



## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

School Directory

Ministry Number:

3817

Principal:

Gareth Swete

School Address:

99 Stevenson Avenue, Sawyers Bay, Port Chalmers 9023

School Phone:

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# SAWYERS BAY SCHOOL

Annual Report - For the year ended 31 December 2020

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# Sawyers Bay School

## Statement of Responsibility

For the year ended 31 December 2020

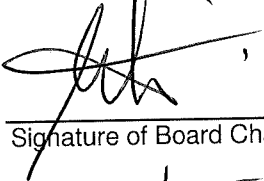
The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these financial statements.

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 2020 fairly reflects the financial position and operations of the School.

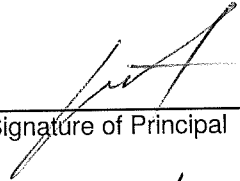
The School's 2020 financial statements are authorised for issue by the Board.

Matthew Lawrence Dick  
Full Name of Board Chairperson

  
Signature of Board Chairperson

31/05/2021  
Date:

Carole Swete  
Full Name of Principal

  
Signature of Principal

31/05/2021  
Date:

# Sawyers Bay School

## Members of the Board of Trustees

For the year ended 31 December 2020

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Held Until</b>
Matthew Dick	Chairperson	Elected	Jun 2022
Gareth Swete	Principal	ex Officio	
Thea Sefton	Parent Rep	Elected	Jun 2022
Anita Dawe	Parent Rep	Elected	Jun 2022
Holly Chapman	Parent Rep	Elected	Jun 2022
Jo Barr	Staff Rep	Elected	Jun 2022
Mark Gillon	Parent Rep	Elected	Jun 2022

## Sawyers Bay School

# Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2020

		2020	2020	2019
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	1,153,152	224,749	1,026,714
Locally Raised Funds	3	50,161	16,100	60,884
Interest Income		8,430	8,000	10,260
		<u>1,211,743</u>	<u>248,849</u>	<u>1,097,858</u>
<b>Expenses</b>				
Locally Raised Funds	3	26,572	16,100	25,580
Learning Resources	4	747,869	94,638	678,181
Administration	5	55,638	66,325	65,565
Finance		888	-	-
Property	6	289,504	65,741	288,161
Depreciation	7	35,369	10,215	32,967
Loss on Disposal of Property, Plant and Equipment		3,696	-	-
		<u>1,159,536</u>	<u>253,019</u>	<u>1,090,454</u>
<b>Net Surplus / (Deficit) for the year</b>		52,207	(4,170)	7,404
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>52,207</u>	<u>(4,170)</u>	<u>7,404</u>

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

**Sawyers Bay School**  
**Statement of Changes in Net Assets/Equity**

For the year ended 31 December 2020

	Notes	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Balance at 1 January</b>		480,283	480,283	471,259
Total comprehensive revenue and expense for the year		52,207	(4,170)	7,404
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	1,620
<b>Equity at 31 December</b>	23	532,490	476,113	480,283
Retained Earnings		532,490	476,113	480,283
<b>Equity at 31 December</b>		532,490	476,113	480,283

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.

**Sawyers Bay School**  
**Statement of Financial Position**  
As at 31 December 2020

		2020	2020 Budget	2019
	Notes	Actual	(Unaudited)	Actual
		\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	89,765	43,608	37,563
Accounts Receivable	9	50,498	53,550	53,550
GST Receivable		-	1,886	1,886
Prepayments		6,929	1,719	1,719
Inventories	10	500	500	500
Investments	11	338,933	325,716	325,716
Funds owing for Capital Works Projects	17	10,284	-	-
		<u>496,909</u>	<u>426,979</u>	<u>420,934</u>
<b>Current Liabilities</b>				
GST Payable		12,189	-	-
Accounts Payable	13	70,982	75,138	75,138
Borrowings - Due in one year	13	-	-	-
Revenue Received in Advance	14	7,288	2,505	2,505
Provision for Cyclical Maintenance	15	18,889	-	-
Finance Lease Liability - Current Portion	16	6,069	5,919	5,919
		<u>115,417</u>	<u>83,562</u>	<u>83,562</u>
<b>Working Capital Surplus/(Deficit)</b>		381,492	343,417	337,372
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	167,371	162,177	172,392
		<u>167,371</u>	<u>162,177</u>	<u>172,392</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	15	12,625	24,167	24,167
Finance Lease Liability	16	3,748	5,314	5,314
		<u>16,373</u>	<u>29,481</u>	<u>29,481</u>
<b>Net Assets</b>		<u>532,490</u>	<u>476,113</u>	<u>480,283</u>
<b>Equity</b>	23	<u>532,490</u>	<u>476,113</u>	<u>480,283</u>

