

WAIAU AREA SCHOOL



FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

School Address:	47 Orawia Road, Tuatapere
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WAIAU AREA SCHOOL

Financial Statements - For the year ended 31 December 2017

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Waiau Area School

Statement of Responsibility

For the year ended 31 December 2017

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2017 fairly reflects the financial position and operations of the school.

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

Rayne Chahi

Full Name of Board Chairperson

ANDREW PARDOE-BURNETT

Full Name of Principal

[Signature]

Signature of Board Chairperson

[Signature]

Signature of Principal

29-05-2018

Date:

29-5-2018

Date:

Waiau Area School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget (Unaudited)	Actual
		\$	\$	\$
Revenue				
Government Grants	2	1,648,959	2,069,819	1,490,836
Locally Raised Funds	3	68,517	51,060	73,598
Interest Earned		5,522	4,000	4,638
Gain on Sale of Property, Plant and Equipment		5,304	-	16,903
		<u>1,728,302</u>	<u>2,124,879</u>	<u>1,585,975</u>
Expenses				
Locally Raised Funds	3	11,824	2,000	9,271
Learning Resources	4	1,079,789	1,427,049	888,622
Administration	5	104,515	149,276	140,141
Finance Costs		824	-	-
Property	6	399,536	510,359	423,608
Depreciation	7	41,722	33,000	38,188
		<u>1,638,210</u>	<u>2,121,684</u>	<u>1,499,830</u>
Net Surplus / (Deficit)		90,092	3,195	86,145
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>90,092</u>	<u>3,195</u>	<u>86,145</u>



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

Waiau Area School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2017

	Actual 2017 \$	Budget (Unaudited) 2017 \$	Actual 2016 \$
Balance at 1 January	706,020	706,020	676,852
Total comprehensive revenue and expense for the year	90,092	3,195	86,145
Capital Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	-	-	8,625
Contribution - SNUP	9,705	-	-
Distribution on sale of property	-	-	(65,602)
Equity at 31 December	805,817	709,215	706,020
Retained Earnings	805,817	709,215	706,020
Equity at 31 December	805,817	709,215	706,020



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

Waiau Area School
Statement of Financial Position
As at 31 December 2017

		2017	2017	2016
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
Current Assets				
Cash and Cash Equivalents	8	435,045	269,277	233,082
Accounts Receivable	9	110,276	54,018	54,018
GST Receivable		2,580	11,148	11,148
Prepayments		6,538	5,802	5,802
Investments	10	153,234	100,000	100,000
Funds owing for Capital Works Projects	16	-	14,170	14,170
		<u>707,673</u>	<u>454,415</u>	<u>418,220</u>
Current Liabilities				
Accounts Payable	12	76,339	80,206	80,206
Revenue Received in Advance	13	2,748	1,311	1,311
Provision for Cyclical Maintenance	14	20,205	18,000	18,000
Finance Lease Liability - Current Portion		16,041	11,988	11,988
Funds held for Capital Works Projects	16	242,328	-	-
		<u>357,661</u>	<u>111,505</u>	<u>111,505</u>
Working Capital Surplus/(Deficit)		350,012	342,910	306,715
Non-current Assets				
Property, Plant and Equipment	11	506,120	437,306	470,306
		<u>506,120</u>	<u>437,306</u>	<u>470,306</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	35,693	50,022	50,022
Finance Lease Liability		14,622	20,979	20,979
		<u>50,315</u>	<u>71,001</u>	<u>71,001</u>
Net Assets		<u>805,817</u>	<u>709,215</u>	<u>706,020</u>
Equity		<u>805,817</u>	<u>709,215</u>	<u>706,020</u>

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



Waiau Area School
Statement of Cash Flows
For the year ended 31 December 2017

		2017	2017	2016
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
		\$	\$	\$
Cash flows from Operating Activities				
Government Grants		490,094	422,085	511,340
Locally Raised Funds		54,994	100,385	122,923
Goods and Services Tax (net)		8,568	(38,396)	(38,853)
Payments to Employees		(190,888)	(207,202)	(239,209)
Payments to Suppliers		(299,316)	(13,595)	(261,107)
Cyclical Maintenance Payments in the Year		(4,416)	(13,000)	-
Interest Received		5,318	3,707	4,345
Net cash from / (to) the Operating Activities		64,354	253,984	99,439
Cash flows from Investing Activities				
Proceeds from Sale of PPE (and Intangibles)		-	-	1,885
Purchase of PPE (and Intangibles)		(59,748)	60,843	(10,225)
Purchase of Investments		(53,234)	(45,061)	(45,061)
Proceeds from Sale of Investments		-	-	-
Net cash from / (to) the Investing Activities		(112,982)	15,782	(53,401)
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	8,626
Finance Lease Payments		(15,612)	(12,219)	(12,219)
Funds Held for Capital Works Projects		256,498	(221,352)	(221,352)
Net cash from Financing Activities		240,886	(233,571)	(224,945)
Net increase/(decrease) in cash and cash equivalents		<u>192,258</u>	<u>36,195</u>	<u>(178,906)</u>
Cash and cash equivalents at the beginning of the year	8	233,082	233,082	411,988
Cash and cash equivalents at the end of the year	8	<u>425,340</u>	<u>269,277</u>	<u>233,082</u>

