

OTAGO GIRLS' HIGH SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 378

Principal: Bridget Davidson

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OTAGO GIRLS' HIGH SCHOOL

Annual Report - For the year ended 31 December 2022

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Otago Girls' High School

Statement of Responsibility

For the year ended 31 December 2022

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the School.

The School's 2022 financial statements are authorised for issue by the Board.

Philip James Marsh

Full Name of Presiding Member

[Signature]

Signature of Presiding Member

30/05/23

Date:

Bridget Patricia Davidson

Full Name of Principal

[Signature]

Signature of Principal

30/05/2023

Date:

Otago Girls' High School

Members of the Board

For the year ended 31 December 2022

Name	Position	How Position Gained	Term Expired/ Expires
Phil Marsh	Presiding Member	Elected	2025
Lyn Hurring	Presiding Member	Elected	Sep 2022
Bridget Davidson	Principal	ex Officio	
Terry Curtis	Staff Representative	Elected	2025
Ricky Hohaia-Fife	Parent Representative	Elected	2025
Sharon Knowles	Parent Representative	Elected	2025
Shakila Rizwan	Parent Representative	Elected	2025
Shane de la Harpe	Parent Representative	Elected	2025
Kyla Mullens	Parent Representative	Co-opted	2025
Paige Milburn	Student Representative	Elected	Sep 2023
Ann Bixley	Parent Representative	Elected	Sep 2022
Tony Gomez	Parent Representative	Elected	Sep 2022
Mau White	Parent Representative	Co-opted	Sep 2022
Rowena Monson	Parent Representative	Co-opted	Sep 2022
Phil Marsh	Parent Representative	Elected	Sep 2022
Simon Pickard	Staff Representative	Elected	Sep 2022
Jomana Moharram	Student Representative	Elected	Sep 2022

Otago Girls' High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	7,960,298	7,559,450	7,633,789
Locally Raised Funds	3	989,061	554,522	1,160,826
Interest Income		46,484	42,000	38,864
		<u>8,995,843</u>	<u>8,155,972</u>	<u>8,833,479</u>
Expenses				
Locally Raised Funds	3	749,743	323,700	759,552
Learning Resources	4	6,478,056	6,160,650	6,498,304
Administration	5	595,555	475,550	541,008
Finance		9,430	-	8,826
Property	6	1,560,282	1,359,800	1,458,041
Loss on Disposal of Property, Plant and Equipment		1,018	-	6,342
		<u>9,394,084</u>	<u>8,319,700</u>	<u>9,272,073</u>
Net (Deficit) for the year		(398,241)	(163,728)	(438,594)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(398,241)</u>	<u>(163,728)</u>	<u>(438,594)</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.

Otago Girls' High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January	2,953,422	2,953,422	3,336,773
Total comprehensive revenue and expense for the year	(398,241)	(163,728)	(438,594)
Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	38,181
Movement in Reserves	(12,253)	-	17,062
Equity at 31 December	2,542,928	2,789,694	2,953,422
Accumulated comprehensive revenue and expense	2,050,482	2,284,995	2,448,723
Reserves	492,446	504,699	504,699
Equity at 31 December	2,542,928	2,789,694	2,953,422

Reserved equity comprises funds that have been received by the School for a specific purpose. The School guarantees to hold sufficient monies to enable the funds to be used for their intended purpose at any time. Those funds arose from bequests from ex-girls and ex-principals. These funds are held for use on outdoor activities, library, prize giving and disadvantaged students as required by terms of the bequests. The school is not required to repay these funds.

	Actual	Budget (Unaudited)	Actual
Reserves	2022	2022	2021
	\$	\$	\$
Opening Balance	504,699	504,699	487,637
Movement for the year	(12,253)	-	17,062
Closing Balance	492,446	504,699	504,699

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.