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

**Sawyers Bay School**  
**Statement of Cash Flows**  
For the year ended 31 December 2020

		2020	2020	2019
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
<b>Cash flows from Operating Activities</b>				
Government Grants		265,724	227,673	214,211
Locally Raised Funds		44,469	16,100	55,409
Goods and Services Tax (net)		14,075	-	(22,593)
Payments to Employees		(92,134)	(129,384)	(96,400)
Payments to Suppliers		(135,467)	(112,344)	(141,842)
Cyclical Maintenance payments in the Year		-	(4,000)	-
Interest Received		13,549	8,000	7,999
Net cash from Operating Activities		110,216	6,045	16,784
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(3,696)	-	-
Purchase of Property Plant & Equipment		(25,376)	-	(69,512)
Purchase of Investments		(13,217)	-	(8,745)
Net cash (to) Investing Activities		(42,289)	-	(78,257)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	1,409
Finance Lease Payments		(5,441)	-	(6,312)
Funds held for Capital Works Projects		(10,284)	-	(70,885)
Net cash (to) Financing Activities		(15,725)	-	(75,788)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>52,202</b>	<b>6,045</b>	<b>(137,261)</b>
Cash and cash equivalents at the beginning of the year	8	37,563	37,563	174,824
<b>Cash and cash equivalents at the end of the year</b>	8	<b>89,765</b>	<b>43,608</b>	<b>37,563</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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



# Sawyers Bay School

## Notes to the Financial Statements For the year ended 31 December 2020

### 1. Statement of Accounting Policies

#### 1.1. Reporting Entity

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

#### 1.2. Basis of Preparation

##### *Reporting Period*

The financial reports have been prepared for the period 1 January 2020 to 31 December 2020 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 and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The School is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

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

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

##### *Measurement Base*

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

##### *Presentation Currency*

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

##### *Specific Accounting Policies*

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

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

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

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

##### *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.

##### *Cyclical Maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 15.

### **Critical Judgements in applying accounting policies**

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

#### *Classification of leases*

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

#### *Recognition of grants*

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

### **1.3. 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.

### **1.4. 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.

### **1.5. 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.

### **1.6. 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.

### **1.7. 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.

### **1.8. Accounts Receivable**

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

### 1.9. 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.

### 1.10. Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

### 1.11. Property, Plant and Equipment

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

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

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

Gains and losses on disposals (*i.e.* sold or given away) are determined by comparing the proceeds received with the carrying amounts (*i.e.* the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

#### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

#### **Depreciation**

Property, plant and equipment 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	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	2–5 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing value

### 1.12. 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 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.

### **1.13. 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.

### **1.14. Employment 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, and also annual leave earned, by non teaching staff, 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

### **1.15. Revenue Received in Advance**

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

### **1.16. 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).

### **1.17. Financial Instruments**

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

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

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

### **1.18. Borrowings**

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

Borrowings include but are not limited to finance leases.

### **1.19. 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.

**1.20. Budget Figures**

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

**1.21. Services received in-kind**

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

## 2. Government Grants

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Operational Grants	243,905	227,249	205,589
Teachers' Salaries Grants	677,439	-	611,436
Use of Land and Buildings Grants	211,078	-	202,374
Other MoE Grants	20,730	(2,500)	7,315
	<u>1,153,152</u>	<u>224,749</u>	<u>1,026,714</u>

The School has opted in to the donations scheme for this year. Total amount received was \$17,850.

Other MOE Grants total includes additional COVID-19 funding totalling \$4,410 for the year ended 31 December 2020.

## 3. Locally Raised Funds

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
<b>Revenue</b>			
Donations	9,217	3,000	17,068
Fundraising	2,651	2,000	2,978
Bequests & Grants	10,000	-	-
Other Revenue	10,619	11,100	11,542
Trading	5,906	-	4,903
Activities	11,768	-	24,393
	<u>50,161</u>	<u>16,100</u>	<u>60,884</u>
<b>Expenses</b>			
Activities	13,960	11,600	18,149
Trading	11,952	4,500	4,552
Fundraising (Costs of Raising Funds)	660	-	2,879
	<u>26,572</u>	<u>16,100</u>	<u>25,580</u>
<i>Surplus for the year Locally raised funds</i>	<u>23,589</u>	<u>-</u>	<u>35,304</u>

## 4. Learning Resources

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Curricular	26,547	12,150	28,477
Equipment Repairs	1,260	2,247	2,941
Information and Communication Technology	3,065	6,452	1,649
Library Resources	-	2,900	247
Employee Benefits - Salaries	714,856	63,439	640,999
Staff Development	2,141	7,450	3,868
	<u>747,869</u>	<u>94,638</u>	<u>678,181</u>

## 5. Administration

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Audit Fee	3,336	3,500	3,709
Board of Trustees Fees	3,417	4,455	3,777
Board of Trustees Expenses	480	1,800	1,924
Communication	1,398	1,600	1,263
Consumables	4,485	3,700	4,203
Operating Lease	3,256	6,500	994
Other	6,710	6,399	4,976
Employee Benefits - Salaries	24,856	31,921	35,186
Insurance	5,050	4,450	5,423
Service Providers, Contractors and Consultancy	2,650	2,000	4,110
	<u>55,638</u>	<u>66,325</u>	<u>65,565</u>



## 6. Property

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	7,786	5,200	6,763
Cyclical Maintenance Provision	7,347	4,000	6,667
Grounds	4,731	4,540	4,538
Heat, Light and Water	6,197	6,250	4,457
Rates	3,455	4,500	4,766
Repairs and Maintenance	12,116	9,451	31,114
Use of Land and Buildings	211,078	-	202,374
Security	1,439	700	654
Employee Benefits - Salaries	35,355	31,100	26,828
	<u>289,504</u>	<u>65,741</u>	<u>288,161</u>

