

Gisborne Central School

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

School Address:	7 Central Street, Gisborne
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Ministry Number:	2564

Gisborne Central School

Financial Statements - For the year ended 31 December 2016

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Gisborne Central School

Statement of Responsibility

For the year ended 31 December 2016

The Board of Trustees (the Board) has pleasure in presenting the annual report of Gisborne Central School incorporating the financial statements and the auditor's report, for the year ended 31 December 2016.

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2016 fairly reflects the financial position and operations of the school.

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

BRENT MICHAEL SKELORAKE

Full Name of Board Chairperson



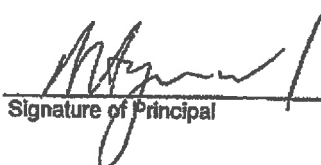
Signature of Board Chairperson

30 May 2017

Date:

Andrew Hayward

Full Name of Principal



Signature of Principal

30 May 2017

Date:

Gisborne Central School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2016

		2016	2016	2015
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	2,681,104	2,670,852	2,439,586
Locally Raised Funds	3	75,381	10,992	58,795
Interest Earned		12,001	20,004	22,973
		<u>2,768,486</u>	<u>2,701,848</u>	<u>2,521,354</u>
Expenses				
Locally Raised Funds	3	46,754	-	37,268
Learning Resources	4	1,987,693	2,023,531	1,854,900
Administration	5	108,959	107,700	98,404
Finance Costs		626	-	-
Property	6	537,262	652,629	437,065
Depreciation	7	74,741	55,000	69,124
		<u>2,756,035</u>	<u>2,838,860</u>	<u>2,496,761</u>
Net Surplus / (Deficit)		12,451	(137,012)	24,593
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>12,451</u>	<u>(137,012)</u>	<u>24,593</u>

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

Gisborne Central School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2016

	Actual 2016 \$	Budget (Unaudited) 2016 \$	Actual 2015 \$
Balance at 1 January	863,233	863,234	826,776
Total comprehensive revenue and expense for the year	12,451	(137,012)	24,593
Owner transactions			
Contribution - Furniture and Equipment Grant	-	-	11,864
Equity at 31 December	875,684	726,222	863,233
 Retained Earnings	 847,684	 698,222	 835,233
Reserves	28,000	28,000	28,000
Equity at 31 December 2016	875,684	726,222	863,233
 Reserves Reconciliation			
Opening Balance	28,000	28,000	28,000
Movement in Reserves for the period	-	-	-
Closing Balance	28,000	28,000	28,000

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

Gisborne Central School
Statement of Financial Position
As at 31 December 2016

	Notes	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Current Assets				
Cash and Cash Equivalents	8	173,613	471,222	685,350
Accounts Receivable	9	90,772	130,000	143,132
GST Receivable		6,299	10,000	15,757
Prepayments		4,873	3,000	3,408
Inventories	10	3,303	2,000	1,902
Investments	11	350,000	-	-
		628,860	616,222	849,549
Current Liabilities				
Accounts Payable	13	114,227	180,000	324,787
Provision for Cyclical Maintenance	14	8,870	10,000	17,512
Finance Lease Liability - Current Portion	15	4,767	-	-
Funds held for Capital Works Projects	16	15,629	-	(35,962)
		143,293	190,000	306,337
Working Capital Surplus or (Deficit)		485,567	426,222	543,212
Non-current Assets				
Property, Plant and Equipment	12	441,061	300,000	333,365
		441,061	300,000	333,365
Non-current Liabilities				
Provision for Cyclical Maintenance	14	32,107	-	2,429
Finance Lease Liability	15	7,813	-	-
Retirement & Long Service Leave Provision		11,023	-	10,915
		50,943	-	13,344
Net Assets		875,684	726,222	863,233
Equity		875,684	726,222	863,233

