundraising (costs of raising funds)	7,311	-	7,115
Transport (local)	2,465	5,373	3,704
Other Locally Raised Funds Expenditure	64,121	-	-
	<u>91,177</u>	<u>21,373</u>	<u>30,190</u>
Surplus for the year Locally raised funds	<u>11,745</u>	<u>18,327</u>	<u>45,222</u>

Income from Donations includes the following:

\$ 500 from Heni Materoa

\$1,000 from Shein Joe

4. Learning Resources

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Curricular	57,237	49,363	97,249
Equipment repairs	5,950	4,400	3,734
Information and communication technology	5,496	2,611	8,892
Extra-curricular activities	38,543	17,200	24,271
Library resources	617	700	560
Employee benefits - salaries	1,844,648	1,737,808	1,583,317
Staff development	6,108	18,500	8,649
	<u>1,958,599</u>	<u>1,830,582</u>	<u>1,726,672</u>

Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

5. Administration

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,900	6,000	6,000
Board of Trustees Fees	4,540	4,500	2,870
Board of Trustees Expenses	24,272	16,600	16,111
Communication	2,874	5,000	4,105
Consumables	16,393	15,000	20,302
Operating Lease	534	-	490
Other	7,342	22,264	12,172
Employee Benefits - Salaries	79,155	65,000	72,356
Insurance	3,269	-	3,254
Service Providers, Contractors and Consultancy	7,900	7,500	7,700
	<u>152,180</u>	<u>141,864</u>	<u>145,360</u>

6. Property

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	45,971	50,500	36,059
Consultancy and Contract Services	4,050	-	-
Cyclical Maintenance Provision	30,137	15,000	(13,408)
Grounds	16,698	15,600	11,474
Heat, Light and Water	25,566	26,000	26,365
Rates	2,262	2,800	2,201
Repairs and Maintenance	13,181	6,500	381
Use of Land and Buildings	306,480	306,480	225,313
Security	12,110	7,000	5,457
Employee Benefits - Salaries	37,108	24,000	31,380
	<u>493,563</u>	<u>453,880</u>	<u>325,222</u>

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 purposes.

7. Depreciation of Property, Plant and Equipment

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	12,419	9,500	11,683
Furniture & Equipment	11,102	8,000	8,872
Other Equipment	14,815	8,000	9,706
Information and Communication Technology	22,965	18,500	21,939
Motor Vehicles	7,657	7,000	7,339
Leased Assets	8,393	3,000	3,602
Library Resources	1,121	1,000	1,400
	<u>78,472</u>	<u>55,000</u>	<u>64,541</u>

Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

8. Cash and Cash Equivalents

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash on Hand	200	34	34
Bank Current Account	78,230	187,506	110,499
Bank Call Account	365,876	330,446	330,446
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	444,306	517,986	440,979

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

Of the \$444,306 Cash and Cash Equivalents, \$56,196 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2017 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Receivables	49,688	-	-
Teacher Salaries Grant Receivable	83,131	95,198	95,198
	132,819	95,198	95,198
Receivables from Exchange Transactions	49,688	-	-
Receivables from Non-Exchange Transactions	83,131	95,198	95,198
	132,819	95,198	95,198

10. Inventories

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
School Uniforms	12,154	8,593	8,593
	12,154	8,593	8,593

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2016						
Building Improvements - Crown	441,555	(1)	-	-	(12,419)	429,135
Furniture & Equipment	69,433	24,274	(1,698)	-	(11,102)	80,907
Other Equipment	22,875	34,224	(6)	-	(14,815)	42,278
Information and Communication Technology	36,214	26,198	(5)	-	(22,965)	39,442
Motor Vehicles	25,683	-	-	-	(7,657)	18,026
Leased Assets	8,407	18,742	-	-	(8,393)	18,756
Library Resources	9,801	(1)	(832)	-	(1,121)	7,847
Balance at 31 December 2016	613,968	103,436	(2,541)	-	(78,472)	636,391

Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

11. Property, Plant and Equipment Continued

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Building Improvements - Crown	620,928	(191,793)	429,135
Furniture & Equipment	171,915	(91,008)	80,907
Other Equipment	110,209	(67,931)	42,278
Information and Communication Technology	198,302	(158,860)	39,442
Motor Vehicles	38,287	(20,261)	18,026
Leased Assets	33,153	(14,397)	18,756
Library Resources	44,281	(36,434)	7,847
RTLB Cluster	-	-	-
Balance at 31 December 2016	1,217,075	(580,684)	636,391