Otago Girls' High School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	126,174	1,307,093	1,420,157
Accounts Receivable	8	554,575	510,241	510,241
GST Receivable		-	-	-
Prepayments		41,645	15,268	15,268
Inventories	9	7,655	25,163	25,163
Investments	10	2,000,202	954,125	954,125
Funds Receivable for Capital Works Projects	17	-	58,612	58,612
		<u>2,730,251</u>	<u>2,870,502</u>	<u>2,983,566</u>
Current Liabilities				
GST Payable		24,677	8,645	8,645
Accounts Payable	12	627,320	639,595	639,595
Revenue Received in Advance	13	334,176	257,250	257,250
Provision for Cyclical Maintenance	14	226,389	18,000	18,000
Finance Lease Liability	15	51,842	43,224	43,224
Funds held in Trust	16	98,400	55,823	55,823
Funds held for Capital Works Projects	17	27,610	198,124	198,124
Funds Held on Behalf of the Asian Language Cluster	18	-	13,094	13,094
Funds Held on Behalf of the RFFP & RPCP Cluster	19	89,581	33,724	33,724
Funds Held on Behalf of the ESOL Professional Learning Community Cluster	20	556	-	-
		<u>1,480,551</u>	<u>1,267,479</u>	<u>1,267,479</u>
Working Capital Surplus/(Deficit)		<u>1,249,700</u>	<u>1,603,023</u>	<u>1,716,087</u>
Non-current Assets				
Property, Plant and Equipment	11	1,565,224	1,619,516	1,652,180
		<u>1,565,224</u>	<u>1,619,516</u>	<u>1,652,180</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	222,475	348,250	330,250
Finance Lease Liability	15	49,521	84,595	84,595
		<u>271,996</u>	<u>432,845</u>	<u>414,845</u>
Net Assets		<u><u>2,542,928</u></u>	<u><u>2,789,694</u></u>	<u><u>2,953,422</u></u>
Equity		<u><u>2,542,928</u></u>	<u><u>2,789,694</u></u>	<u><u>2,953,422</u></u>

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

Otago Girls' High School

Statement of Cash Flows

For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		1,918,317	1,709,450	1,796,977
Locally Raised Funds		900,428	411,200	655,431
Hostel		7,796	-	-
International Students		210,634	143,322	107,673
Goods and Services Tax (net)		16,032	-	(17,213)
Payments to Employees		(1,809,075)	(1,352,650)	(1,603,605)
Payments to Suppliers		(1,440,076)	(939,050)	(1,433,563)
Interest Paid		(9,430)	-	(8,826)
Interest Received		31,653	42,000	55,732
Net cash (to)/from Operating Activities		(173,721)	14,272	(447,394)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(70,446)	(127,336)	(52,621)
Purchase of Investments		(1,058,330)	-	(295,730)
Net cash (to)/from Investing Activities		(1,128,776)	(127,336)	(348,351)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	38,181
Finance Lease Payments		(33,253)	-	(34,569)
Funds Administered on Behalf of Third Parties		41,767	-	139,385
Net cash from/(to) Financing Activities		8,514	-	142,997
Net increase/(decrease) in cash and cash equivalents		(1,293,983)	(113,064)	(652,748)
Cash and cash equivalents at the beginning of the year	7	1,420,157	1,420,157	2,072,905
Cash and cash equivalents at the end of the year	7	126,174	1,307,093	1,420,157

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.

Otago Girls' High School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

1.1. Reporting Entity

Otago Girls' High 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 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 statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical Maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. 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. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 25b.

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 to which they relate. The grants are not received in cash by the School and are paid directly to teachers by the Ministry of Education.

Other Ministry Grants for directly funded programmes are recorded as revenue when the School has the rights to the funding in the period to which they relate. The grants are not received in cash by the School and are paid directly by the Ministry of Education.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. Grants for the use of land and buildings are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes.

This is a non-cash revenue that is offset by a non-cash expense. The use of land and buildings grants and associated expenditure are recorded in the period the School uses the land and buildings.

Other Grants where conditions exist

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 recognised as revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recognised as an asset and revenue when the right to receive funding or the asset has been established unless there is an obligation to return funds if conditions are not met. If conditions are not met funding is recognised as revenue in advance and recognised as revenue when conditions are satisfied.

Interest Revenue

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

1.4. 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.

1.5. 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.

1.6. 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.

1.7. Accounts Receivable

Short-term receivables are recorded at the amount due, less an allowance for expected 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.

1.8. Inventories

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

1.9. 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.