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

Gisborne Central School
Cash Flow Statement
For the year ended 31 December 2016

		2016	2016	2015
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		568,372	563,204	565,101
Locally Raised Funds		74,963	77	58,865
Goods and Services Tax (net)		9,458	5,757	(26,325)
Payments to Employees		(256,428)	(248,352)	(253,001)
Payments to Suppliers		(451,024)	(569,297)	(394,078)
Interest Paid		(626)	-	-
Interest Received		11,813	20,155	23,055
Net cash from / (to) the Operating Activities		(43,472)	(228,456)	(26,383)
Cash flows from Investing Activities				
Purchase of PPE (and Intangibles)		(182,437)	(21,635)	(93,262)
Purchase of Investments		(350,000)	-	-
Net cash from / (to) the Investing Activities		(532,437)	(21,635)	(93,262)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	11,864
Finance Lease Payments		12,580	-	-
Funds Administered on Behalf of Third Parties		51,591	35,962	(56,117)
Net cash from Financing Activities		64,171	35,962	(44,253)
Net increase/(decrease) in cash and cash equivalents		(511,738)	(214,129)	(163,898)
Cash and cash equivalents at the beginning of the year	8	685,350	685,350	849,249
Cash and cash equivalents at the end of the year	8	173,612	471,221	685,351

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

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

Gisborne Central School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2016

a) Reporting Entity

Gisborne Central School (the School) is a Crown entity as specified in the Crown Entities Act 2004 and a school as described in the Education Act 1989. The Board of Trustees (the Board) is of the view that the School is a public benefit entity for financial reporting purposes.

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2016 to 31 December 2016 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

The Education Act 1989 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as "having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders".

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the Significant Accounting Policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 12.

Critical Judgements in applying accounting policies

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

Classification of leases

The School reviews the details of lease agreements at the end of each reporting date. The School believes the classification of each lease as either operation or finance is appropriate and reflects the nature of the agreement in place. Finance leases are disclosed at note 15.

Recognition of grants

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

c) Revenue Recognition**Government Grants**

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

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

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

Use of land and buildings grants are recorded as revenue in the period the School uses the land and buildings. These are not received in cash by the School as they equate to the deemed expense for using the land and buildings which are owned by the Crown.

Other Grants

Other grants are recorded as revenue when the School has the rights to the funding, unless there are unfulfilled conditions attached to the grant, in which case the amount relating to the unfulfilled conditions is recognised as a liability and released to revenue as the conditions are fulfilled.

Donations, Gifts and Bequests

Donations, gifts and bequests are recorded as revenue when their receipt is formally acknowledged by the School.

Interest Revenue

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

d) Use of Land and Buildings Expense

The property from which the School operates is owned by the Crown and managed by the Ministry of Education on behalf of the Crown. The School's use of the land and buildings as occupant is based on a property occupancy document as gazetted by the Ministry. The expense is based on an assumed market rental yield on the value of land and buildings as used for rating purposes. This is a non-cash expense that is offset by a non-cash grant from the Ministry.

e) Operating Lease Payments

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

f) Finance Lease Payments

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

g) Cash and Cash Equivalents

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

h) Accounts Receivable

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

l) Inventories

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

j) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

The School has met the requirements under section 73 of the Education Act 1989 in relation to the acquisition of securities.

k) Property, Plant and Equipment

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

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

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

Property, plant and equipment acquired with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense.

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

Leased Assets

Leases where the School assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are measured at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Leased assets and corresponding liability are recognised in the Statement of Financial Position and leased assets are depreciated over the period the School is expected to benefit from their use or over the term of the lease.

Depreciation

Property, plant and equipment except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements – Crown	10–75 years
Furniture and equipment	1–15 years
Information and communication technology	3–5 years
Textbooks	3 - 5 years
Library resources	12.5% Diminishing value

l) Intangible Assets

Software costs

Computer software acquired by the School is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance or licensing of software are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software licences with individual values under \$1,000 are not capitalised, they are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

Computer software that the school receives from the Ministry of Education is normally acquired through a non-exchange transaction and is not of a material amount. Its fair value can be assessed at time of acquisition if no other methods lead to a fair value determination. Computer software purchased directly from suppliers at market rates are considered exchange transactions and the fair value is the amount paid for the software.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as five years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

m) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

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

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

n) 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.

o) Employee Entitlements

Short-term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date.

Long-term employee entitlements

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

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

p) Provision for Cyclical Maintenance

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision for cyclical maintenance represents the obligation the Board has to the Ministry and is based on the Board's ten year property plan (10YPP).

q) Financial Assets and Liabilities

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

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.

r) Borrowings

Borrowings are recognised at the amount borrowed. 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 the balance date.

s) 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.

t) Budget Figures

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

u) 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.