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2015						
Building Improvements - Crown	409,103	44,135	-	-	(11,683)	441,555
Furniture & Equipment	39,512	38,795	(2)	-	(8,872)	69,433
Other Equipment	24,786	7,795	-	-	(9,706)	22,875
Information and Communication Technology	19,380	38,775	(3)	-	(21,939)	36,214
Motor Vehicles	29,835	3,187	-	-	(7,339)	25,683
Leased Assets	12,008	-	-	-	(3,602)	8,407
Library Resources	10,463	950	(212)	-	(1,400)	9,801
RTLB Cluster	4	-	(4)	-	-	-
Balance at 31 December 2015	545,092	133,637	(221)	-	(64,541)	613,968

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2015			
Building Improvements - Crown	620,928	(179,373)	441,555
Furniture & Equipment	178,975	(109,542)	69,433
Other Equipment	83,346	(60,471)	22,875
Information and Communication Technology	185,704	(149,490)	36,214
Motor Vehicles	38,287	(12,604)	25,683
Leased Assets	14,410	(6,003)	8,407
Library Resources	48,388	(38,587)	9,801
Balance at 31 December 2015	1,170,038	(556,070)	613,968

Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

12. Accounts Payable

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Operating creditors	10,006	23,735	23,735
Accruals	5,900	6,000	6,000
Employee Entitlements - salaries	96,542	110,419	110,419
Employee Entitlements - leave accrual	8,982	5,642	5,642
	<u>121,430</u>	<u>145,796</u>	<u>145,796</u>
Payables for Exchange Transactions	121,430	145,796	145,796
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>121,430</u>	<u>145,796</u>	<u>145,796</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Grants in Advance - Ministry of Education	-	30,938	30,938
Other - Overseas School Trips	-	7,669	7,669
	<u>-</u>	<u>38,607</u>	<u>38,607</u>

14. Provision for Cyclical Maintenance

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Provision at the Start of the Year	117,436	117,436	130,844
Increase to the Provision During the Year	30,137	15,000	(13,408)
Use of the Provision During the Year	(3,128)	(15,000)	-
Provision at the End of the Year	<u>144,445</u>	<u>117,436</u>	<u>117,436</u>
Cyclical Maintenance - Current	50,953	23,847	38,847
Cyclical Maintenance - Term	93,492	93,589	78,589
	<u>144,445</u>	<u>117,436</u>	<u>117,436</u>

15. Finance Lease Liability

The School has entered into a number of finance lease agreements for Computers and Photocopiers. Minimum lease payments payable:

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	13,452	-	5,689
Later than One Year and no Later than Five Years	11,173	5,122	5,123
	<u>24,625</u>	<u>5,122</u>	<u>10,812</u>

Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

16. Funds Held in Trust

	2016 Actual	2016 Budget (Unaudited)	2015 Actual
TPK Whanau Ora	\$ 43,360	\$ 30,000	\$ 30,000
Social Club	422	-	-
	<u>43,782</u>	<u>30,000</u>	<u>30,000</u>

16. Funds Held for Capital Works Projects

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

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
CCTV	<i>complete</i>	15,300	679	15,979	-	-
Fence Replacement	<i>complete</i>	(729)	729	-	-	-
Bike Track	<i>complete</i>	-	11,450	11,450	-	-
New Roll Growth Classroom	<i>in progress</i>	-	65,000	8,804	-	56,196
Totals		<u>14,571</u>	<u>77,858</u>	<u>36,233</u>	<u>-</u>	<u>56,196</u>

Represented by:

Funds Held on Behalf of the Ministry of Education
Funds Due from the Ministry of Education

56,196

-

56,196

	2015	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
MLE Funding	<i>complete</i>	444,541	61,748	550,424	44,135	-
Toilet Block & Fencing	<i>complete</i>	56,305	1,802	58,107	-	-
CCTV	<i>in progress</i>	-	15,300	-	-	15,300
Fence Replacement	<i>in progress</i>	-	8,550	9,279	-	(729)
Sewer Line	<i>complete</i>	-	24,307	24,307	-	-
Security System	<i>complete</i>	-	12,898	12,898	-	-
Totals		<u>500,846</u>	<u>124,605</u>	<u>655,015</u>	<u>44,135</u>	<u>14,571</u>

17. 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.

Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

18. Remuneration

Key management personnel compensation

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

	2016 Actual \$	2015 Actual \$
<i>Board Members</i>		
Remuneration	4,540	2,870
Full-time equivalent members	0.09	0.06
<i>Leadership Team</i>		
Remuneration	345,533	330,980
Full-time equivalent members	3.63	3.50
Total key management personnel remuneration	350,073	333,850
Total full-time equivalent personnel	3.72	3.56

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:

	2016 Actual \$000	2015 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	0 - 0	0 - 0

Other Employees

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

Remuneration \$000	2016 FTE Number	2015 FTE Number
110 - 120	-	-
100 - 110	-	-
	0.00	0.00

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

19. Compensation and Other Benefits Upon Leaving

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

	2016 Actual	2015 Actual
Total	-	-
Number of People	-	-

Kaiti School

Notes to the Financial Statements

For the year ended 31 December 2016

20. Contingencies

Contingent Liabilities as at 31 December 2016

The Board has committed to sealing the Hall Floor at an estimated cost of \$17,900 excluding GST, during the end of year school holidays. The Board has not recognised this matter in the financial statements because the actual cost is unknown.

The Board has committed to painting the concrete block wall at an estimated cost of \$1,945 excluding GST, during the end of year school holidays. The Board has not recognised this matter in the financial statements because the actual cost is unknown.

Contingent Assets as at 31 December 2016

The Board entered into a contract with the Ministry of Education to provide a Study Support Centre from May 2016 until May 2018. The Ministry agreed to fund the centre during year ended 31 December 2016 for a total of \$21,000 excluding GST. As at 31 December 2016, the Board had received \$18,000 but are unsure whether they will receive the balance of \$3,000.

(Contingent liabilities and assets at 31 December 2015: Nil)

21. Commitments

(a) Capital Commitments

As at 31 December 2016 the Board has entered into contract agreements for capital works as follows:

\$602,088 contract to have a new roll growth classroom as agent for the Ministry of Education. This project is fully funded by the Ministry and \$65,000 has been received of which \$8,804 has been spent on the project to date.

(Capital commitments at 31 December 2015: Nil)

(b) Operating Commitments

As at 31 December 2016 the Board has entered into the following contracts:

(a) operating lease of Computer Equipment

	2016 Actual \$	2015 Actual \$
No later than One Year	2,236	3,145
Later than One Year and No Later than Five Years	544	2,780
	<u>2,780</u>	<u>5,925</u>

22. 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.

Kaiti School
Notes to the Financial Statements
For the year ended 31 December 2016

23. Financial Instruments

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

Loans and receivables

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash and Cash Equivalents	444,306	517,986	440,979
Receivables	132,819	95,198	95,198
Total Cash and Receivables	<u>577,125</u>	<u>613,184</u>	<u>536,177</u>

Financial liabilities measured at amortised cost

Payables	121,430	145,796	145,796
Finance Leases	22,197	5,122	10,812
Total Financial Liabilities Measured at Amortised Cost	<u>143,627</u>	<u>150,918</u>	<u>156,608</u>

24. Events After Balance Date

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

Kaiti School

Members of the Board of Trustees

For the year ended 31 December 2016

<u>Name</u>	<u>Position</u>	<u>How Appointed</u>	<u>Term Expired / Expires</u>
Denise Walker	Chairperson	Elected	May 2019
Billie-Jean Potaka-Ayton	Principal	Appointed	N/A
Amanda Owen	Staff Rep	Elected	May 2019
Pauli Maa'fu	Parent Rep	Co-opted	May 2019
Annette Toupilli	Parent Rep	Elected	May 2019
Charmaine Pahuru	Parent Rep	Elected	May 2019
Turuhira Tamale	Parent Rep	Elected	May 2019
Sally Bevins	Parent Rep	Co-opted	May 2019

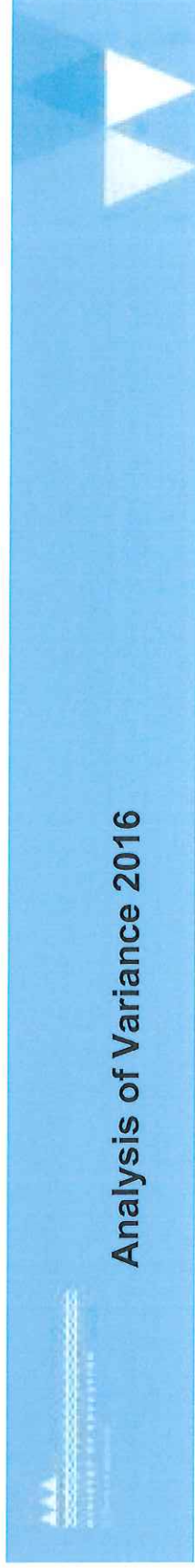
Analysis of Variance 2016

School name: Kaiti School	School number: 2584
Focus: Mathematics	
Strategic Aim: Develop and implement programmes that will raise student achievement in mathematics in a fun, enjoyable environment.	
Annual Aim: 85% of students will achieve at or above expected levels in relation to the National Standards in mathematics.	
Target:	All students 85% Specific Target Group – Year 5-6 and Pasifika target 75%
Baseline data:	2015 End of Year School Wide results - 83.3% of students achieving at or above expected levels