1.10. 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 funded by the Board to buildings owned by the Crown or directly by the board 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 Statement of Comprehensive Revenue and Expense 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	4–5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

1.11. 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. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised as 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.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available 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 Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

1.12. 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.

1.13. Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in Statement of Comprehensive Revenue and Expense in the period in which they arise.

1.14. Revenue Received in Advance

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

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

1.15. Funds Held in Trust

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

1.16. Funds held for Capital Works

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose. As such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

1.17. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the Resource Teachers of Learning & Behaviour programme), all income and expenditure related to the provision of the service is recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

1.18. 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 of the School, makes up the most significant part of the Board's responsibilities outside the day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the School is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a variety of periods in accordance with the conditional assessment of each area of the school. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

1.19. 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 initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as financial assets at fair value through other comprehensive revenue and expense in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investments' fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in the Statement of Comprehensive Revenue and Expense unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to the Statement of Comprehensive Revenue and Expense.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in the Statement of Comprehensive Revenue and Expense.

1.20. 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.

1.21. 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.

1.22. Budget Figures

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

1.23. 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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants - Ministry of Education	2,016,632	1,673,450	1,818,612
Teachers' Salaries Grants	4,987,992	5,000,000	4,940,562
Use of Land and Buildings Grants	918,588	850,000	837,969
Other Government Grants	37,086	36,000	36,646
	<u>7,960,298</u>	<u>7,559,450</u>	<u>7,633,789</u>

3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	210,155	132,700	142,973
Fees for Extra Curricular Activities	318,514	21,000	418,083
Trading	159,510	201,500	179,177
Other Revenue	127,095	56,000	109,304
Transport Revenue	24,130	-	-
International Student Fees	149,657	143,322	311,289
	<u>989,061</u>	<u>554,522</u>	<u>1,160,826</u>
Expenses			
Extra Curricular Activities Costs	401,764	67,700	451,229
Trading	189,027	181,500	174,171
Other Locally Raised Funds Expenditure	45,646	17,000	7,191
Transport (Local)	15,512	-	14,773
International Student - Student Recruitment	6,221	3,000	21,235
International Student - Employee Benefit - Salaries	67,769	38,000	75,176
International Student - Other Expenses	23,804	16,500	15,777
	<u>749,743</u>	<u>323,700</u>	<u>759,552</u>
<i>Surplus / (Deficit) for the year Locally raised funds</i>	<u>239,318</u>	<u>230,822</u>	<u>401,274</u>

During the year the School hosted 10 International students (2021:20)

4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	278,738	197,500	267,472
Equipment Repairs	15,381	15,000	13,591
Information and Communication Technology	27,323	36,500	35,104
Library Resources	3,550	5,000	4,801
Employee Benefits - Salaries	5,938,383	5,699,650	5,950,074
Staff Development	35,753	47,000	48,870
Depreciation	178,928	160,000	178,392
	<u>6,478,056</u>	<u>6,160,650</u>	<u>6,498,304</u>

5. Administration

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Audit Fee	9,015	8,500	6,957
Board Fees	7,300	7,000	6,875
Board Expenses	24,033	23,700	58,265
Communication	11,971	7,300	12,513
Consumables	3,151	2,000	2,206
Operating Lease	5,676	40,250	12,666
Other	60,154	37,800	75,110
Employee Benefits - Salaries	450,679	333,000	338,102
Insurance	14,636	16,000	26,154
Service Providers, Contractors and Consultancy	8,940	-	2,160
	<u>595,555</u>	<u>475,550</u>	<u>541,008</u>

6. Property

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	26,549	26,000	27,656
Cyclical Maintenance Provision	100,614	18,000	119,036
Grounds	4,471	5,500	7,335
Heat, Light and Water	109,448	95,300	95,880
Rates	48,079	46,500	42,646
Repairs and Maintenance	50,506	32,000	34,283
Use of Land and Buildings	918,588	850,000	837,969
Security	5,164	4,500	5,304
Employee Benefits - Salaries	296,863	282,000	287,932
	<u>1,560,282</u>	<u>1,359,800</u>	<u>1,458,041</u>

The Use of Land and Buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Accounts	126,174	73,019	186,083
Short-term Bank Deposits	-	1,234,074	1,234,074
Cash and Cash Equivalents for Statement of Cash Flows	<u>126,174</u>	<u>1,307,093</u>	<u>1,420,157</u>

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

Of the \$126,174 Cash and Cash Equivalents, \$49,853 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

Of the \$126,174 Cash and Cash Equivalents, \$89,581 is held by the School on behalf of the Former Refugee and Refugee Pathways and Careers (RFFP & RPCP) cluster. See note 19 for details of how the funding received for the cluster has been spent in the year.

