



FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number:	3776
Principal:	Carmel Jolly
School Address:	34 Elgin Road, Mornington, Dunedin 9011
School Phone:	03 4536794
School Email:	office@mornington.school.nz

MORNINGTON SCHOOL

Annual Report - For the year ended 31 December 2021

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Mornington School

Statement of Responsibility

For the year ended 31 December 2021

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 2021 fairly reflects the financial position and operations of the School.

The School's 2021 financial statements are authorised for issue by the Board.

Troy Vasa

Full Name of Presiding Member

Troy Vasa

Signature of Presiding Member

14-Jun-2022

Date:

Carmel Jolly

Full Name of Principal

Carmel Jolly

Signature of Principal

14-Jun-2022

Date:

Mornington School

Members of the Board

For the year ended 31 December 2021

Name	Position	How Position Gained	Term Expired/ Expires
Carmel Jolly	Principal ex Officio		
Ross Tucker	Acting Principal ex Officio		Jul 2021
Troy Vasa	Presiding Member	Elected	Sep 2022
Glenn Moors	Presiding Member		Jun 2021
Marie Munro	Parent Representative	Elected	Sep 2022
Adam Liberatore	Parent Representative	Selected	Sep 2022
Michelle McCartney	Parent Representative	Elected	Sep 2022
Emma Dettling	Staff Representative	Elected	Apr 2021
Katrina Jenkins	Staff Representative	Elected	Sep 2022
Ben Peters		Selected	Sep 2021
In Attendance Elly Lang	Minute Secretary		

Mornington School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	2,187,334	1,996,202	2,246,932
Locally Raised Funds	3	60,912	107,424	111,120
Interest Income		1,895	3,000	3,084
International Students	4	7,391	5,500	6,739
		<u>2,257,532</u>	<u>2,112,126</u>	<u>2,367,875</u>
Expenses				
Locally Raised Funds	3	20,660	33,945	33,895
International Students	4	383	200	168
Learning Resources	5	1,686,105	1,587,232	1,745,434
Administration	6	109,826	132,930	93,676
Finance		1,843	-	3,882
Property	7	362,112	427,300	438,958
Depreciation	12	68,070	40,000	71,836
Loss on Disposal of Property, Plant and Equipment		930	-	600
		<u>2,249,929</u>	<u>2,221,607</u>	<u>2,388,449</u>
Net Surplus / (Deficit) for the year		7,603	(109,481)	(20,574)
Total Comprehensive Revenue and Expense for the Year		<u>7,603</u>	<u>(109,481)</u>	<u>(20,574)</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.

Mornington School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		479,625	479,625	501,918
Total comprehensive revenue and expense for the year		7,603	(109,481)	(20,574)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		4,270	-	-
Distribution of Equity		-	-	(1,719)
Equity at 31 December		491,498	370,144	479,625
Retained Earnings		491,498	370,144	479,625
Equity at 31 December		491,498	370,144	479,625

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.

Mornington School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	8	125,962	360,844	490,521
Accounts Receivable	9	100,814	398,003	398,003
GST Receivable		14,863	-	-
Prepayments		15,233	14,712	14,712
Inventories	10	787	1,643	1,643
Investments	11	164,635	163,387	110,190
		422,294	938,589	1,015,069
Current Liabilities				
GST Payable		-	67,320	67,320
Accounts Payable	13	151,880	189,209	189,209
Revenue Received in Advance	14	8,568	16,245	16,245
Provision for Cyclical Maintenance	15	6,300	7,000	-
Finance Lease Liability	16	5,549	22,700	22,700
Funds held for Capital Works Projects	17	24,509	511,919	511,919
Funds Held on Behalf of the Nga Tapa Wha Cluster	18	(8,910)	31,028	26,028
Funds Held on Behalf of the Afghan Cluster	19	(2,936)	2,461	2,461
		184,960	847,882	835,882
Working Capital Surplus/(Deficit)		237,334	90,707	179,187
Non-current Assets				
Property, Plant and Equipment	12	320,374	345,334	363,335
		320,374	345,334	363,335
Non-current Liabilities				
Provision for Cyclical Maintenance	15	62,100	61,400	58,400
Finance Lease Liability	16	4,110	4,497	4,497
		66,210	65,897	62,897
Net Assets		491,498	370,144	479,625
Equity		491,498	370,144	479,625