The Use of Land and Buildings figure represents 8% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

## 7. Depreciation of Property, Plant and Equipment

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	4,488	1,210	4,367
Furniture and Equipment	7,889	2,090	8,325
Information and Communication Technology	16,410	-	10,390
Leased Assets	5,961	5,500	8,786
Library Resources	621	1,415	1,099
	<u>35,369</u>	<u>10,215</u>	<u>32,967</u>

## 8. Cash and Cash Equivalents

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	10,866	43,608	19,810
Bank Call Account	78,899	-	17,753
Cash and cash equivalents for Statement of Cash Flows	<u>89,765</u>	<u>43,608</u>	<u>37,563</u>

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

## 9. Accounts Receivable

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	10,475	-	-
Interest Receivable	1,867	6,986	6,986
Banking Staffing Underuse	-	2,924	2,924
Teacher Salaries Grant Receivable	38,156	43,640	43,640
	<u>50,498</u>	<u>53,550</u>	<u>53,550</u>
Receivables from Exchange Transactions	12,342	6,986	6,986
Receivables from Non-Exchange Transactions	38,156	46,564	46,564
	<u>50,498</u>	<u>53,550</u>	<u>53,550</u>

## 10. Inventories

	2020	2020	2019
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	500	500	500
	<u>500</u>	<u>500</u>	<u>500</u>

## 11. Investments

The School's investment activities are classified as follows:

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	338,933	325,716	325,716
Total Investments	<u>338,933</u>	<u>325,716</u>	<u>325,716</u>

## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
Building Improvements	51,623	9,756	-	-	(4,488)	56,891
Furniture and Equipment	43,391	2,984	-	-	(7,889)	38,486
Information and Communication Technology	58,841	15,363	-	-	(16,410)	57,794
Leased Assets	10,841	4,972	-	-	(5,961)	9,852
Library Resources	7,696	969	(3,696)	-	(621)	4,348
<b>Balance at 31 December 2020</b>	<u>172,392</u>	<u>34,044</u>	<u>(3,696)</u>	<u>-</u>	<u>(35,369)</u>	<u>167,371</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2020</b>			
Building Improvements	160,898	(104,007)	56,891
Furniture and Equipment	223,049	(184,563)	38,486
Information and Communication Technology	152,489	(94,695)	57,794
Leased Assets	29,090	(19,238)	9,852
Library Resources	29,439	(25,091)	4,348
<b>Balance at 31 December 2020</b>	<u>594,965</u>	<u>(427,594)</u>	<u>167,371</u>

The net carrying value of equipment held under a finance lease is \$9,852 (2019: \$10,841)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
<b>2019</b>						
Building Improvements	55,990	-	-	-	(4,367)	51,623
Furniture and Equipment	40,932	10,784	-	-	(8,325)	43,391
Information and Communication Technology	11,778	57,453	-	-	(10,390)	58,841
Leased Assets	14,762	19,627	(14,762)	-	(8,786)	10,841
Library Resources	7,521	1,274	-	-	(1,099)	7,696
<b>Balance at 31 December 2019</b>	<u>130,983</u>	<u>89,138</u>	<u>(14,762)</u>	<u>-</u>	<u>(32,967)</u>	<u>172,392</u>

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
<b>2019</b>			
Building Improvements	151,142	(99,519)	51,623
Furniture and Equipment	220,064	(176,673)	43,391
Information and Communication Technology	137,125	(78,284)	58,841
Leased Assets	24,118	(13,277)	10,841
Library Resources	54,778	(47,082)	7,696
<b>Balance at 31 December 2019</b>	<u>587,227</u>	<u>(414,835)</u>	<u>172,392</u>

## 13. Accounts Payable

	2020	2020 Budget	2019
	Actual	(Unaudited)	Actual
	\$	\$	\$
Operating creditors	19,574	22,500	22,500
Accruals	3,336	4,576	4,576
Banking staffing overuse	2,001	-	-
Employee Entitlements - salaries	38,155	43,640	43,640
Employee Entitlements - leave accrual	7,916	4,422	4,422
	<u>70,982</u>	<u>75,138</u>	<u>75,138</u>
Payables for Exchange Transactions	70,982	75,138	75,138
	<u>70,982</u>	<u>75,138</u>	<u>75,138</u>

The carrying value of payables approximates their fair value.



