

# **Dargaville Primary School**

## **Financial Statements for the year ended 31 December 2017**

<b>School Address:</b>	Portland Street, Dargaville
<b>School Postal Address:</b>	PO Box 75, Dargaville 0310
<b>School Phone:</b>	09 439 7255
<b>School Email:</b>	<a href="mailto:office@dargavilleprimary.school.nz">office@dargavilleprimary.school.nz</a>
<b>Ministry Number:</b>	1009

# **Dargaville Primary School**

## **Financial Statements**

For the year ended 31 December 2017

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# Dargaville Primary School Statement of Responsibility

For the year ended 31 December 2017

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 2017 fairly reflects the financial position and operations of the school.

The School's 2017 financial statements are authorised for issue by the Board.

Tracy Hayward  
Full Name of Board Chairperson

J. Hayward  
Signature of Board Chairperson

31 May 2018  
Date:

Alan Russek  
Full Name of Principal

A. Russek  
Signature of Principal

31 May 2018  
Date:

**Dargaville Primary School**

**Statement of Comprehensive Revenue and Expense**

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
<b>Revenue</b>				
Government Grants	2	2,677,666	2,198,753	2,480,888
Locally Raised Funds	3	143,316	134,180	99,756
Interest Earned		15,396	5,000	13,656
		<u>2,836,378</u>	<u>2,337,933</u>	<u>2,594,300</u>
<b>Expenses</b>				
Locally Raised Funds	3	87,017	63,100	93,763
Learning Resources	4	1,978,190	1,665,150	1,779,599
Administration	5	131,671	143,200	123,540
Finance Costs		1,928	-	1,305
Property	6	527,520	355,560	506,888
Depreciation	7	90,333	75,000	85,575
Loss on Disposal of Property, Plant and Equipment		23,299	-	768
		<u>2,839,958</u>	<u>2,302,010</u>	<u>2,591,438</u>
<b>Net Surplus / (Deficit)</b>		<b>(3,580)</b>	<b>35,923</b>	<b>2,862</b>
<b>Other Comprehensive Revenue and Expenses</b>				
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><b>(3,580)</b></u>	<u><b>35,923</b></u>	<u><b>2,862</b></u>

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

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**Dargaville Primary School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2017

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Balance at 1 January</b>	<b>1,023,462</b>	<b>1,023,462</b>	<b>1,012,556</b>
Total comprehensive revenue and expense for the year	(3,580)	35,923	2,862
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	8,044
<b>Equity at 31 December</b>	<b>1,019,882</b>	<b>1,059,385</b>	<b>1,023,462</b>
 Retained Earnings	 1,019,882	 1,059,385	 1,023,462
<b>Equity at 31 December</b>	<b>1,019,882</b>	<b>1,059,385</b>	<b>1,023,462</b>

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

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**Dargaville Primary School**  
**Statement of Financial Position**

As at 31 December 2017

	Notes	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	184,108	259,583	360,450
Accounts Receivable	9	132,760	147,000	109,818
GST Receivable		5,577	12,500	25,925
Prepayments		4,122	5,000	4,276
Inventories	10	11,971	10,000	12,223
Investments	11	310,600	300,000	301,441
		<u>649,138</u>	<u>734,083</u>	<u>814,133</u>
<b>Current Liabilities</b>				
Accounts Payable	13	152,846	224,000	167,445
Provision for Cyclical Maintenance	14	31,950	26,250	11,092
Finance Lease Liability - Current Portion	15	18,046	3,909	9,616
Funds Held in Trust	16	73,270	23,400	120,000
Funds Held for Capital Works Projects	17	22,271	5,000	106,573
		<u>298,383</u>	<u>282,559</u>	<u>414,726</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>350,755</u>	<u>451,524</u>	<u>399,407</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	729,036	638,385	673,385
		<u>729,036</u>	<u>638,385</u>	<u>673,385</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	30,455	27,633	42,531
Finance Lease Liability	15	29,454	2,891	6,799
		<u>59,909</u>	<u>30,524</u>	<u>49,330</u>
<b>Net Assets</b>		<u><u>1,019,882</u></u>	<u><u>1,059,385</u></u>	<u><u>1,023,462</u></u>
<b>Equity</b>		<u><u>1,019,882</u></u>	<u><u>1,059,385</u></u>	<u><u>1,023,462</u></u>