Of the \$126,174 Cash and Cash Equivalents, \$556 is held by the School on behalf of the ESOL Professional Learning Community cluster. See note 20 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	20,682	73,553	73,553
Receivables from the Ministry of Education	72,727	10,804	10,804
Interest Receivable	25,995	11,164	11,164
Teacher Salaries Grant Receivable	435,171	414,720	414,720
	<u>554,575</u>	<u>510,241</u>	<u>510,241</u>
Receivables from Exchange Transactions	46,677	84,717	84,717
Receivables from Non-Exchange Transactions	507,898	425,524	425,524
	<u>554,575</u>	<u>510,241</u>	<u>510,241</u>

9. Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
School Uniforms	7,655	25,163	25,163
	<u>7,655</u>	<u>25,163</u>	<u>25,163</u>

10. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	2,000,202	954,125	954,125
Total Investments	<u>2,000,202</u>	<u>954,125</u>	<u>954,125</u>

11. Property, Plant and Equipment

	Opening					Total (NBV)
	Balance (NBV)	Additions	Disposals	Impairment	Depreciation	
2022	\$	\$	\$	\$	\$	\$
Buildings	779,464	-	-	-	(22,351)	757,113
Building Improvements	283,171	-	-	-	(8,511)	274,660
Furniture and Equipment	338,634	41,723	-	-	(54,176)	326,181
Information and Communication Technology	47,410	8,527	-	-	(22,514)	33,423
Motor Vehicles	26,774	1,817	-	-	(13,444)	15,147
Leased Assets	125,270	22,544	-	-	(49,330)	98,484
Library Resources	51,457	18,379	(1,018)	-	(8,602)	60,216
Balance at 31 December 2022	<u>1,652,180</u>	<u>92,990</u>	<u>(1,018)</u>	<u>-</u>	<u>(178,928)</u>	<u>1,565,224</u>

The net carrying value of furniture and equipment held under a finance lease is \$98,484 (2021: \$125,270)

Restrictions

With the exception of the contractual restrictions relating to the above noted finance leases, there are no other restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Buildings	1,117,578	(360,465)	757,113	1,117,577	(338,113)	779,464
Building Improvements	425,589	(150,929)	274,660	425,588	(142,417)	283,171
Furniture and Equipment	1,736,884	(1,410,703)	326,181	1,695,162	(1,356,528)	338,634
Information and Communication Technology	265,397	(231,974)	33,423	256,870	(209,460)	47,410
Motor Vehicles	160,300	(145,153)	15,147	158,483	(131,709)	26,774
Leased Assets	179,586	(81,102)	98,484	169,285	(44,015)	125,270
Library Resources	127,447	(67,231)	60,216	111,269	(59,812)	51,457
Balance at 31 December	<u>4,012,781</u>	<u>(2,447,557)</u>	<u>1,565,224</u>	<u>3,934,234</u>	<u>(2,282,054)</u>	<u>1,652,180</u>

12. Accounts Payable

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Creditors	69,239	79,921	79,921
Accruals	40,729	11,768	11,768
Employee Entitlements - Salaries	463,902	495,978	495,978
Employee Entitlements - Leave Accrual	53,450	51,928	51,928
	<u>627,320</u>	<u>639,595</u>	<u>639,595</u>
Payables for Exchange Transactions	627,320	639,595	639,595
	<u>627,320</u>	<u>639,595</u>	<u>639,595</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
International Student Fees in Advance	176,935	115,958	115,958
Hostel Fees in Advance	95,526	87,730	87,730
Other Revenue in Advance	61,715	53,562	53,562
	<u>334,176</u>	<u>257,250</u>	<u>257,250</u>

14. Provision for Cyclical Maintenance

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	348,250	348,250	229,214
Increase to the Provision During the Year	80,344	18,000	75,750
Other Adjustments	20,270	-	43,286
Provision at the End of the Year	<u>448,864</u>	<u>366,250</u>	<u>348,250</u>
Cyclical Maintenance - Current	226,389	18,000	18,000
Cyclical Maintenance - Non current	222,475	348,250	330,250
	<u>448,864</u>	<u>366,250</u>	<u>348,250</u>

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the School's most recent 10 Year Property plan, adjusted as identified and confirmed appropriate by the Board, to other reliable sources of evidence.