	2016	2016	2015
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	504,661	522,208	506,181
Teachers' salaries grants	1,758,255	1,753,171	1,605,196
Use of Land and Buildings grants	354,477	354,477	269,289
Other MoE Grants	44,102	31,000	48,228
Other government grants	19,609	9,996	10,692
	2,681,104	2,670,852	2,439,586

3. Locally Raised Funds

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

	2016	2016	2015
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	7,017	3,996	6,244
Fundraising	20,414	-	12,063
Activities	26,734	-	20,023
Other revenue	1,165	6,996	1,606
Trading	13,706	-	11,774
School fees	6,345	-	7,085
	75,381	10,992	58,795
Expenses			
Activities	27,457	-	19,955
Trading	13,845	-	10,752
Fundraising (costs of raising funds)	5,452	-	6,581
	46,754	-	37,268
Surplus for the year Locally raised funds	28,627	10,992	21,527

	2016	2016	2015
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	53,073	69,520	50,265
Information and communication technology	7,359	6,996	8,200
Library resources	19,941	27,876	24,499
Employee benefits - salaries	1,894,328	1,889,151	1,750,930
Staff development	12,992	29,988	21,006
	1,987,693	2,023,531	1,854,900

	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Audit Fee	5,350	5,000	5,370
Board of Trustees Fees	2,870	4,200	2,745
Board of Trustees Expenses	6,402	7,000	3,852
Communication	4,229	6,000	6,053
Consumables	23,747	29,892	16,249
Operating Lease	11,006	-	12,248
Other	216	504	296
Employee Benefits - Salaries	42,624	42,000	39,670
Insurance	5,699	6,504	5,937
Service Providers, Contractors and Consultancy	6,816	6,600	5,984
	108,959	107,700	98,404

6. Property	2016	2016	2015
	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
Caretaking and Cleaning Consumables	25,537	38,148	23,956
Consultancy and Contract Services	-	93,000	29,110
Cyclical Maintenance Provision	20,836	-	(23,663)
Grounds	599	5,004	11,553
Heat, Light and Water	16,882	15,000	15,513
Rates	7,016	9,996	12,367
Repairs and Maintenance	28,928	57,996	24,501
Use of Land and Buildings	354,477	354,477	269,289
Security	4,816	5,004	5,849
Employee Benefits - Salaries	76,173	74,004	68,580
	537,262	652,629	437,065

The use of land and buildings figure represents 8% of the school's total property value. This is used as a 'proxy' for the market rental of the property. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

For the 30 June 2016 valuation the Ministry of Education continued to revise its valuation methodology, which has improved the accuracy of the valuations of school land and buildings. This has resulted in a significant movement in the use of land and buildings charge for the 2016 year. The improvements in the valuation methodology will be carried forward into future valuations.

	2016	2016 Budget (Unaudited)	2015
	Actual \$	\$	Actual \$
Buildings - School	3,227	3,000	2,864
Furniture and Equipment	24,777	19,000	21,638
Information and Communication Technology	43,669	30,000	42,041
Library Resources	3,068	3,000	2,681
	<u>74,741</u>	<u>55,000</u>	<u>69,124</u>

	2016	2016 Budget (Unaudited)	2015
	Actual \$	\$	Actual \$
Cash on Hand	100	-	100
Bank Current Account	51,947	71,222	145,166
Bank Call Account	121,566	400,000	540,084
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	<u>173,613</u>	<u>471,222</u>	<u>685,350</u>

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

Of the \$173,613 Cash and Cash Equivalents, \$15,629 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2017 on Crown owned school buildings under the School's Five Year Property Plan.