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



# Dargaville Primary School

## Statement of Cash Flows

For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		737,534	573,193	677,281
Locally Raised Funds		143,316	134,180	109,922
Goods and Services Tax (net)		20,348	(12,500)	(25,563)
Payments to Employees		(480,205)	(284,550)	(425,220)
Payments to Suppliers		(329,466)	(201,017)	(245,866)
Interest Paid		(1,928)	-	(1,305)
Interest Received		12,448	5,000	13,731
<b>Net cash from / (to) the Operating Activities</b>		<b>102,047</b>	<b>214,306</b>	<b>102,980</b>
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of PPE		(23,299)	-	(768)
Purchase of PPE		(100,643)	(677,674)	(85,662)
Purchase of Investments		(9,159)	(300,000)	25,328
<b>Net cash from / (to) the Investing Activities</b>		<b>(133,101)</b>	<b>(977,674)</b>	<b>(61,102)</b>
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	8,044
Finance Lease Payments		(14,256)	(28,911)	(8,709)
Funds Administered on Behalf of Third Parties		(46,730)	23,400	226,573
Funds Held for Capital Works Projects		(84,302)	5,000	-
<b>Net cash from / (to) Financing Activities</b>		<b>(145,288)</b>	<b>(511)</b>	<b>225,908</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(176,342)</b>	<b>(763,879)</b>	<b>267,786</b>
Cash and cash equivalents at the beginning of the year	8	360,450	1,023,462	92,664
Cash and cash equivalents at the end of the year	8	184,108	259,583	360,450

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 Cash Flow Statement should be read in conjunction with the accompanying notes.

## **Dargaville Primary School**

# **Notes to the Financial Statements**

For the year ended 31 December 2017

### **1. Statement of Accounting Policies**

#### **Reporting Entity**

Dargaville Primary 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.

#### **Basis of Preparation**

##### **Reporting Period**

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 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 12.





## **Dargaville Primary School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

### ***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.

## **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.

### ***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.

### ***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.

### ***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.

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## **Dargaville Primary School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

### **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.

### **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.

### **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.

### **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 section 28 of the Education Act 1989 in relation to the acquisition of investment securities.

### **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.

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## Dargaville Primary School

# Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### **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:

Furniture and equipment	3-40 years
Information and communication technology	3-5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

### **Impairment of property, plant, and equipment and intangible assets**

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

### **Non cash generating assets**

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

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

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

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

### **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.

### **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.



## **Dargaville Primary School**

# **Notes to the Financial Statements (cont.)**

For the year ended 31 December 2017

### **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.

### **Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose at any time.

### **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).

### **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 and 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.

### **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 Statement of Cash Flows.

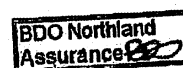
Commitments and contingencies are disclosed exclusive of GST.

### **Budget Figures**

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

### **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.



# Dargaville Primary School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 2 Government Grants

Operational grants  
Teachers' salaries grants  
Use of Land and Buildings grants  
Other MoE Grants  
Other government grants

2017	2017	2016
Actual	Budget	Actual
\$	(Unaudited)	\$
556,635	509,193	519,206
1,559,242	1,400,000	1,425,424
384,318	223,560	368,716
126,569	66,000	162,186
50,902	-	5,356
<b>2,677,666</b>	<b>2,198,753</b>	<b>2,480,888</b>

### 3 Locally Raised Funds

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

#### Revenue

Donations  
Bequests  
Trading  
Activities

#### Expenses

Activities  
Trading

*Surplus for the year Locally Raised Funds*

2017	2017	2016
Actual	Budget	Actual
\$	(Unaudited)	\$
26,366	19,100	22,569
46,730	-	-
19,245	17,500	15,359
50,975	97,580	61,828
<b>143,316</b>	<b>134,180</b>	<b>99,756</b>
67,403	42,100	79,763
19,614	21,000	14,000
<b>87,017</b>	<b>63,100</b>	<b>93,763</b>
<b>56,299</b>	<b>71,080</b>	<b>5,993</b>