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

Mornington School

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		640,781	512,871	318,319
Locally Raised Funds		72,424	107,424	101,345
International Students		-	5,500	4,130
Goods and Services Tax (net)		(82,183)	-	84,715
Payments to Employees		(371,874)	(325,450)	(393,330)
Payments to Suppliers		(258,425)	(362,826)	(240,228)
Interest Received		1,616	3,000	2,786
Net cash from/(to) Operating Activities		2,339	(59,481)	(122,263)
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(19,903)	(21,999)	(67,307)
Purchase of Investments		(54,445)	(53,197)	-
Proceeds from Sale of Investments		-	-	50,643
Net cash (to)/from Investing Activities		(74,348)	(75,196)	(16,664)
Cash flows from Financing Activities				
Furniture and Equipment Grant		4,270	-	-
Finance Lease Payments		(21,694)	-	(30,093)
Funds Administered on Behalf of Third Parties		(275,126)	5,000	434,543
Net cash (to)/from Financing Activities		(292,550)	5,000	404,450
Net (decrease)/ increase in cash and cash equivalents		(364,559)	(129,677)	265,523
Cash and cash equivalents at the beginning of the year	8	490,521	490,521	224,998
Cash and cash equivalents at the end of the year	8	125,962	360,844	490,521

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.

Mornington School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

1.1. Reporting Entity

Mornington 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 reports have been prepared for the period 1 January 2021 to 31 December 2021 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 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 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.

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.

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.

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. 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. 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

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. 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 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 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.

1.9. 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 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 to Crown Owned Assets	10-50 years
Furniture and equipment	5-10 years
Information and communication technology	5-10 years
Leased assets held under a Finance Lease	3-5 years
Library resources	12.5% Diminishing Value

1.11. 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.

1.12. 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 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 not expected to be settled wholly before twelve 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.

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.

1.15. Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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 is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

1.17. Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, are categorised as 'financial assets measured at amortised cost' 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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	479,418	432,348	503,530
Teachers' Salaries Grants	1,343,484	1,204,613	1,330,665
Use of Land and Buildings Grants	210,808	255,044	282,879
Other MoE Grants	133,102	86,947	107,412
Other Government Grants	20,522	17,250	22,446
	<u>2,187,334</u>	<u>1,996,202</u>	<u>2,246,932</u>

The School has opted in to the donations scheme for this year. Total amount received was \$40,950 (2020: \$43,500).

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	12,859	46,920	46,707
Fees for Extra Curricular Activities	16,181	34,000	27,953
Trading	3,953	5,000	9,906
Fundraising & Community Grants	15,496	11,304	19,661
Other Revenue	12,423	10,200	6,893
	<u>60,912</u>	<u>107,424</u>	<u>111,120</u>
Expenses			
Extra Curricular Activities Costs	17,234	32,445	30,584
Trading	1,540	1,500	2,403
Fundraising & Community Grant Costs	1,886	-	908
	<u>20,660</u>	<u>33,945</u>	<u>33,895</u>
	<u>40,252</u>	<u>73,479</u>	<u>77,225</u>

Surplus / (Deficit) for the year Locally raised funds

4. International Student Revenue and Expenses

	2021	2021	2020
	Actual	Budget	Actual
	Number	(Unaudited)	Number
International Student Roll	1	1	1
	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
International Student Fees	7,391	5,500	6,739
Expenses			
Other Expenses	383	200	168
	<u>383</u>	<u>200</u>	<u>168</u>
	<u>7,008</u>	<u>5,300</u>	<u>6,571</u>

Surplus for the year International Students

5. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	58,653	104,495	57,300
Information and Communication Technology	420	500	420
Library Resources	1,029	2,500	964
Employee Benefits - Salaries	1,622,164	1,466,737	1,676,183
Staff Development	3,839	13,000	10,567
	<u>1,686,105</u>	<u>1,587,232</u>	<u>1,745,434</u>

6. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	4,580	3,500	3,565
Board Fees	2,910	5,500	3,400
Board Expenses	7,379	1,819	581
Communication	2,789	2,850	2,835
Consumables	15,342	23,161	11,104
Operating Lease	516	21,200	480
Other	16,698	15,100	11,488
Employee Benefits - Salaries	47,077	48,000	48,782
Insurance	8,959	6,800	6,541
Service Providers, Contractors and Consultancy	3,576	5,000	4,900
	<u>109,826</u>	<u>132,930</u>	<u>93,676</u>

7. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	38,004	36,500	36,636
Cyclical Maintenance Provision	10,000	10,000	10,000
Grounds	9,768	20,000	11,372
Heat, Light and Water	23,338	26,000	26,016
Rates	7,456	7,500	7,230
Repairs and Maintenance	19,008	30,756	19,798
Use of Land and Buildings	210,808	255,044	282,879
Security	2,238	2,500	2,387
Employee Benefits - Salaries	41,492	39,000	42,640
	<u>362,112</u>	<u>427,300</u>	<u>438,958</u>

In 2021, the Ministry of Education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, 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.