	2016	2016 Budget (Unaudited)	2015
	Actual \$	\$	Actual \$
Receivables	526	-	-
Interest Receivable	339	-	151
Teacher Salaries Grant Receivable	<u>89,907</u>	<u>130,000</u>	<u>142,981</u>
	<u>90,772</u>	<u>130,000</u>	<u>143,132</u>
Receivables from Exchange Transactions	865	-	151
Receivables from Non-Exchange Transactions	<u>89,907</u>	<u>130,000</u>	<u>142,981</u>
	<u>90,772</u>	<u>130,000</u>	<u>143,132</u>

10. Inventories

	2016	2016 Budget (Unaudited)	2015
	Actual \$	\$	Actual \$
Stationery	1,112	1,000	767
School Uniforms	<u>2,191</u>	<u>1,000</u>	<u>1,135</u>
	<u>3,303</u>	<u>2,000</u>	<u>1,902</u>

11. Investments

The School's investment activities are classified as follows:

	2016	2016 Budget (Unaudited)	2015
	Actual \$	\$	Actual \$
Current Asset			
Short-term Bank Deposits	<u>350,000</u>		

The carrying value of long term deposits longer than 12 months approximates their fair value at 31 December 2016.

12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Buildings	59,627	111,766			(3,227)	168,166
Furniture and Equipment	136,762	34,140			(24,777)	146,125
Information and Communication Textbooks	118,904	30,064			(43,669)	105,299
Library Resources	18,072	9,675	(3,208)		(3,068)	21,471
Balance at 31 December 2016	333,365	185,645	(3,208)	-	(74,741)	441,061

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Buildings	207,255	(39,089)	168,166
Furniture and Equipment	631,126	(485,002)	146,125
Information and Communication Textbooks	732,320	(627,021)	105,299
Library Resources	26,207	(26,207)	-
	92,418	(70,946)	21,471
Balance at 31 December 2016	1,689,326	(1,248,265)	441,061

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2015						
Buildings	62,491	-			(2,864)	59,627
Furniture and Equipment	107,909	50,492			(21,638)	136,763
Information and Communication Technology Textbooks	113,649	47,295			(42,041)	118,903
Library Resources	25,178	1,625	(6,150)		(2,581)	18,072
Balance at 31 December 2015	309,227	99,412	(6,150)	-	(69,124)	333,365

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2015			
Buildings	95,489	(35,862)	59,627
Furniture and Equipment	596,987	(460,225)	136,762
Information and Communication Textbooks	702,256	(583,352)	118,904
Library Resources	26,207	(26,207)	-
	100,598	(82,526)	18,072
Balance at 31 December 2015	1,521,537	(1,188,172)	333,365

	2016	2016	2015
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operating Creditors	19,288	30,000	177,257
Accruals	(1,778)	10,000	(1,819)
Employee Benefits Payable - Salaries	89,907	130,000	142,981
Employee Benefits Payable - Leave Accrual	6,810	10,000	6,368
	<u>114,227</u>	<u>180,000</u>	<u>324,787</u>

Payables for Exchange Transactions	114,227	180,000	324,787
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>114,227</u>	<u>180,000</u>	<u>324,787</u>

The carrying value of payables approximates their fair value.

14. Provision for Cyclical Maintenance

	2016	2016	2015
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	19,941	19,941	137,104
Increase to the Provision During the Year	20,836	-	(23,663)
Adjustment to the Provision	-	-	-
Use of the Provision During the Year	-	(9,941)	(93,500)
Provision at the End of the Year	<u>40,777</u>	<u>10,000</u>	<u>19,941</u>
Cyclical Maintenance - Current	8,670	10,000	17,512
Cyclical Maintenance - Term	32,107	-	2,429
	<u>40,777</u>	<u>10,000</u>	<u>19,941</u>

15. Finance Lease Liability

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

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
No Later than One Year	4,767	-	-
Later than One Year and no Later than Five Years	7,813	-	-
Later than Five Years	-	-	-
	<u>12,580</u>	<u>-</u>	<u>-</u>

16. Funds Held for

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

	2016	Opening Balances	Receipts from MoE \$	Payments \$	BOT Contribution \$	Transfer to R & M \$	Closing Balances \$
B Block Upgrade - Stage 2	<i>completed</i>	(35,962)	300,940	(343,420)	78,283	159	-
Swimming Pool Drainage	<i>in progress</i>	-	15,629	-	-	-	15,629
Totals		<u>(35,962)</u>	<u>316,569</u>	<u>(343,420)</u>	<u>78,283</u>	<u>159</u>	<u>15,629</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

Funds Due from the Ministry of Education

15,629

15,629

	2015	Opening Balances	Receipts from MoE \$	Payments \$	BOT Contribution \$	Transfer to R & M \$	Closing Balances \$
B Block Upgrade	<i>completed</i>	124,016	456,288	(577,843)	-	(2,462)	-
B Block Upgrade - Stage 2	<i>in progress</i>	-	100,000	(135,962)	-	-	(35,962)
Totals		<u>124,016</u>	<u>556,288</u>	<u>(713,805)</u>	<u>-</u>	<u>(2,462)</u>	<u>(35,962)</u>

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.