15. Finance Lease Liability

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

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
No Later than One Year	57,878	51,649	51,649
Later than One Year and no Later than Five Years	53,165	92,680	92,680
Future Finance Charges	(9,680)	(16,510)	(16,510)
	<u>101,363</u>	<u>127,819</u>	<u>127,819</u>
Represented by:			
Finance lease liability - Current	51,842	43,224	43,224
Finance lease liability - Non-current	49,521	84,595	84,595
	<u>101,363</u>	<u>127,819</u>	<u>127,819</u>

16. Funds Held in Trust

	2022	2022 Budget (Unaudited)	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Funds Held in Trust on Behalf of Third Parties - Current	98,400	55,823	55,823
	<u>98,400</u>	<u>55,823</u>	<u>55,823</u>

These funds relate to arrangements where the School is acting as an agent. These amounts are not revenue or expenditure of the School and therefore are not included in the Statement of Comprehensive Revenue and Expense.

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. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Boiler Partial Upgrade (227894)	800	-	(800)	-	-
Staff/Careers/Admin Revamp (213832)	20,164	10,951	(6,948)	(24,167)	-
MOE RE & M Projects (237639)	169,127	-	(141,517)	-	27,610
Music Suite Amendment (234416)	(43,172)	46,078	(2,906)	-	-
Drainage Project (233705)	(8,767)	9,967	(1,200)	-	-
Gym Floor Repairs (233704)	8,033	421	(8,454)	-	-
LSMODS (221015)	(6,673)	-	(17,494)	24,167	-
Damaged Gym Door	-	6,016	(6,016)	-	-
Totals	<u>139,512</u>	<u>73,433</u>	<u>(185,335)</u>	<u>-</u>	<u>27,610</u>

Represented by:

Funds Held on Behalf of the Ministry of Education 27,610

2021	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
Lighting Upgrade (229008)	(3,826)	-	-	3,826	-
Dalrymple Block Roof Project (204140)	9,258	-	(3,726)	(5,532)	-
Boiler Partial Upgrade (227894)	800	-	-	-	800
Dalrymple Floor Covering (209616)	2,627	618	(1,599)	(1,646)	-
Staff/Careers/Admin Revamp (213832)	25,093	-	(4,596)	(333)	20,164
Hall Weather Proofing Project (209614)	(530)	333	(530)	727	-
MOE RE & M Projects (237639)	5,626	260,561	(97,060)	-	169,127
Music Suite Amendment (234416)	-	-	(43,172)	-	(43,172)
Drainage Project (233705)	-	-	(8,767)	-	(8,767)
Gym Floor Repairs (233704)	-	41,714	(33,681)	-	8,033
LSMODS (221015)	-	20,000	(26,673)	-	(6,673)
Totals	<u>39,048</u>	<u>323,226</u>	<u>(219,804)</u>	<u>(2,958)</u>	<u>139,512</u>

Represented by:

Funds Held on Behalf of the Ministry of Education 198,124
Funds Receivable from the Ministry of Education (58,612)

18. Funds Held on Behalf of the Asian Language Cluster

Otago Girls' High School is the lead school and holds funds on behalf of the Asian Language cluster, a group of schools funded by the Ministry of Education.