### 4 Learning Resources

Curricular  
Equipment repairs  
Information and communication technology  
Library resources  
Employee benefits - salaries  
Staff development

2017	2017	2016
Actual	Budget	Actual
\$	(Unaudited)	\$
32,373	64,600	40,177
1,558	1,000	340
8,674	5,500	5,407
1,977	2,000	1,701
1,918,408	1,568,250	1,726,123
15,200	23,800	5,851
<b>1,978,190</b>	<b>1,665,150</b>	<b>1,779,599</b>

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# Dargaville Primary School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 5 Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	3,920	3,500	3,860
Board of Trustees Fees	3,376	3,500	3,585
Board of Trustees Expenses	438	2,300	1,949
Communication	4,814	5,450	3,478
Consumables	17,539	16,600	15,711
Operating Lease	4,621	10,000	9,829
Postage	286	500	348
Other	9,194	18,750	10,018
Employee Benefits - Salaries	75,327	72,000	64,618
Insurance	5,160	6,000	5,138
Service Providers, Contractors and Consultancy	6,996	4,600	5,006
	<u>131,671</u>	<u>143,200</u>	<u>123,540</u>

### 6 Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	7,369	6,200	4,885
Consultancy and Contract Services	25,273	20,000	23,993
Cyclical Maintenance Provision	8,782	5,000	12,641
Grounds	4,018	3,100	3,349
Heat, Light and Water	20,092	18,800	20,560
Rates	8,316	8,000	7,917
Repairs and Maintenance	10,048	5,600	4,924
Use of Land and Buildings	384,318	223,560	368,716
Employee Benefits - Salaries	59,304	65,300	59,903
	<u>527,520</u>	<u>355,560</u>	<u>506,888</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

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements - Crown	9,468	7,500	9,468
Furniture and Equipment	29,590	25,500	31,450
Information and Communication Technology	32,397	27,900	30,800
Leased Assets	13,162	9,600	8,089
Library Resources	5,716	4,500	5,768
	<u>90,333</u>	<u>75,000</u>	<u>85,575</u>

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# Dargaville Primary School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 8 Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Cash on Hand	40	50	40
Bank Current Account	62,633	9,533	18,732
Bank Call Account	121,435	250,000	341,678
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	184,108	259,583	360,450

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

### 9 Accounts Receivable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Interest Receivable	4,503	-	1,555
Bank Staffing Underuse	17,603	2,000	21,031
Teacher Salaries Grant Receivable	110,654	145,000	87,232
	132,760	147,000	109,818
Receivables from Exchange Transactions	4,503	-	1,555
Receivables from Non-Exchange Transactions	128,257	147,000	108,263
	132,760	147,000	109,818

### 10 Inventories

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	1,609	2,000	1,079
School Uniforms	10,362	8,000	11,144
	11,971	10,000	12,223

### 11 Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset	310,600	300,000	301,441
Short-term Bank Deposits	310,600	300,000	301,441

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2017.

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Dargaville Primary School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

12 Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land	75,600	-	-	-	-	75,600
Building improvements	261,713	-	-	-	(9,468)	252,245
Furniture and equipment	169,459	54,051	(22,533)	-	(29,590)	171,387
Information and communication technology	106,701	62,054	(10)	-	(32,397)	136,348
Leased assets	19,533	45,341	-	-	(13,162)	51,712
Library resources	40,379	7,837	(756)	-	(5,716)	41,744
Balance at 31 December 2017	673,385	169,283	(23,299)	-	(90,333)	729,036

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	75,600	-	75,600
Building improvements	373,874	(121,629)	252,245
Furniture and equipment	561,626	(390,239)	171,387
Information and communication technology	314,057	(177,709)	136,348
Leased assets	81,052	(29,340)	51,712
Library resources	150,125	(108,381)	41,744
Balance at 31 December 2017	1,556,334	(827,298)	729,036

The net carrying value of equipment held under a finance lease is \$51,712 (2016: \$19,533).