#### 14. Revenue Received in Advance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Other	7,288	2,505	2,505
	<u>7,288</u>	<u>2,505</u>	<u>2,505</u>

#### 15. Provision for Cyclical Maintenance

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Provision at the Start of the Year	24,167	24,167	17,500
Increase to the Provision During the Year	5,611	-	5,306
Adjustment to the Provision	1,736	-	1,361
Provision at the End of the Year	<u>31,514</u>	<u>24,167</u>	<u>24,167</u>
Cyclical Maintenance - Current	18,889	-	-
Cyclical Maintenance - Term	12,625	24,167	24,167
	<u>31,514</u>	<u>24,167</u>	<u>24,167</u>

#### 16. Finance Lease Liability

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

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
No Later than One Year	6,694	6,783	6,783
Later than One Year and no Later than Five Years	4,065	5,685	5,685
	<u>10,759</u>	<u>12,468</u>	<u>12,468</u>

#### 17. Funds Held for Capital Works

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

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Window Replacement	In Progress	-	74,220	(84,504)	-	(10,284)
Totals		<u>-</u>	<u>74,220</u>	<u>(84,504)</u>	<u>-</u>	<u>(10,284)</u>

#### Represented by:

Funds Due from the Ministry of Education	<u>(10,284)</u>
	<u>(10,284)</u>

	2019	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
Outdoor ILE Project	Completed	85,311	1,241	(86,552)	-	-
Floor Coverings	Completed	-	14,426	(14,426)	-	-
Totals		<u>85,311</u>	<u>15,667</u>	<u>(100,978)</u>	<u>-</u>	<u>-</u>

## 18. Related Party Transactions

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

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

## 19. Remuneration

### Key management personnel compensation

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

	2020 Actual \$	2019 Actual \$
<i>Board Members</i>		
Remuneration	3,417	3,777
Full-time equivalent members	0.15	0.15
<i>Leadership Team</i>		
Remuneration	353,204	292,031
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	356,621	295,808
Total full-time equivalent personnel	3.15	3.15

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:

	2020 Actual \$000	2019 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	110-120
Benefits and Other Emoluments	0 - 5	0 - 0
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	2020 FTE Number	2019 FTE Number
100 -110	-	-
	-	-

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

## 20. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be 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:

	2020 Actual \$	2019 Actual \$
Total	-	-
Number of People	-	-



## 21. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2020 (Contingent liabilities and assets at 31 December 2019: nil).

### Holidays Act Compliance - schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2020, a contingent liability for the school may exist.

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2020 the Board has entered into the following contract agreements for capital works.

(a) \$91,500 contract for Window Replacement to be completed in 2021, which will be fully funded by the Ministry of Education. \$74,000 has been received of which \$84,500 has been spent on the project to date; and

(Capital commitments at 31 December 2019:\$nil)

### (b) Operating Commitments

As at 31 December 2020 the Board has not entered into any operating contracts:

(Operating commitments at 31 December 2019:\$nil)

## 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:

### Financial assets measured at amortised cost

	2020 Actual \$	2020 Budget (Unaudited) \$	2019 Actual \$
Cash and Cash Equivalents	89,765	43,608	37,563
Receivables	50,498	53,550	53,550
Investments - Term Deposits	338,933	325,716	325,716
Total Financial assets measured at amortised cost	<u>479,196</u>	<u>422,874</u>	<u>416,829</u>

### Financial liabilities measured at amortised cost

Payables	70,982	75,138	75,138
Finance Leases	9,817	11,233	11,233
Total Financial liabilities measured at amortised Cost	<u>80,799</u>	<u>86,371</u>	<u>86,371</u>

## 25. Events After Balance Date

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





# Annual Target 1

Reporting on Strategic Targets for 2020: Reporting will use the following format:

## ANNUAL TARGETS 2020 - Student Achievement Targets, Action Plan

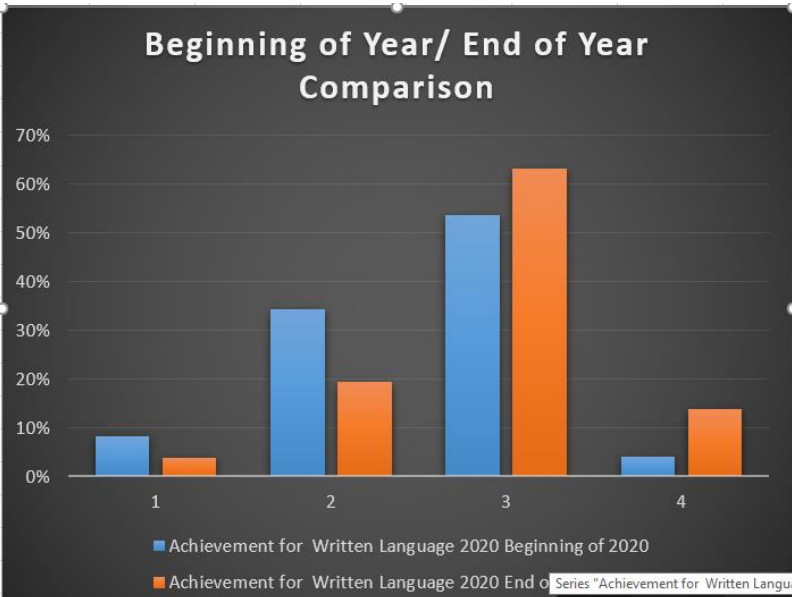
<p><b>School Performance Goal:</b> Continue Professional Development in Written Language across the School with an emphasis on identifying and improving teaching practice relating to all children through internal evaluation.</p>	<p><b>Target Area:</b> <i>Written Language</i></p>	<p><b>Student Group</b> <i>Whole School</i> <b>Accelerating/Focus group</b> <i>2019 learner achieving 'Well below' – Māori cohort</i></p>
<p><b>Targets:</b> <u>Written Language</u> (1) For all children, over the course of the 2020 year, to show measurable progress in Written Language. (2) To increase the number of students achieving at or above the expected standard for Written Language to 80% of the school population (72% achieved in 2019) (3) Identify early the children that are at risk of not achieving at the level of the expected standard for Reading and put appropriate support in place to raise this level of achievement.</p> <p><u>Relating to focus group</u> (1) All children identified in 2019 as 'Below' and Māori students who were below the expected standard at the end of 2019 will make more than one years (accelerated progress) in relation to the Written Language expectation at the end of 2020.</p>	<p><b>Historical/Baseline position:</b> Analysis of longitudinal data suggests a decline in Written Language data despite an increasing rate of acceleration throughout the year. Interim data shows us that we continue to start from a lower point each year. This is possibly due to decreasing levels of engagement in Written Language over the summer holidays despite the efforts to encourage this, decreasing number of skills coming into the school as new Entrants, a lack of strength and fine-motor skills, and a lack of stamina when writing.</p> <p>Māori students often achieve as well if not better than other cohorts do in the majority of curriculum areas. Written Language data shows 33% of our Māori students achieving below expectation, which does not follow trends in other areas. We aim to address this discrepancy in the same way that we were able to in Mathematics in 2019.</p>	
<p><b>Implementation Strategy:</b> (<i>What will we do to meet targets?</i>)</p> <ul style="list-style-type: none"> <li>• Collate early 2020 assessment information, all pupils, to confirm baseline achievement</li> <li>• Use holiday writing strategies similar to reading strategies developed in ALL programmes from previous years</li> <li>• Take advantage of support being offered through the Kahui Ako to help support our pedagogy and learner agency.</li> <li>• Take advantage of opportunities for school-wide professional learning &amp; development, with expert practitioners from the O.U College of Education, or through other in-service avenues which may become available during the year, including the implementation of the ALL programme</li> <li>• Use the internal evaluation processes to identify opportunities to improve teacher pedagogy and approach.</li> <li>• Support school-based in-service and development for teachers, including focussed staff-meeting discussions and in-class application of insights and approaches Implement enhanced programmes for all children, based on professional development and in-service, and current 'best-practice' methodology. PLD to focus on improved practices in Handwriting and how to structure effective written language units of learning.</li> <li>• Implement a continued series of community initiatives to support outcomes such as the successful parent evenings in other curriculum areas in past years</li> <li>• Include student self-evaluation as part of 'formative assessment', identifying next focus or progressions</li> <li>• Use skills &amp; tools (including those refined during current school development focus) to help with the processes of monitoring, re-assessing &amp; evaluating; recording pupil progress &amp; achievement; identifying future needs</li> <li>• Regular and meaningful staff reflections and action based on the needs of the children and response to their learning programmes.</li> </ul>		<p><b>Timeframe:</b> <b>Whole year development</b> (Regular assessment reflections to happen each term to track progress)</p>
<p><b>People:</b> (<i>Who is involved, who is responsible?</i>) Teachers and pupils    Parents &amp; caregivers: supporting school initiatives, Language-related events, at-home tasks    O.U. College of Education and other providers</p>		

**Results:** (Noting indicators/performance measures)

(1) For all children, over the course of the 2020 year, to show measurable progress in Written Language.

This goal was achieved with all learners making progress and the majority of learners below expectation at the beginning of the year making accelerated progress.