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.



Waiau Area School

Notes to the Financial Statements

1. Statement of Accounting Policies

For the year ended 31 December 2017

1.1. Reporting Entity

Waiau Area 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.

1.2. Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2017 to 31 December 2017 and in accordance with the requirements of the Public Finance Act 1989.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Useful lives of property, plant and equipment

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



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.

1.3. Revenue Recognition

Government Grants

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

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

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

1.4. Use of Land and Buildings Expense

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

1.5. Operating Lease Payments

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

1.6. Finance Lease Payments

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

1.7. Cash and Cash Equivalents

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



1.8. Accounts Receivable

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.

1.9. Investments

Bank term deposits for periods exceeding 90 days are classified as investments and are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. After initial recognition bank term deposits are measured at amortised cost using the effective interest method less impairment.

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards. Share investments are recognised initially by the School at fair value plus transaction costs. At balance date the School has assessed whether there is any evidence that an investment is impaired. Any impairment, gains or losses are recognised in the Statement of Comprehensive Revenue and Expense.

After initial recognition any investments categorised as available for sale are measured at their fair value without any deduction for transaction costs the school may incur on sale or other disposal.

The School has met the requirements under section 28 of schedule 6 of the Education Act 1989 in relation to the acquisition of securities.

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.

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	10–40 years
Furniture and equipment	10 years
Information and communication technology	5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	3 years
Library resources	12.5% Diminishing value



1.11. Impairment of property, plant and equipment and intangible assets

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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. Employment Entitlements

Short-term employee entitlements

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

These include salaries and wages accrued up to balance date, 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

1.14. Revenue Received in Advance

Revenue received in advance relates to fees received from students 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. Provision for Cyclical Maintenance

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

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



1.16. Financial Assets and Liabilities

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

Investments that are shares are categorised as "available for sale" for accounting purposes in accordance with financial reporting standards.

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

1.17. 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.

1.18. Budget Figures

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

1.19. 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

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Operational grants	417,932	400,412	446,122
Teachers' salaries grants	919,122	1,300,000	776,308
Use of Land and Buildings grants	198,448	325,186	203,188
Other MoE Grants	94,683	29,821	39,133
Other government grants	18,774	14,400	26,085
	<u>1,648,959</u>	<u>2,069,819</u>	<u>1,490,836</u>

3. Locally Raised Funds

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

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Revenue			
Donations	10,914	500	-
Fundraising	707	-	3,903
Other revenue	40,673	49,060	54,828
Trading	3	-	174
Activities	15,842	1,500	14,693
Curriculum Recoveries	378	-	-
	<u>68,517</u>	<u>51,060</u>	<u>73,598</u>
Expenses			
Activities	6,871	-	5,073
Trading	693	-	890
Fundraising (costs of raising funds)	-	-	2,473
Other Locally Raised Funds Expenditure	4,260	2,000	835
	<u>11,824</u>	<u>2,000</u>	<u>9,271</u>
<i>Surplus for the year Locally raised funds</i>	<u>56,693</u>	<u>49,060</u>	<u>64,327</u>

4. Learning Resources

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Curricular	69,876	44,364	39,483
Equipment repairs	824	-	-
Information and communication technology	3,691	10,838	6,904
Extra-curricular activities	-	-	4,208
Library resources	972	500	124
Employee benefits - salaries	999,547	1,366,347	831,129
Staff development	4,879	5,000	6,774
	<u>1,079,789</u>	<u>1,427,049</u>	<u>888,622</u>



5. Administration

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,671	5,586	5,244
Board of Trustees Fees	2,805	2,500	3,510
Board of Trustees Expenses	23,531	35,700	4,283
Communication	5,224	4,000	5,002
Consumables	3,780	7,350	3,202
Operating Lease	3,722	12,800	4,432
Other	11,302	13,140	22,179
Employee Benefits - Salaries	39,789	60,700	86,522
Insurance	3,358	3,000	-
Service Providers, Contractors and Consultancy	5,333	4,500	5,767
	<u>104,515</u>	<u>149,276</u>	<u>140,141</u>