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
Ran ALIM withdrawal programmes, MST teacher provided PLD for teachers in a range of areas, basic facts and mentored teachers through coaching, observation and modelling. If Maths was a low area of achievement for a class group, teachers selected maths as their inquiry focus. The teaching and assessment of Basic Facts continued to be a focus across the school. As a school, we in term 2 we focussed on consistency in OTJs and Administration of Standardised assessments. We brought in a maths facilitator to work with our staff in these priority areas.	81.8% of all students are working at or above expected levels. 82.5% of Maori students are working at or above expected levels 68.2% of Pasifika students are working at or above expected levels 100% of Pakeha students are working at expected levels 100% of Asian students are working at expected levels 75% of Year 5 students are working at or above expected levels. 82.7% of Year 6 students were working at or above expected levels.	The ALL students group were 1.5% lower than the ALL result for 2015. The result was higher than the national result and the local regions results for maths (from the year before) Maori students as a group achieved higher than the group result, regional and national results. Pasifika students results increased from 58.1% to 68.2%. The results are a true picture of the groups current position based on accurate results. This 10% jump is very pleasing. The Year 5 students results have improved from 65.9% to 75% in 2016. Once again this has been a really pleasing result for this group with a 10% increase. The Year 6 students results moved from 64.8% in 2017 to 82.7% in 2016. This is a phenomenal move. Termly assessments for Basic Facts. Mentoring and coaching in term 1 by the Maths Leader, Withdrawal ALIM programme in Year Moderation of Maths results across the school – teachers using a range of sources of data to make OTJs and senior leaders checking on these consistently.	The result did not meet the schools target for 2016 of 85% by 3.2% however the result is similar to the 2015 result. The Pasifika Group have improved their group result on 2015 results. They will continue to be a priority group for senior leaders and kaiako in 2017. The Year 3 and 5 cohort had the highest number of students working below. They will be the target groups moving into 2017. Areas of focus for 2017: 1. External PLD - Deb Reeves, Waikato University. 2. Teaching Strand Maths as well as Number. 3. Teaching new learning to students not what they know 4. Moving students on in their learning.
Planning for 2017 year: Work with Deb Reeves, Waikato University. Focus on strand maths as well as number.			



School name: Kaiti School		School number: 2584	
Focus: Reading			
Strategic Aim: Develop and implement programmes that will raise student achievement in reading in a fun, enjoyable environment that fosters a love for reading.			
Annual Aim: 78% of students will achieve at or above expected levels in relation to the National Standards in reading.			
Target:	All students 78%	Specific Target Group – Year 2 and Year 6 = 70%	
Baseline data:	2015 - End of Year School Wide results - 76% of students achieving at or above expected levels		
Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
Guided teaching of reading was expected daily in classrooms. Senior leaders completed walk throughs to check areas of practice, and in classes where reading was not taught daily, senior leaders spent more time supporting. Teachers working on teaching as inquiry cycles in reading if their results were low for their group. Target students were identified. Seniors spent more time using astle as a formative assessment tool. The DP worked with senior students and kaiako who were working just below expected levels. Progress was tracked termly so that success was celebrated and classes that were not making expected gains were supported. We are excited to see the difference that the transition to year 1 Titirangi project has made on results in the junior levels. Teachers working with readers at level 2 and higher have been using the text on Reading comprehension by Alison Davis.	72.8% of all students are working at or above expected levels. 75.1% of Maori students are working at or above expected levels 40.9% of Pasifika students are working at or above expected levels 75% of Pakeha students are working at expected levels Asian group result not shown as only 1 student. Females 70.5% Males 76.3% Year 2 Target Group - 79.3% Year 6 Target Group - 80.8%		The group as a whole sits just below the national standard score for 2015 of 78%. Recommend that the target is set at 78% for 2017 and that Pacifica students are the primary target group across the school in 2017. The year level groups that scored the lowest in reading were the Year 1s with 45.5% and the year 5s 56.9%. This trend was visible with the 2015 results as well. DP Focus for Reading Year 4 students moving to year 5. Pacifica Students AP Focus Year 1 students
Planning for next year: The year 1 group moving to year 2 will be the target group for reading for 2017 with a target of 70% and our 2017 Year 6s will also be a target group. The rest of the year level targets will aim for 78%.			
We hope that we will see some improvement to the Year 1 results coming up to 6 years.			
Ministry of Education Analysis of variance reporting			
New Zealand Government			