18. Remuneration

Key management personnel compensation

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

	2016 Actual \$	2015 Actual \$
Board Members		
Remuneration	2,870	2,745
Full-time equivalent members	0.06	0.09
Leadership Team		
Remuneration	473,686	477,006
Full-time equivalent members	5.00	5.00
	<u>476,556</u>	<u>479,751</u>
	<u>5.06</u>	<u>5.09</u>

The full time equivalent for Board members has been determined based on attendance at Board meetings, Committee meetings and for other obligations of the Board, such as stand downs and suspensions, plus the estimated time for Board members to prepare for meetings.

Principal

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

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

Other Employees

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

Remuneration \$000	2016 FTE Number	2015 FTE Number
110 - 120	-	-
100 - 110	-	-
	<u>0</u>	<u>0</u>

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

19. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2016 (Contingent liabilities and assets at 31 December 2015: nil).

20. Commitments

(a) Capital Commitments

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

a) \$3,803 contract for Breakout Room Doors.

b) \$13,902 contract for the Swimming Pool Drainage project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$15,629 has been received. This project has been approved by the Ministry.

(Capital commitments at 31 December 2015: \$419,782 contract for the stage 2 upgrade of B block as agent for the Ministry of Education. This project is fully funded by the Ministry and \$100,000 has been received. \$133,527 has been spent on the project to balance date. This project has been approved by the Ministry. This project was subsequently completed in the 2016 year).

(b) Operating Commitments

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

(a) operating lease of a photocopier;

No later than One Year
Later than One Year and No Later than Five Years
Later than Five Years

2016 Actual \$	2015 Actual \$
941	11,294
-	941
-	-
941	12,235

(b) operating lease of laptops;

No later than One Year
Later than One Year and No Later than Five Years
Later than Five Years

2016 Actual \$	2015 Actual \$
486	1,683
138	623
-	-
624	2,306

21. Managing Capital

The School's capital is its equity and comprises capital contributions from the Ministry of Education for property, plant and equipment and accumulated surpluses and deficits. The School does not actively manage capital but "attempts" to ensure that income exceeds spending in most years. Although deficits can arise as planned in particular years, they are offset by planned surpluses in previous years or ensuing years.

22. Financial Instruments

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

Cash and receivables

	2016 Actual \$	2016 Budget (Unaudited) \$	2015 Actual \$
Cash and Cash Equivalents	173,613	471,222	685,350
Receivables	90,772	130,000	143,132
Investments - Term Deposits	350,000	-	-
Total Cash and Receivables	614,385	601,222	828,482

Financial liabilities measured at amortised cost

Payables	114,227	180,000	324,787
Borrowings - Loans	-	-	-
Finance Leases	12,580	-	-
Total Financial Liabilities Measured at Amortised Cost	126,807	180,000	324,787

23. Events After Balance Date

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

Kiwisport

Kiwisport is a government funding initiative to support students’ participation in organised sport. In 2016, the school received total Kiwisport funding of \$5,394.14 (excluding GST). The funding was spent on increasing students participating in sport.

Gisborne Central School Analysis of Variance 2016

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STRATEGIC AIM 1: Enhancement of Student Achievement. STRATEGIC AIM 2: Student achievement enhanced by an effective learning community
STRATEGIC AIM 3: Student achievement enhanced by effective conditions

Annual Goal 1

To better the 2015 achievement of 'at' or 'above' the standard in Reading, Writing and Mathematics.

BASELINE DATA 2015 National standards.