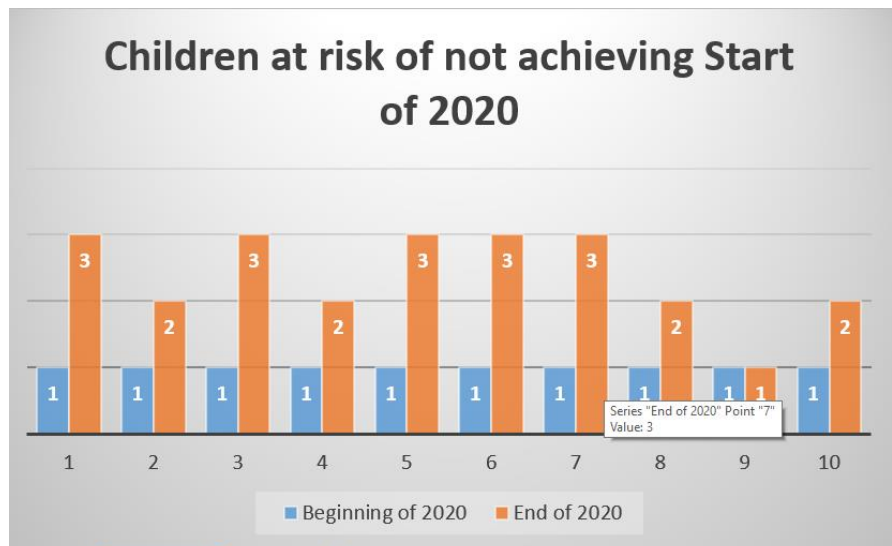
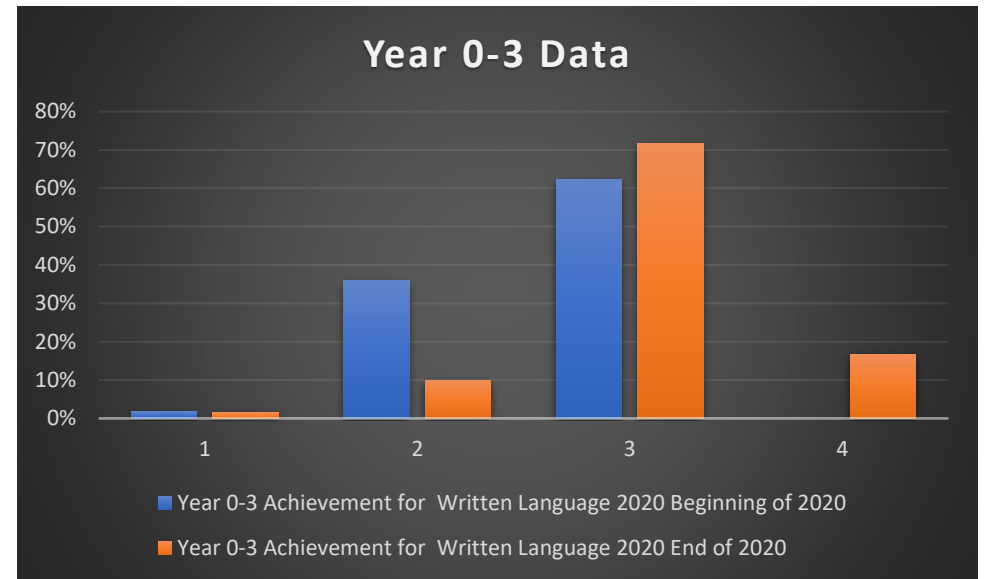
To increase the number of students achieving at or above the expected standard for Written Language to 80% of the school population (72% achieved in 2019)



This achievement challenge was not quite met with only 76.9% of our learners achieving at or above the expected levels of achievement. While slightly disappointing, it is worth noting that this is a significant rise from the beginning of year data where only 57.7% of learners were achieving at expected levels. This would suggest an acceleration rate of at least 20%. We firmly believe that if we had a whole year of learning, without the significant disruption of COVID-19, we would have achieved our very aspirational goal. We are excited to be able to consolidate this growth in 2021 with hopefully a full year of learning.

Worth noting is the comparative achievement levels of our YO-3 learners who have all been through a Structured Literacy approach to language. When isolated from the whole school data, we can see much higher levels of achievement. This is an exciting trend beginning to appear and we will track this progress over the next few years with great anticipation.

**In the Year 0 – 3 years levels, we currently have 90% of our learners achieving at or above expectation!**



(3) Identify early the children that are at risk of not achieving at the level of the expected standard for Written Language and put appropriate support in place to raise this level of achievement.

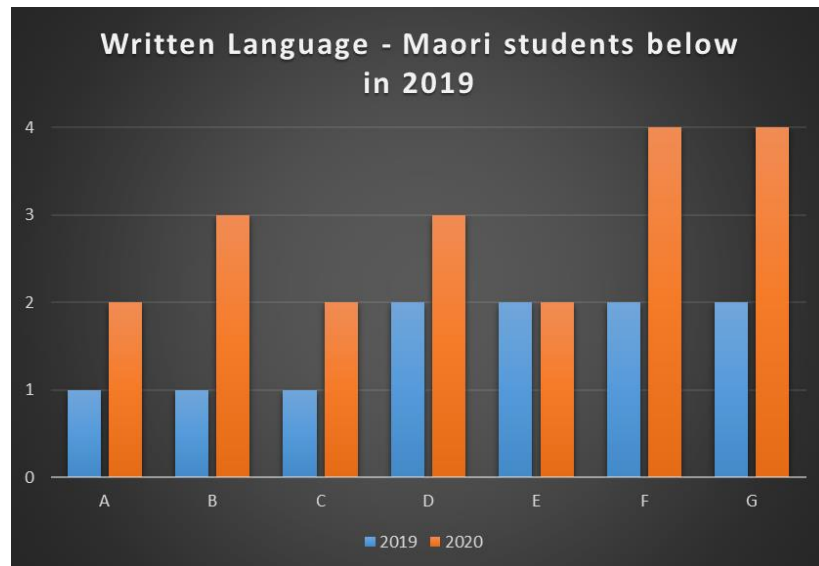
There were ten children who met these criteria in 2020.

Of those ten children, 9 made accelerated progress. One has not shown accelerated progress; this student is supported through ORS and will very likely not leave Curriculum Level 1 during her time at school.

### **Relating to focus group**

(1) All children identified in 2019 as 'Below' and Māori students who were below the expected standard at the end of 2019 will make more than one years (accelerated progress) in relation to the Written Language expectation at the end of 2020.