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Land	75,600	-	-	-	-	75,600
Building improvements	271,180	-	-	-	(9,467)	261,713
Furniture and equipment	172,738	28,171	-	-	(31,449)	169,460
Information and communication technology	84,044	53,457	-	-	(30,800)	106,701
Leased assets	16,180	11,442	-	-	(8,090)	19,532
Library resources	42,114	4,803	(769)	-	(5,769)	40,379
Balance at 31 December 2016	661,856	97,873	(769)	-	(85,575)	673,385

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Land	75,600	-	75,600
Building improvements	373,874	(112,161)	261,713
Furniture and equipment	589,955	(420,496)	169,459
Information and communication technology	342,578	(235,877)	106,701
Leased assets	35,711	(16,178)	19,533
Library resources	144,988	(104,609)	40,379
Balance at 31 December 2016	1,562,706	(889,321)	673,385

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# Dargaville Primary School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 13 Accounts Payable

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Operating creditors	3,753	54,000	54,626
Accruals	3,120	4,000	3,860
Employee Entitlements - salaries	112,288	145,000	87,231
Employee Entitlements - leave accrual	33,685	21,000	21,728
	<u>152,846</u>	<u>224,000</u>	<u>167,445</u>
Payables for Exchange Transactions	152,846	224,000	167,445
	<u>152,846</u>	<u>224,000</u>	<u>167,445</u>

The carrying value of payables approximates their fair value.

### 14 Provision for Cyclical Maintenance

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Provision at the Start of the Year	53,623	53,623	56,967
Increase to the Provision During the Year	12,401	5,000	12,641
Adjustment to the Provision	(3,619)	-	(374)
Use of the Provision During the Year	-	(4,740)	(15,611)
Provision at the End of the Year	<u>62,405</u>	<u>53,883</u>	<u>53,623</u>
Cyclical Maintenance - Current	31,950	26,250	11,092
Cyclical Maintenance - Term	30,455	27,633	42,531
	<u>62,405</u>	<u>53,883</u>	<u>53,623</u>

### 15 Finance Lease Liability

The school has entered into a number of finance lease agreements for TRL Leasing.

Minimum lease payments payable (includes interest portion):

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	20,023	-	10,653
Later than One Year and no Later than Five Years	28,540	-	7,373
	<u>48,563</u>	<u>-</u>	<u>18,026</u>

### 16 Funds held in Trust

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	73,270	23,400	120,000
	<u>73,270</u>	<u>23,400</u>	<u>120,000</u>

During 2016 year a donation of \$120,000 was received from David Williams Saies. The donation has been specified to be used for the following purposes:

- \$44,000 to establish a creative technology room
- \$76,000 for the repair and repainting of the school's swimming pool, and a new pump and associated plant required for the pool and replacement of and including new changing sheds and fence. Any remaining funds are to be applied for the ongoing maintenance of the school pool.

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# Dargaville Primary School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 17 Funds Held for Capital Works Projects

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

				BOT Contribution/ (Write-off to R&M)	
	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Building Projects - 5yr Plan	<i>in progress</i>	106,573	-	84,302	22,271
Totals		106,573	-	84,302	22,271

Represented by:

Funds Held on Behalf of the Ministry of Education

22,271

22,271

				BOT Contribution/ (Write-off to R&M)	
	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	Closing Balances \$
Buildings Project 5 YA	<i>in progress</i>	-	264,809	158,236	106,573
Totals		-	264,809	158,236	106,573

### 18 Related Party Transactions

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

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

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## Dargaville Primary School

### Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

#### 19 Remuneration

##### *Key management personnel compensation*

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

	2017 Actual \$	2016 Actual \$
<b>Board Members</b>		
Remuneration	3,376	3,585
Full-time equivalent members	3.69	3.69
<b>Leadership Team</b>		
Remuneration	645,652	635,314
Full-time equivalent members	7.00	7.00
Total key management personnel remuneration	649,028	638,899
Total full-time equivalent personnel	10.69	10.69

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:

	2017 Actual \$000	2016 Actual \$000
<b>Salaries and Other Short-term Employee Benefits:</b>		
Salary and Other Payments	140-150	130-140
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

##### *Other Employees*

No other employee received total remuneration over \$100,000 (2016: Nil).

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

#### 20 Compensation and Other Benefits Upon Leaving

There were no compensation or other benefits paid or payable to persons upon leaving (2016: nil).