READING

Analysis of the school-wide data in Reading at the end of 2015 showed the following:

All pupils (380 chn)

- 82% of students achieved at or above
- 77% Māori at or above

WRITING

Analysis of the school-wide data in Writing at the end of 2015 showed the following:

All pupils (380 chn)

- 78.5 % of students achieved at or above
- 70.8% Māori at or above

MATHEMATICS

Analysis of the school-wide data in Mathematics at the end of 2015 showed the following:

All pupils (380 chn)

- 73.7% of students achieved at or above
- 63.7% Māori at or above

2016 Annual Targets

ANNUAL TARGETS FOR READING:

- To accelerate the progress of students working 'below' and 'well below' to improve the number of students achieving 'at' or 'above' to 85% or better.
- To accelerate the cohort of after 1 year at school children and improve the working at and above to 85%.

ANNUAL TARGETS FOR WRITING:

- To accelerate the progress of students working 'below' and 'well below' to improve the number of students achieving 'at' or 'above' to 85% or better.
- To move the achievement of males from 31% 'below' to less than 15% 'below'.
- To accelerate the achievement of male Māori from 37% below to less than 20% below
- To accelerate the after 2 years at school cohort to improve the number of students achieving at or above to 80%

ANNUAL TARGETS FOR MATHEMATICS:

- To accelerate the progress of students working 'below' and 'well below' to improve the number of students achieving 'at' or 'above' to 85% or better.
- To accelerate the achievement of females (especially Māori females) and close the gap between females and males achieving 'at' or 'above'

ANNUAL TARGETS FOR MĀORI :

- To accelerate to progress of the Māori students 'below' and 'well below' to improve the number achieving 'at' or 'above' to:
 - 85% or better in reading
 - 85% or better in writing
 - 85% or better in maths

What did we do?

AREAS OF EFFECTIVE SCHOOL-WIDE PRACTICE IN TEACHING READING:

- Teacher use of diagnostic and summative assessment tools (PROBE/seen texts/e-asTTie, ARB's) to identify next steps in learning
- Teacher focus on unpacking of data from tests to assist in next steps identification
- Children taught in groups addressing current needs
- Effective use of WALF's (we are learning to) and WALF's (we are looking for)
- Self and peer assessment used regularly
- Early identification of student needs and close tracking
- Teachers using a variety of strategies and aware of best practices
- Varied programmes in place to hook in children and address needs eg curiosity kits, book packs, Resource Teacher of literacy, Independent readers, Lexia, Rainbow Reading
- Use of plenary to identify next learning.
- Regular professional development and discussions.
- Teachers implement effective feedback/ feed forward
- Students use of self and peer assessment
- Using technology to enhance learning

AREAS IDENTIFIED FOR FURTHER IMPROVEMENTS:

- Continued refining processes for moderation of reading overall teacher judgements for across school consistency
- Induction of new teachers into the formative assessment practices
- Revisit taking and analysing running records to ensure consistency.
- Students becoming more active in the co construction of Success Criteria

Actions to achieve target:

	Led by	Timeframe
Reading Target groups tracked	Julie	Termly
Regular discussions at syndicate level about target students – specifically strategies used to move students	Syndicate leaders	Termly
Lexia Reading programme in place for targeted children	Julie	All year – reviewed reg
Rainbow reading targeted to specific children	Gail C	All year – reviewed reg
360 Review of reading	Leadership team	T1 and 2
Analysis of needs – especially children working below. Look for patterns and trends across syndicates.	LT	Termly
Resourcing		
- substantial professional learning budget		
Review		
- achievement against targets in June/December		
- achievement of Māori against targets in June/December		

AREAS OF EFFECTIVE SCHOOL-WIDE PRACTICE IN TEACHING WRITING:	AREAS IDENTIFIED FOR FURTHER IMPROVEMENTS:
<ul style="list-style-type: none"> Teachers plan and focus on goals together Exemplars are used (& models of good writing to show expectations) Co-construction of success criteria with students developing – aimed at their level Identifying next steps in learning – pink for think green for WALF achieved Use of plenary to identify next learning. Regular professional development and discussions. Teaching is specific Learning intentions are explicit about the learning, not the activity Teachers implement effective feedback/ feed forward Moderation of student writing by all staff to develop consistency and confidence in making overall teacher judgements Students use of self and peer assessment Class environments value learning and provide models. Teacher aides are integrated into the class programme Using the strengths and interests of children (we know our kids best) to promote engagement (curiosity – resources to ignite the spark) 	<ul style="list-style-type: none"> Hooking boys into writing Consistency in using the formative assessment model across the school. Ensure new teachers are inducted We need to reflect on our Teacher modelling, making sure that each stage of the writing process is being modelled and draw on 'high quality' writing from a range of sources. Students need to be more active in the construction of success criteria. Children using the child speak writing rubric for next learning steps. Using technology to effectively support learning.