8. Cash and Cash Equivalents

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	125,962	360,844	437,324
Short-term Bank Deposits	-	-	53,197
Cash and cash equivalents for Statement of Cash Flows	<u>125,962</u>	<u>360,844</u>	<u>490,521</u>

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

Of the \$125,962 Cash and Cash Equivalents, \$31,290 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 2022 on Crown owned school buildings.

9. Accounts Receivable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	70	11,868	11,868
Receivables from the Ministry of Education	-	287,500	287,500
Interest Receivable	636	357	357
Teacher Salaries Grant Receivable	100,108	98,278	98,278
	<u>100,814</u>	<u>398,003</u>	<u>398,003</u>
Receivables from Exchange Transactions	706	12,225	12,225
Receivables from Non-Exchange Transactions	100,108	385,778	385,778
	<u>100,814</u>	<u>398,003</u>	<u>398,003</u>

10. Inventories

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	787	1,643	1,643
	<u>787</u>	<u>1,643</u>	<u>1,643</u>

11. Investments

The School's investment activities are classified as follows:

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	164,635	163,387	110,190
Total Investments	<u>164,635</u>	<u>163,387</u>	<u>110,190</u>

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	139,829	8,228	-	-	(8,003)	140,054
Furniture and Equipment	127,849	7,753	-	-	(20,701)	114,901
Information and Communication Technology	58,414	3,588	-	-	(16,251)	45,751
Leased Assets	25,269	6,136	-	-	(21,693)	9,712
Library Resources	11,974	334	(930)	-	(1,422)	9,956
Balance at 31 December 2021	<u>363,335</u>	<u>26,039</u>	<u>(930)</u>	<u>-</u>	<u>(68,070)</u>	<u>320,374</u>

The net carrying value of equipment held under a finance lease is \$9,712 (2020: \$25,269)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	237,872	(97,818)	140,054	229,644	(89,815)	139,829
Furniture and Equipment	422,283	(307,382)	114,901	414,529	(286,680)	127,849
Information and Communication Technology	193,037	(147,286)	45,751	189,449	(131,035)	58,414
Leased Assets	30,302	(20,590)	9,712	108,429	(83,160)	25,269
Library Resources	103,809	(93,853)	9,956	112,193	(100,219)	11,974
Balance at 31 December	<u>987,303</u>	<u>(666,929)</u>	<u>320,374</u>	<u>1,054,244</u>	<u>(690,909)</u>	<u>363,335</u>

13. Accounts Payable

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Creditors	26,023	35,634	35,634
Accruals	4,580	3,565	3,565
Banking Staffing Overuse	-	23,674	23,674
Employee Entitlements - Salaries	111,135	114,393	114,393
Employee Entitlements - Leave Accrual	10,142	11,943	11,943
	<u>151,880</u>	<u>189,209</u>	<u>189,209</u>
Payables for Exchange Transactions	151,880	189,209	189,209
	<u>151,880</u>	<u>189,209</u>	<u>189,209</u>

The carrying value of payables approximates their fair value.

14. Revenue Received in Advance

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
International Student Fees in Advance	-	7,391	7,391
Other Revenue in Advance	8,568	8,854	8,854
	<u>8,568</u>	<u>16,245</u>	<u>16,245</u>

15. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	58,400	58,400	48,400
Increase/ (decrease) to the Provision During the Year	10,000	10,000	10,000
Provision at the End of the Year	68,400	68,400	58,400
Cyclical Maintenance - Current	6,300	7,000	-
Cyclical Maintenance - Term	62,100	61,400	58,400
	68,400	68,400	58,400

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:

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	6,219	24,130	24,130
Later than One Year and no Later than Five Years	4,405	4,805	4,805
Future Finance Charges	(965)	(1,738)	(1,738)
	9,659	27,197	27,197
Represented by:			
Finance lease liability - Current	5,549	22,700	22,700
Finance lease liability - Term	4,110	4,497	4,497
	9,659	27,197	27,197

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:

2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
SIP AMS CP: 2: ILE Upgrade	511,919	75,429	(558,439)	-	28,909
Water Damage	-	-	(4,400)	-	(4,400)
Totals	511,919	75,429	(562,839)	-	24,509

Represented by:

Funds Held on Behalf of the Ministry of Education	28,909
Funds Due from the Ministry of Education	(4,400)
	24,509

2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Hall & Toilet Upgrade	3,849	-	(2,285)	(1,564)	-
SIP AMS CP: 2: ILE Upgrade	38,096	523,095	(49,272)	-	511,919
Totals	41,945	523,095	(51,557)	(1,564)	511,919