#### 21 Contingencies

There are no contingent liabilities and no contingent assets as at 31 December 2017.

(Contingent liabilities and assets as at 31 December 2016: nil)

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# Dargaville Primary School

## Notes to the Financial Statements (cont.)

For the year ended 31 December 2017

### 22 Commitments

#### (a) Capital Commitments

As at 31 December 2017 the Board has entered into contract agreements for capital works as follows:

(a) \$294,232 contract for 5YA Building Project, which is fully funded by the Ministry of Education. \$250,032 has been received to date, of which \$227,761 has been spent on the project to date. This project has been approved by the Ministry.

#### (b) Operating Commitments

As at 31 December 2017 the Board has entered into the following contracts:

- operating lease of a photocopier

	2017 Actual \$	2016 Actual \$
No later than One Year	373	7,007
Later than One Year and No Later than Five Years	-	134
	<u>373</u>	<u>7,141</u>

### 23 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.

### 24 Financial Instruments

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
<b>Loans and Receivables</b>			
Cash and Cash Equivalents	184,108	259,583	360,450
Receivables	132,760	147,000	109,818
Investments - Term Deposits	310,600	300,000	301,441
<b>Total Loans and Receivables</b>	<u>627,468</u>	<u>706,583</u>	<u>771,709</u>
<b>Financial liabilities measured at amortised cost</b>			
Payables	152,846	224,000	167,445
Finance Leases	47,500	6,800	16,415
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<u>200,346</u>	<u>230,800</u>	<u>183,860</u>

### 25 Events After Balance Date

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

### 26 Prior Year Comparatives

Comparative figures included in the financial statements relate to the financial year ended 31 December 2016. Where necessary these figures have been reclassified on a basis consistent with current disclosure for the year ended 31 December 2017.

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## Dargaville Primary School

### Members of the Board of Trustees 2016-2019

Name	Position	Position Gained	Occupation	Term Expired/Expiry
Campbell Chitty	Parent Rep	Elected May 2016	Farmer	May 2019
Tracy Hayward	Parent Rep	Elected May 2013	Farmer	May 2019
Helena Williamson	Parent Rep	Elected May 2016	Engineer	May 2019
Chris Mason	Parent Rep	Elected May 2016	Vet	May 2019
Brian Lowe	Parent Rep	Elected May 2016	Teacher	May 2019
Jenny Bishop	Staff Rep	Re Elected May 2013	Principal	
Alan Russek	Principal			
Erin Grbin	Treasurer	Co-Opted 2014	Accountant	27 May 2016
Kiri Cheetham	Minutes Secretary			

## Kiwi Sport Funding 2017 Report

Dargaville Primary School received funding for 350 children of \$4616.00 excluding GST in our Operations Grant 2017.

Expenditure of these funds helped towards the following:

EOTC – Senior Leaders Day	\$300.00
Sports Equipment – Sports Dist/Dynamic Sport/Total Ed Solution	\$1013.48
Cross Country venue/Portaloo Hireage	\$252.17
Accommodation for Camp – Seniors – Kai Iwi Lakes	\$1404.00
Accommodation for Camp – Middles – Tangihua Lodge	\$2460.00

Total	\$5429.65
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### Purpose:

- a) Games/equipment – whole school
- b) School sports – hire of facilities
- c) Outdoor education events & equipment



Alan Russek  
Principal  
14/12/2017

# Dargaville Primary 2017

## Analysis of Variance

### Writing

School Objective on Achievement:

To increase the number of students achieving at or above the National Standard in Writing.

#### Baseline Data:

Our baseline data [end of 2016 NS – OTJ] identified;

All students [At/above] 66%

Maori 55%

Pasifika 41%

NZ/E 73%

Writing All students Years 1 – 8		Well Below		Below		At		Above		Total
		No	%	No	%	No	%	No	%	No
All students	Male	8	4.6%	63	36.0%	95	54.3%	9	5.1%	<u>175</u>
	Female	4	2.8%	35	24.3%	85	59.0%	20	13.9%	<u>144</u>
	Total	12	3.8%	98	30.7%	180	56.4%	29	9.1%	<u>319</u>