Actions to achieve targets:	Led by	Timeframe
Targeted programmes for boys created eg Boys Writing group (particularly Maori) – programme developed to hook them in - Lots of modelling and good exemplars.	Lead team	All year – reviewed Termly
Ensure teaching of writing includes modelling of and exposure to rich language and writing.	Syndicate leaders	All year
Ensure provision of concrete experiences for the students to write about – language experience	Syndicate leaders	Termly
Analysis of needs – especially children working below. Look for patterns and trends across syndicates? Ensure teaching programmes explicitly target areas of need.	LT	Termly
Investigate PLD opportunities about boys / Māori boys writing	LT	ASAP
Resourcing		
- substantial Professional learning budget		
Review		
- achievement against targets in June/December		
- achievement of Māori against targets in June/December		

AREAS OF EFFECTIVE SCHOOL-WIDE PRACTICE IN TEACHING MATHS:	AREAS IDENTIFIED FOR FURTHER IMPROVEMENTS:
<ul style="list-style-type: none"> Teachers use WALT's (we are learning to) and WALF's (we are looking for) to ensure learning for the children is clear Children grouped according to needs Regular use of diagnostic testing to inform teaching Regular professional development and discussions. Collaborative staff – sharing of ideas / resources Lead team involved in external professional development through Advisors Plus Consistency in use of modelling using materials 	<ul style="list-style-type: none"> Continue refinement of moderation processes Continue to build on teacher knowledge of stages and moving children on. Teacher knowledge of rich tasks Integration across curriculum Identification of needs in other strands Using Plenary

Actions to achieve target:	Led by	Timeframe
Lead teachers of math have at least 2 staff meetings a term focussing on good practice.	LT of Maths	
Teachers share examples of their practice at Staff + syndicate meetings	LT of Maths	
Opportunities provided to teachers to observe good practice within the school	Lead Team	
Use 2015 EOY PAT data to inform teaching	Syndicate Leader	
Analysis of needs – especially children working below. Look for patterns and trends across syndicates?	Lead Team	
Ensure teaching programmes explicitly target areas of need.		
Investigate PLD opportunities about girls / Māori girls maths	Lead Team	
Resourcing		
- 2 Leadership units designated for Maths Leadership		
- substantial professional learning budget		
Review		
- achievement against targets in June/December		
- achievement of Māori against targets in June/December		

How did we do - outcomes

2016 Goal - Reading		% At and above	% At and above	% At and above
To better the 2015 achievement of 'at' or 'above' the standard in Reading		2015 result 384 chn	2016 result 378 chn	Cohorted 327 chn
Reading -all students		80	84	85
Reading Māori students		75	74	76
To accelerate the cohort of after 1 year at school children and improve the working at and above to 85%.		61		85
To accelerate the progress of students working 'below' and 'well below' to improve the number of students achieving 'at' or 'above' to 85% or better. (MOE GOAL)		ALL Students	% At and above 84	% At and above 85
		Maori	74	76

2016 Goal - Writing		% At and above	% At and above	% At and above
To better the 2015 achievement of 'at' or 'above' the standard in Writing		2015 result 384 chn	2016 result 378 chn	Cohorted 327 chn
Writing -all		78	72	72
Writing Māori		70	59	63
To accelerate the progress of students working 'below' and 'well below' to improve the number of students achieving 'at' or 'above' to 85% or better. (MOE GOAL)		All	72	72
To move the achievement of males from 31% 'below' to less than 15% 'below'.		Maori 113 / 92 31	59 33	63 34
To accelerate the after 2 years at school cohort to improve the number of students achieving at or above to 80%		60 (39/65chn)		59 (29/49chn)