There were 7 students who met this criterion in 2019, and were still within the school in 2020. Of these seven learners, six made accelerated progress. The remaining one maintained the level of achievement in comparison to the moving expectation. Five of the seven are now at or above expectation, and even more pleasing, two have jumped from below to well above. This has come through targeted support, finding genuine and exciting contexts for writing, and the tremendous efforts of both the children and the teachers. We will continue to monitor these focus children and continue to provide the written language one-on-one support, LSC support, Phonological awareness programme and the engaging writing process for all learners.



**Costs and Resourcing:** *(Budget and other resources necessary)* Material resources, through Curriculum budget allocation 2019, Release-time as appropriate, through reliever budget, or through internal cover

**Future Commentary, Analysis:** *(Incl. variance ~ explanation of difference between goals and achievement)*

*There is no doubt that COVID-19 has had a dramatic and lasting effect on our learners. It is very difficult this year to quantify the effectiveness of different support programmes. The support for our target groups as mentioned, will remain our primary focus as even with slim data, we can see the effectiveness of these supports.*

**Directions:** *(Where to next?)*

We will continue to monitor these focus children and continue to provide the written language one-on-one support, LSC support, Phonological awareness programme and the engaging writing process for all learners.

*Continuation of the Structured Literacy PLD and pedagogy will help us to lift the achievement of all students across the school.*

Reporting on Strategic Targets for 2020: Reporting will use the following format:

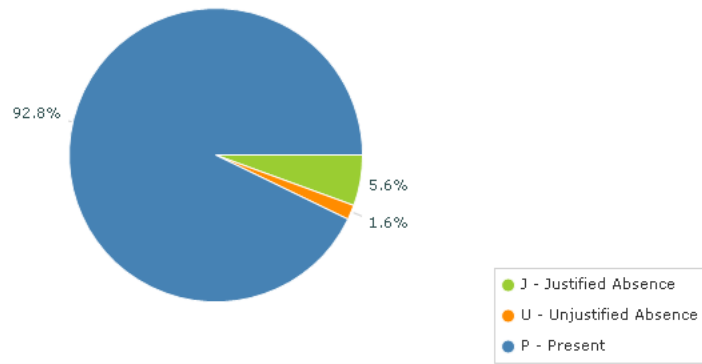
**ANNUAL TARGETS 2020 - Student Achievement Targets, Action Plan**

<p><b>School Performance Goal:</b> Improve the well-being of our learners through identifying barriers to learning, stress and anxiety, and the emotional well-being of our students.</p>	<p><b>Target Area:</b> <i>Key Competencies – Relating to Others and Participating and Contributing</i></p>	<p><b>Student Group</b> <i>Whole School Accelerating/Focus group Priority learners identified in early 2020 well-being qualitative survey.</i></p>
<p><b>Targets:</b> <u>Well-being</u> (1) For all children, over the course of the 2020 year, to demonstrate a sense of Whanaungatanga and belonging within our School Community. (2) To measure the well-being of our learners through:</p> <ul style="list-style-type: none"> <li>• The analysis of attendance (with a specific target of 95%)</li> <li>• A measure of engagement through the assessment of the Participating and Contributing Key Competency with a specific target of 85% of children achieving expectation in this area.</li> <li>• A measure of aspects of Whanaungatanga through the assessment of the Relating to Others Key Competency with a specific target of 82% of children achieving expectation in this area.</li> </ul> <p><u>Relating to focus group</u> (1) All students who are identified as having low levels of attendance and engagement at the end of 2019, and those also identified in early 2020 assessment cycles, will show accelerated and measureable progress in both areas.</p>		<p><b>Historical/Baseline position:</b> Previous years we have seen high levels of attendance and high levels of achievement of expectation in the Key Competencies. In 2019, we identified that many of our children are carrying stress and anxiety which leads to a decrease in achievement and a sense of well-being. We can attend to this through deliberate acts of teaching in the Key Competencies, early identification and knowing our learners and their Whanau well. Achievement in these areas was lower than previous years trends and needs to be addressed for the overall well-being of our children.</p>
<p><b>Implementation Strategy:</b> <i>(What will we do to meet targets?)</i></p> <ul style="list-style-type: none"> <li>• Gather and collate early 2020 qualitative assessment information, all pupils, to confirm baseline achievement (with particular attention to 2019 cohort that have been identified as in need of support).</li> <li>• Take advantage of opportunities through the Well-being focus of our Kahui Ako in 2020</li> <li>• Take advantage of opportunities for school-wide professional learning &amp; development, with expert practitioners from the O.U College of Education, or through other in-service avenues which may become available during the year</li> <li>• Continue to analyse attendance data regularly to identify any patterns or areas requiring attention.</li> <li>• Support school-based in-service and development for teachers, including focussed staff-meeting discussions and in-class application of insights and approaches. Implement enhanced programmes for all children, based on professional development and in-service, and current ‘best-practice’ methodology</li> <li>• Implement methodology and pedagogy into a practical and forward thinking curriculum plan.</li> <li>• Use skills &amp; tools (including those refined during current school development focus) to help with the processes of monitoring, re-assessing &amp; evaluating; recording pupil progress &amp; achievement; identifying future needs</li> </ul>		<p><b>Timeframe:</b> <b>Whole year development</b> (Regular assessment reflections to happen each term to track progress)</p>
<p><b>People:</b> <i>(Who is involved, who is responsible?)</i> Teachers and pupils    Parents &amp; caregivers: supporting school initiatives    Outside well-being expertise such as counselling services    O.U. College of Education and other providers</p>		
<p><b>Results:</b> <i>(Noting indicators/performance measures)</i> <u>Well-being</u> (1) For all children, over the course of the 2020 year, to demonstrate a sense of Whanaungatanga and belonging within our School Community. Through the School-wide review of COVID-19/distance learning, we have a clear picture of the children’s feelings of belonging within the school. This is supported through data collection relating to the Key Competencies.</p>		