	2022	2022 Budget (Unaudited)	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Funds Held at Beginning of the Year	13,094	13,094	13,963
Funds Received from Ministry of Education	-	-	-
Funds Spent on Behalf of the Cluster	(13,094)	-	(869)
Funds Held at Year End	<u>-</u>	<u>13,094</u>	<u>13,094</u>

19. Funds Held on Behalf of the Former Refugee and Refugee Pathways and Careers (RFFP & RPCP) Clusters

Otago Girls' High School is the lead school and holds funds on behalf of the Former Refugee and Refugee Pathways and Careers (RFFP & RPCP) clusters, a group of schools funded by the Ministry of Education.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Held at Beginning of the Year	33,724	33,724	5,398
Funds Received from Ministry of Education	145,341	-	133,613
Funds Spent on Behalf of the Cluster	(89,484)	-	(105,287)
Funds Held at Year End	89,581	33,724	33,724

20. Funds Held on Behalf of the ESOL Professional Learning Community Cluster

Otago Girls' High School was the lead school and holds funds on behalf of the ESOL Professional Learning Community cluster, a group of schools funded by the Ministry of Education to share professional support.

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Funds Received from Ministry of Education	670	-	-
Funds Spent on Behalf of the Cluster	(114)	-	-
Funds Held at Year End	556	-	-

21. 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.

22. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	7,300	6,875
<i>Leadership Team</i>		
Remuneration	679,449	718,230
Full-time equivalent members	5.10	5.00
Total key management personnel remuneration	686,749	725,105

There are ten members of the Board excluding the Principal. The Board had held nine full meetings of the Board in the year. The Board also has a Finance and Property committee, consisting of three parent representatives, the staff representative, the principal, a deputy principal and the Finance Manager. This committee met eight times during 2022. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2022	2021
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	200 - 210
Benefits and Other Emoluments	20 - 30	0 - 10
Termination Benefits	0 - 0	0 - 0

Principal 2

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

	2022	2021
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	0 - 0	150 - 160
Benefits and Other Emoluments	0 - 0	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	2022	2021
\$000	FTE Number	FTE Number
100 - 110	11.00	6.00
110 - 120	2.00	1.00
120 - 130	3.00	4.00
	<u>16.00</u>	<u>11.00</u>

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

23. 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 members, or employees during the financial year in relation to that cessation and the number of persons to whom all or part of that total was payable was as follows:

	2022	2021
	Actual	Actual
Total	\$ -	\$ -
Number of People	-	-

24. Contingencies

There are no contingent liabilities and no contingent assets except as noted below as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2022, a contingent liability for the school may exist.

Additional funding wash up payment

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The Ministry is in the process of determining wash up payments for the year ended 31 December 2022 however as at the reporting date this amount had not been calculated and therefore is not recorded in these financial statements.

25. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into the following contract agreements for capital works.

(a) \$240,103 contract for an Outdoor Education Garage to be completed in 2023. This will be fully funded by the Ministry of Education. \$184,521 has been received of which \$156,911 has been spent on the project to date.

(Capital commitments in relation to Ministry projects at 31 December 2021: \$139,512)

(b) Operating Commitments

As at 31 December 2022 the Board has entered into the following contracts.

(a) operating lease of a EFTPOS machine;

	2022 Actual \$	2021 Actual \$
No later than One Year	2,092	2,092
Later than One Year and No Later than Five Years	-	855
	<u>2,092</u>	<u>2,947</u>

The total lease payments incurred during the period were \$2,092 (2021: \$2,092).

26. 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	126,174	1,307,093	1,420,157
Receivables	554,575	510,241	510,241
Investments - Term Deposits	2,000,202	954,125	954,125
Total Financial assets measured at amortised cost	<u>2,680,951</u>	<u>2,771,459</u>	<u>2,884,523</u>

Financial liabilities measured at amortised cost

Payables	627,320	639,595	639,595
Finance Leases	101,363	127,819	127,819
Total Financial liabilities measured at amortised Cost	<u>728,683</u>	<u>767,414</u>	<u>767,414</u>

27. Events After Balance Date

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

28. Comparatives

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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF OTAGO GIRLS HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Otago Girls High School (the School). The Auditor-General has appointed me, Mike Hawken, using the staff and resources of Deloitte Limited, 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 20, that comprise the statement of financial position as at 31 December 2022, 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 2022; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 30 May 2023. 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 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 arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages accompanying the financial statements 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.

A handwritten signature in blue ink, appearing to read "M. Hawken".

Mike Hawken
for Deloitte Limited
On behalf of the Auditor-General
Dunedin, New Zealand