2016 Goal- Mathematics			
To better the 2015 achievement of 'at' or 'above' the standard in Mathematics	% At and Above	% At and Above	% At and Above
Mathematics -all	2015 result 384 chn	2016 result 378 chn	Cohorted 327 chn
Mathematics- Māori	73	76	76
To accelerate the progress of students working 'below' and 'well below' to improve the number of students achieving 'at' or 'above' to 85% or better. (MOE GOAL)	63	63	65
	All students	76	76
To accelerate the achievement of females (especially Māori females) and close the gap between females and males achieving 'at' or 'above'	Maori students	63	65
Gap between all boys and girls	2015 girls -5%	2016 girls 0	Cohort girls +3
Gap between Māori boys and girls	-15%	-18%	-15%

Key Points:

Reading

We achieved out target of "bettering" our achievement of at and above from the previous year.

Māori are still slightly over represented in students that are working below

After one year at school children are over represented as not making the standard, however cohorted information over years show that by the end of year 2 many of the children have had accelerated progress and learning where they should be. At year 6, 90% of our students are at or above the standard.

Writing

Writing continues to be a challenge with student success dipping across all areas.

Boys will continue to be our target group with few having accelerated progress.

Maths

We achieved our target of marginally "bettering" our achievement of at and above from the previous year.

Māori are overrepresented in children working below standard.

Although the gap has closed between boys and girls achievement, the gap has remained the same between Māori boys and girls.

So what are we going to do differently this year to support our students to make accelerated progress?

Develop coach position – the biggest impact on student achievement is the quality of the teacher. To support our teachers to be the best they can be Central School has created a released staff member (new Deputy Principal) whose main role is to support and help teachers grow in their profession.

Mathematics expert support – A mathematics expert teacher has been employed one day a week to support teachers and teacher aides within their classes. Her role will include modelling good practice, helping develop programmes, observing and feeding back from teacher growth.

Komiti Awhina Whanau Group - Utilise the skills within the Komiti Awhina to engage closely with our Māori community ... what are we going to do differently for our Māori children who are not having learning success.

Strengthen connections with ECE's – Our Student Entry Assessments have shown trends that our students do not have the same skills coming through the door. A closer connection with our contributing ECE's may help support our students to give them a great start.

Targeted Professional Learning – Each Syndicate has access to a professional learning budget for their team. Needs for priority learners within their team will be identified, prioritised, and a PLD plan put in place.

Define our priority learners and develop action plans to support them.

Seek examples of good practice to use as models – within teams, across school, between schools.

GISBORNE CENTRAL SCHOOL BOARD OF TRUSTEES



2016 – Current Trustees

Name	Occupation	Elected	Term Expiry
William Veltch	Director, Bay Trade	June 2016	May 2019
Mike Callaghan	Accountant	June 2016	May 2019
Lena Bevan	Youth Worker	June 2016	May 2019
Abi Douglas	Nurse	June 2016	May 2019
Brent Sheldrake	CEO, Sport Tairawhiti	June 2016	May 2019
Jill Fisher	Teacher, Staff Representative	June 2016	May 2019
Andy Hayward	Principal	April 2012	
Gail Kirkland	School Secretary	May 2011	

Trustees - Term Expired in 2016

Name	Occupation	Elected	Term Expiry
Karen Grimson	Accountant	June 2013	2016
Rebecca Swann	Accountant	June 2013	2016
Matt Skuse	Creative Director, Eastland Trader	June 2013	2016
Sue McIntyre	Teacher, Staff Representative	June 2013	2016



INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Gisborne Central School (the School). The Auditor-General has appointed me, Victoria Jane Lawson, using the staff and resources of PricewaterhouseCoopers, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2016, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2016; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued in New Zealand (PBE Standards RDR).

Our audit was completed on 30 May 2017. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of the Board of Trustees for the financial statements

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information included within the Analysis of Variance 2016, Kiwisport, the Board of Trustees which form part of the Annual Report, but does not include the financial statements, and our auditor's report thereon.

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

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

**Independence**

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

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

A handwritten signature in black ink, appearing to read 'V. J. Lawson'.

Victoria Jane Lawson
PricewaterhouseCoopers
On behalf of the Auditor-General
Napier, New Zealand