18. Funds Held on Behalf of the Nga Tapa Wha Cluster

Mornington School was the lead school and holds funds on behalf of the Nga Tapa Wha cluster, a group of schools funded by the Ministry of Education to share professional support.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	26,028	26,028	62,201
Funds Received from Cluster Members	-	28,000	-
Funds Spent on Behalf of the Cluster	(34,938)	(23,000)	(36,173)
Funds Held at Year End	(8,910)	31,028	26,028

19. Funds Held on Behalf of the Afghan Cluster

Mornington School was the lead school and holds funds on behalf of the Afghan cluster, a group of schools funded by the Ministry of Education to share professional support.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	2,461	2,461	-
Funds Received from Cluster Members	44,426	44,811	54,692
Funds Spent on Behalf of the Cluster	(49,823)	(44,811)	(52,231)
Funds Held at Year End	(2,936)	2,461	2,461

20. 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.

21. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	2,910	3,400
<i>Leadership Team</i>		
Remuneration	437,844	440,405
Full-time equivalent members	4.00	4.00
Total key management personnel remuneration	440,754	443,805

There are 8 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. 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

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	60 - 70	140-150
Benefits and Other Emoluments	1-2	3-4
Termination Benefits	0 - 0	0 - 0

Principal 2

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	50 - 60	0 - 0
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 \$000	2021 FTE Number	2020 FTE Number
100 - 110	1.00	1.00
110 - 120	1.00	-
120 - 130	-	-
	<u>2.00</u>	<u>1.00</u>

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

22. 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:

	2021 Actual	2020 Actual
Total	\$ -	\$ -
Number of People	-	-

23. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2021 (Contingent liabilities and assets at 31 December 2020: 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 2021, a contingent liability for the school may exist.

24. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into the following contract agreements for capital works.

\$681,691 Contract for 2ILE Upgrade which will be fully funded by the Ministry of Education. \$587,348 has been received of which \$558,439 has been spent on the project to date. The project is due for completion early 2022.

(Capital commitments in relation to Ministry projects at 31 December 2020: \$511,919)

(b) Operating Commitments

As at 31 December 2021 the Board has not entered into any operating contracts.

(Operating commitments at 31 December 2020: nil)

25. 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

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Cash and Cash Equivalents	125,962	360,844	490,521
Receivables	100,814	398,003	398,003
Investments - Term Deposits	164,635	163,387	110,190
Total Financial assets measured at amortised cost	<u>391,411</u>	<u>922,234</u>	<u>998,714</u>

Financial liabilities measured at amortised cost

	2021	2021	2020
	151,880	189,209	189,209
Payables	9,659	27,197	27,197
Finance Leases	<u>161,539</u>	<u>216,406</u>	<u>216,406</u>
Total Financial liabilities measured at amortised Cost			

26. Events After Balance Date

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

27. Comparatives

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

28. COVID 19 Pandemic on going implications

Impact of Covid-19

During 2021 the country moved between alert levels. During February and March 2021 Auckland was placed into alert levels 3 and 2 and other parts of the country moved into alert level 2.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later.

Impact on operations

Schools have been required to continue adapting to remote and online learning practices when physical attendance is unable to occur in alert level 4 and 3. Schools continue to receive funding from the Te Tāhuhu o te Mātauranga | Ministry to Education, even while closed.

However, the ongoing interruptions resulting from the moves in alert levels have impacted schools in various ways which potentially will negatively affect the operations and services of the school. We describe below the possible effects on the school that we have identified, resulting from the ongoing impacts of the COVID-19 alert level changes.

Reduction in locally raised funds

Under alert levels 4,3, and 2 the school's ability to undertake fund raising events in the community and/ or collect donations or other contributions from parents, may have been compromised. Costs already incurred arranging future events may not be recoverable.

Increased Remote learning additional costs

Under alert levels 4 and 3 ensuring that students have the ability to undertake remote or distance learning often incurs additional costs in the supply of materials and devices to students to enable alternative methods of curriculum delivery.