Writing After Year 2		Well Below		Below		At		Above		Total
		No	%	No	%	No	%	No	%	No
All students	Male	1	2.9%	13	38.2%	17	50.0%	3	8.8%	<u>34</u>
	Female	0	0%	2	10.5%	13	68.4%	4	21.1%	<u>19</u>
	Total	1	1.9%	15	28.3%	30	56.6%	7	13.2%	<u>53</u>

Writing After Year 3 2016		Well Below		Below		At		Above		Total
		No	%	No	%	No	%	No	%	No
All students	Male	2	20.0%	2	20.0%	6	60.0%	0	0%	<u>10</u>
	Female	0	0%	5	33.3%	9	60.0%	1	6.7%	<u>15</u>
	Total	2	8.0%	7	28.0%	15	60.0%	1	4.0%	<u>25</u>

Writing Year Level 4		Well Below		Below		At		Above		Total
2016		No	%	No	%	No	%	No	%	No
All students	Male	2	8.0%	6	24.0%	17	68.0%	0	0%	25
	Female	4	16.7%	1	4.2%	14	58.3%	5	20.8%	24
	Total	6	12.2%	7	14.3%	31	63.3%	5	10.2%	49

Writing Year Level 5		Well Below		Below		At		Above		Total
2016		No	%	No	%	No	%	No	%	No
All students	Male	0	0%	14	43.8%	18	56.3%	0	0%	32
	Female	0	0%	10	35.7%	17	60.7%	1	3.6%	28
	Total	0	0%	24	40.0%	35	58.3%	1	1.7%	60

### Targets for 2017:

To increase the percentage to not less than 75% for All students and Maori and Pacifica students achieving at /above N.S. at end of 2017.

That year group / cohort of students who at end of 2016 were below to reduce the percentage to less than 25% at end of 2017.

Year 3: 8 students moved to at N.S.

Year 4: 5 students moved to at N.S.

Year 5: 7 students moved to at N.S.

Year 6: 12 students moved to at N.S.

And that equitable percentage of Maori and Pacifica students have progressed.

### Planned actions for lifting student progress and achievement:

- Focus on oral language especially in years 1 /2 and reception room / students
- ALL [year3] PLD to target /include wider group of all staff /students
- Learning conversations for teachers re. OTJ versus Samples
- At the beginning of 2017 all staff review individual students achievement levels and look at targeted areas for individual, groups, class and whole school needs.  
Helping; in every class identify as a target group, their needs analysis of beginning year assessment and continued to be monitored over the year using; Teacher peer observation and review, Continued PD on moderation of data to align with NS and curri stands, Leaders to track the targeted student, groups/individuals, with teachers.
- The use of student voice in material to foster motivation for writing around themes and use of eLearning strategies



WHEN:	WHAT:	WHO:	INDICATORS of PROGRESS
Begins Term 1 Week 3	Teachers identify which students need priority support – targeted instruction to accelerate progress.	All Teachers Team Leaders	Targeted groups for each year group and each class developed.
Ongoing through year	Monthly monitoring in team meets to discuss progress of targets	Team leaders	Records keep in minutes of the what progress – problems
Term 1 Wk 7-9	Syn/Teams Moderating writing	All teachers	Checks all teachers are assessing with same expectations
Term 3 Wk 7-9	Syn/Teams Moderating writing	All teachers	“ “ “
Ongoing through Year	Term 1 Strategies developed Term 2/3/4. Review and assess the effectiveness	All teachers	List of strategies for Tcher and Students. Update strategies list ideas working
Term 1 - 2	Moderation of writing and encouraging student voice		Engagement of students encouraged. Check moderation of writing between schools. Sharing ideas with other teachers, reflective practice
Term 1/ 2/3	PD ALL focusing on targeted students		
Term 4	Analysing year end data to inform progress plans for 2018	All Teachers and lead teachers	End year data to inform next steps for 2018