Analysis of Variance 2016

School name: Kaiti School	School number: 2584
Focus: Writing	
Strategic Aim: Develop and implement programmes that will raise student achievement in writing in a fun, enjoyable environment.	
Annual Aim: 90% of students will achieve at or above expected levels in relation to the National Standards in writing.	
Target: Results	All students 85.5% Specific Target Group –Pasifika 72.7%
Baseline data:	2015 End of Year School Wide results - 84% of students achieving at or above expected levels

Actions (what did we do?)	Outcomes (what happened?)	Reasons for the variance (why did it happen?)	Evaluation (where to next?)
Guided teaching of writing was expected daily in classrooms. With the support of the ALL Lead Teachers, all start participated in weekly writing workshops for term 1 looking at the deliberate acts of teaching for writing and what makes a difference for our learners. From T2-4 the ALL lead teachers worked alongside classes based on term school results. Teachers working on teaching as inquiry cycles in writing if their results were low for their group. Target students were identified. Writing was moderated termly to ensure consistency across the school with our decisions for OTJs. Progress was tracked termly so that success was celebrated and classes that were not making expected gains were supported.	85.5% of all students are working at or above expected levels. 86.2% of Maori students are working at or above expected levels 72.7% of Pasifika students are working at or above expected levels 100% of Pakeha students are working at expected levels 1 Asian student so not displayed. Year 2 - 90.7% Year 3 - 74.1% Year 6 - 96.2% Females 88.8% Males 82.4%	The school wide result is 1 percent higher than the 2015 result. All results for all ethnic groups are higher. The high results can be attributed to the mentoring and guidance with kaiako of the ALL writing leaders. Pasifika students results are higher than the 2015 results but were the lowest of the ethnic groups. The year 5 group of 2015 who had the highest number of students working below had a successful year in 2016 with 96.2% of these students reaching at or above. The reason for the variance is the extra support by the ALL leaders in working with the teachers to develop their writing programmes.	The Pasifika students as a group will continue to be a target group moving into 2017. While they have improved their collective result on 2105 results for this group, we want the get 80% at least of this group writing at or above expected levels. The school wide results were higher than the National Result of 71.4% Nationally Pasifika students scored at 60.6%. At Kaiti 72.7% Nationally boys scored at 63.9%. Kaiti Boys scored 82.4% which is lower than the target for Kaiti but higher than national scores. The year level group that scored the lowest in writing in 2015 were the Year 5s with 74%. In 2016 their result for the group as year 6 was 96.2%

Planning for next year: The 2016 Year 1 group moving into Year 2 in 2017 will be the target group for writing for 2017. Their current result was 68.5% at or above with a target of 80%. The Pasifika Group will also be a target with a percentage of 80%. The rest of the year level targets will aim 85-90%... which is beyond the national goal for national standards of 85% by 2017.

The school will run an ALL writing programme throughout the year in 2017. The ALL teacher will also work alongside teachers across the school and more specifically with the Year 2 classes and teachers of Pasifika students.

The team will work closely with **Theory in relation to practice** and what we do in the classroom. Making informed decisions about our practice (Using Effective Literacy Handbook and Gail Loane Handbook). All of the practices that we modelled in 2016 will continue.



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31 January 2017

Special and Contestable Funding

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2016, the school received total kiwisport funding of **\$4,722.49 (ex GST)**. The funding was spent on: Fees to participate in Gisborne Cluster sporting events (Gymnastics, Cross Country, Badminton, Tee Ball, Soccer, Netball, Softball, and Athletics); Bus hireage to transport students to and from sporting events; travel costs for smaller groups; surf coaching, Bike programme and the purchasing of sports equipment. The number of students participating in organised sport sits at 80%.

Billie-Jean Potaka Ayton
Principal
Kaiti School

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF KAITI SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Auditor-General is the auditor of Kaiti School (the School). The Auditor-General has appointed me, Barbara Johnstone, using the staff and resources of Graham & Dobson 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 19, that comprise the Statement of Financial Position as at 31 December 2016, 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 2016; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 23 May 2017. 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.

Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included in pages 1 to 24, of Statement of Responsibility, Members of The Board of Trustees, Analysis of Variance and Kiwisport Statement, 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.



B R Johnstone
Graham & Dobson Ltd
On behalf of the Auditor-General
Gisborne, New Zealand