Analysis of Variance 2021

2021 Analysis of Variance Student Achievement in Mathematics

Our vision: Classroom programmes that reflect a commitment to high quality teaching and learning.							
Achievement target: Increase the number of students who are achieving at or above the expected level for Mathematics.							
Historical/Baseline Data	Teaching / Learning Programmes	Professional Development	Assessment Tools	Review Timeframe	Reporting	Resourcing (Cost)	Additional Support
Numeracy data indicates that student achievement in Mathematics is varied. This is especially so for Māori and Pasifika students	Classroom programmes will focus on developing new teaching methods to address this disparity	Site-based PLD Massey University PLD Contract	NUMPA PAT Jam (Juniors)	End 2022	Milestones to Board / MoE mid and end of years	\$10,000	PLD Budget MOE PLD funding
Action plan		Responsibility		Resources		Outcomes	
Teaching programmes adapted to incorporate Developing Mathematics Inquiry Communities (DMIC) approaches to be used in classes		Principal Leadership & Staff		Massey University MoE Senior Advisor OPPA		Successful application PLD provider secured 2020	
Teacher trialling of Rich Tasks with multi-level grouping		Principal Leadership & Staff		NZ Maths School-based exemplars		Achievement data collated, Review of priority learners for in-class support	
Teacher Inquiry focus on priority learners in each class In class targeted groups		Principal SENCO Leadership & Staff		SEG TFEA		Raised/accelerated achievement for identified in-class priority learners	
Specialist teacher targeted support of priority learners		Specialist Teacher SENCO		Specialist teacher support		Raised/accelerated achievement for identified special support priority learners	
Actual outcomes				Accounting for variance		Implications for future development	
<ul style="list-style-type: none">In 2021 76% of all students are achieving at or above in Maths this is compared to 82% in 202046% of Maori students are not achieving at or above their expected level for Mathematics and Statistics this is compared to 23% in 202033% of Pasifika students are not achieving at or above their expected level for Mathematics and Statistics this is compared to 20% in 2020				<ul style="list-style-type: none">Teachers are changing their practice through new pedagogyWe now analyse across the curriculum instead of just numberUsing different assessment tools and a variety of tools are being used schoolwide		<ul style="list-style-type: none">What children are doing with independent tasks and aligning with planning, delivery and assessmentDeveloping schoolwide assessment tools	

2021 Qualitative Goal: Teaching and Learning in Mathematics

Our vision: Classroom programmes that reflect a commitment to high quality teaching and learning.						
Achievement target: All teachers will complete Massey University Extended Short Course						
Historical/Baseline Data	Teaching / Learning Programmes	Professional Development	Assessment Tools	Review Timeframe	Reporting	Resourcing (Cost)
Teacher knowledge of DMIC maths limited.	Classroom programmes will focus on raising of all children below their expected level	Site based PLD via Peer observation 3x Teacher Only Days	NUMPA PAT	End 2022	Milestones to Board / MoE mid and end of years	\$5000 resources MoE Funded PLD
						Massey University MoE PLD Journal
Action plan		Responsibility		Resources		Outcomes
Teacher Only Days 2021 to focus on Developing Mathematical Inquiry Communities with Massey University		Principal Maths Lead Teachers Leadership & Staff		NZMaths Dr Jodi Hunter Massey Univ. Massey University		Teachers upskilled on the use of DMIC approach
In Class Support Days 2 x Teacher Only Days (March 20 & May 29)		Principal Maths Lead Teachers Leadership & Staff		Dr Jodi Hunter Massey Univ. Massey University Course Resources		Teachers upskilled on the use of DMIC approach
Teacher Inquiry focus on learners in each class In-class targeted groups		Principal SENCO Leadership & Staff		SEG TFEA Interlead Reflective Journals		Raised/accelerated achievement for identified in-class priority learners
Actual outcomes				Accounting for Variance		Implications for the future
<ul style="list-style-type: none"> Year 2 of course completed Teachers focus on multi-level groups All teachers have received a minimum of 6 teacher observations focussing on improving practice for all students 				<ul style="list-style-type: none"> The teachers have received professional development but this has not yet raised achievement as we are looking for long-term change across the school. 		<ul style="list-style-type: none"> Continue into the 3rd year making practice sustainable with open door practice schoolwide Focus facilitated DIMIC groups.

Mornington School 3776

1. Variance Report for KiwiSport Funding 2021

Last financial year the School received **\$3845.53** excl. in Operational funding targeted for KiwiSport.

The aim of the funding is to increase participation in sport for all New Zealand children.

Mornington School worked with Sporting Minds.

Remaining funds have been used to offset the purchase of sports gear.

Carmel Jolly
Principal



Tel: +64 3 218 2959
Toll Free: 0800 182 959
Fax: +64 3 218 2092
invercargill@bdo.co.nz
www.bdo.co.nz

BDO INVERCARGILL
136 Spey Street
P O Box 1206
Invercargill 9840, New Zealand

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF MORNINGTON SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Mornington 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 18, that comprise the statement of financial position as at 31 December 2021, 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 2021; 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 14 June 2022. 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.



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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.



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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 school 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 Members of the Board, Analysis of Variance and Kiwisport paragraph information included on page 2 and on pages 19 to 22, 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