### Outcomes – what happened

#### Groups

At /above NS and achieved 68% end 2016 - 62% end 2017

Maori 65% - 51.2%

Pasifika 71% - 57.9%

Cohort Groups;		Well Below	Below		Well Below	Below
Year 3 [Y2 2016]	All	8% [2]	28% [7]	2017	4.3% [1]	43.5% [10]
	Maori	18% [2]	36% [4]		8.3% [1]	41.7% [5]
	Pasifika	-	-		-	100% [1]
Year 4 [Y3 2016]	All	12% [6]	14% [7]		8.5% [4]	29.8% [14]
	Maori	13% [2]	20% [3]		19% [4]	38.1% [8]
	Pasifika	-	-		-	50% [1]
Year 5 [Y4 2016]	All	-	40% [24]		9.4% [5]	34% [18]
	Maori	-	60% [12]		12.5% [2]	62.5% [10]
	Pasifika	-	- 100% [1]		-	25% [1]
Year 6 [Y5 2016]	All	3% [2]	41% [24]		3.3% [2]	33.3% [20]
	Maori	-	48% [10]		5.3% [1]	36.8% [7]
	Pasifika	- 20% [1]	20% [1]		-	50% [1]

**Targets:** 1. That year group / cohort of students who at end of 2016 were below to reduce the percentage to less than 25% at end of 2017.

Year 3: 8 students moved to at N.S. not achieved 3 increase

Year 4: 5 students moved to at N.S. not achieved 5 increase

Year 5: 7 students moved to at N.S. 6 moved  
Year 6: 12 students moved to at N.S. 4 moved

2. That equitable percentage of Maori and Pacifica students have progressed.

Of the cohort student group similar trends in changes up and down happened when compared to 'All' groups.

Eg. Year 6 48% end 2016 the number of Maori that were below standard 36.8% end 2017

Year 5 60% end 2016 the number of Maori that were below standard 62.5% end 2017

Year 4 20% end 2016 the number of Maori that were below standard 38.1% end 2017

Year 3 36% end 2016 the number of Maori that were below standard 41.7% end 2017

#### **Actions – what we did over the year**

- Took up ALL year 3 all staff
- Revived assessment and AsTTle as an assessment tools. All staff had Professional development in using and moderating across the school.
- Reviewed assessment data with staff and determined target groups of student in each class
- Integrated digital learning strategies to help motivate students particularly males
- All staff involved in PLC discussions around Literacy

#### **Areas of Strength:**

- Targeted group teaching and PLD under taken starting to should benefits especially where ALL funding has been used.
- Teaching strategies used; digital / eLearning, student voice, and promoting and respecting Te reo me nga tikanga Māori for student engagement towards their learning.

#### **Areas for Improvement and Basis for identifying:**

- Acceleration Concept over Remedial discussed over the whole school to increase percentage of all students writing at / above N.S.
- Motivation of students and teachers with more getting together and talking about writing ideas
- Target the Below NS group of student across all years 3 -6 and investigate the writing expectations of student moving from level 1 to level 2
- Identifying new students to Dargaville Primary/ transients check on their needs and implement support

#### **Planned actions for lifting student progress and achievement: 2018**

- Focus on oral language especially in years 1 /2 and reception room / students
- At the beginning of 2018 all staff review individual students achievement levels and look at targeted areas for individual, groups, class and whole school needs.  
Helping; in every class identify as a target group, their needs analysis of beginning year assessment and continued to be monitored over the year using; Teacher peer observation and review, Continued PD on moderation of data to align curri stands, Leaders to track the targeted student, groups/individuals, with teachers.
- The use of student voice in material to foster motivation for writing around themes and use of eLearning strategies



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## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE READERS OF DARGAVILLE PRIMARY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

The Auditor-General is the auditor of Dargaville Primary School (the School). The Auditor-General has appointed me, Adelle Allbon, using the staff and resources of BDO Northland, 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 18, that comprise the statement of financial position as at 31 December 2017, 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 2017; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards Reduced Disclosure Regime.

Our audit was completed on 31 May 2018. 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.

**PARTNERS:** Adelle Allbon Angela Edwards Scott Kennedy Robyn Terlesk

BDO New Zealand Ltd, a New Zealand limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

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, the Kiwi Sport Statement, the List of Trustees and Statement of Responsibility which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

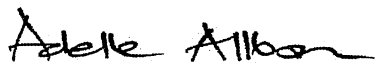
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

#### Independence

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



Adelle Allbon  
BDO Northland  
On behalf of the Auditor-General  
Whangarei, New Zealand