(2) To measure the well-being of our learners through:

- The analysis of attendance (with a specific target of 95%)



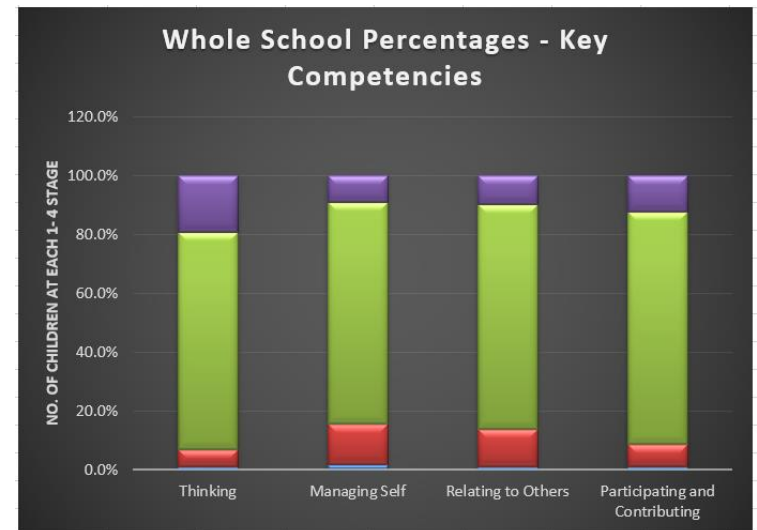
This target became somewhat unreliable as a measure of well-being. Due to unforeseen circumstances, many children were lower than anticipated as they were encouraged to stay at home with any cold and flu like symptoms. While this is lower than we would have anticipated, 92.8% is still a high percentage of engagement if we take the COVID factors into consideration.

- A measure of engagement through the assessment of the Participating and Contributing Key Competency with a specific target of 85% of children achieving expectation in this area.

As can be seen in the attached graph, this goal was well met with 91.5% of our learners achieving the expectation at each level for participating and Contributing. We saw high levels of engagement. Happy, engaged learners in every class, every day is the justification of this goal.

- A measure of aspects of Whanaungatanga through the assessment of the Relating to Others Key Competency with a specific target of 82% of children achieving expectation in this area.

Relating to Others specific target was also met with 86.2% of children achieving expectation in this area. Significant work around supporting student well-being over COVID-19 certainly was a large factor in this achievement.



The School did also use the NZCER Inclusive Practices tool to help measure well-being within the school. Unfortunately, after delivering the student survey individually, we found the data to be unreliable and will therefore not be using this data to triangulate our results.

**Costs and Resourcing:** *(Budget and other resources necessary)* Material resources, through Curriculum budget allocation 2020, Release-time as appropriate, through reliever budget, or through internal cover

**Future Commentary, Analysis:** *(Incl. variance ~ explanation of difference between goals and achievement)*

**Directions:** *(Where to next?)*

A focus for 2021 will be to unpack the Key Competencies further along with our current measurement tools for this area. We believe that it is timely to review our assessment practice and understanding of the Key Competencies. This will lead to a focus and re-energised push for developing these skills within our classrooms. Relating to Others is a large focus that aligns with our School Values and will therefore continue to be the focus. If we get the Key Competencies right, learning will continue to flourish.

## **Kiwisport Funding 2020**

We received \$4,366.30 for Kiwisport Funding for 2020.

Kiwisport funding was used to develop and increase sporting opportunities throughout the year for all of our students including entry fee payments for South Zone Athletic Sports, Otago Athletic Championships and Otago Tryathlon Championships.

We were able to purchase specific sporting equipment and resources that catered for teams, coaches and students across all levels of ability.

A skills based Hockey programme was run by Otago Hockey for Years 3 and above.

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF SAWYERS BAY SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The Auditor-General is the auditor of Sawyers Bay School (the School). The Auditor-General has appointed me, Aaron Higham, using the staff and resources of BDO Invercargill, 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 3 to 17, that comprise the statement of financial position as at 31 December 2020, 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 2020; 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 as applicable to entities that qualify as tier 2.

Our audit was completed on 31 May 2021. 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 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 for the financial statements**

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board 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 is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

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

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

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

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

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

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

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

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the 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 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 is responsible for the other information. The other information comprises the information included on page 2 and on pages 18 to 25, but does not include the financial statements, and our auditor's report thereon.

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

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

#### Independence

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

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



Aaron Higham  
BDO Invercargill  
On behalf of the Auditor-General  
Invercargill, New Zealand