6. Property

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	3,064	4,900	5,787
Cyclical Maintenance Provision	13,246	13,000	13,000
Grounds	3,588	2,800	-
Heat, Light and Water	24,517	47,000	40,911
Rates	1,227	4,400	4,724
Repairs and Maintenance	94,388	35,773	75,112
Use of Land and Buildings	198,448	325,186	203,188
Security	3,137	1,300	9,265
Employee Benefits - Salaries	66,751	76,000	71,621
	<u>399,536</u>	<u>510,359</u>	<u>423,608</u>

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

7. Depreciation of Property, Plant and Equipment

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Building Improvements	12,351	12,000	14,574
Furniture and Equipment	9,114	4,000	4,389
Information and Communication Technology	4,265	4,000	4,977
Motor Vehicles	2,432	3,000	3,696
Leased Assets	12,197	9,000	9,775
Library Resources	1,363	1,000	777
	<u>41,722</u>	<u>33,000</u>	<u>38,188</u>



8. Cash and Cash Equivalents

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Bank Current Account	383,434	269,277	233,082
Bank Call Account	51,611	-	-
Net cash and cash equivalents and bank overdraft for Cash Flow Statement	435,045	269,277	233,082

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

Of the \$435,045 Cash and Cash Equivalents, \$242,328 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2018 on Crown owned school buildings under the School's Five Year Property Plan.

9. Accounts Receivable

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Receivables	15,297	337	337
Receivables from the Ministry of Education	44,800	3,505	3,505
Interest Receivable	716	512	512
Teacher Salaries Grant Receivable	49,463	49,664	49,664
	110,276	54,018	54,018
Receivables from Exchange Transactions	16,013	849	849
Receivables from Non-Exchange Transactions	94,263	53,169	53,169
	110,276	54,018	54,018

10. Investments

The School's investment activities are classified as follows:

	2017	2017	2016
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	153,234	100,000	100,000



11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2017						
Land	23,600	-	-	-	-	23,600
Building Improvements	373,658	17,562	-	-	(12,351)	378,869
Furniture and Equipment	31,260	28,636	-	-	(9,114)	50,782
Information and Communication	4,599	13,378	-	-	(4,265)	13,712
Motor Vehicles	2,432	-	-	-	(2,432)	-
Leased Assets	29,326	12,484	-	-	(12,197)	29,613
Library Resources	5,431	6,672	(1,196)	-	(1,363)	9,544
Balance at 31 December 2017	470,306	78,732	(1,196)	-	(41,722)	506,120

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2017			
Land	23,600	-	23,600
Building Improvements	580,455	(201,586)	378,869
Furniture and Equipment	250,045	(199,263)	50,782
Information and Communication	135,454	(121,742)	13,712
Motor Vehicles	18,474	(18,474)	-
Leased Assets	61,360	(31,747)	29,613
Library Resources	35,736	(26,192)	9,544
Balance at 31 December 2017	1,105,124	(599,004)	506,120

The net carrying value of equipment held under a finance lease is \$29,613 (2016: \$29,326)

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2016						
Land	23,600	-	-	-	-	23,600
Building Improvements	435,122	-	(46,890)	-	(14,574)	373,658
Furniture and Equipment	27,309	8,340	-	-	(4,389)	31,260
Information and Communication	9,576	-	-	-	(4,977)	4,599
Motor Vehicles	6,128	-	-	-	(3,696)	2,432
Leased Assets	39,101	-	-	-	(9,775)	29,326
Library Resources	8,017	-	(1,809)	-	(777)	5,431
Balance at 31 December 2016	548,853	8,340	(48,699)	-	(38,188)	470,306

	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$
2016			
Land	23,600	-	23,600
Building Improvements	559,759	(186,101)	373,658
Furniture and Equipment	213,849	(182,589)	31,260
Information and Communication	122,075	(117,476)	4,599
Motor Vehicles	18,473	(16,041)	2,432
Leased Assets	48,876	(19,550)	29,326
Library Resources	78,818	(73,387)	5,431
Balance at 31 December 2016	1,065,450	(595,144)	470,306



12. Accounts Payable

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operating creditors	17,528	19,747	19,747
Accruals	7,552	5,076	5,076
Employee Entitlements - salaries	49,463	49,664	49,664
Employee Entitlements - leave accrual	1,796	5,719	5,719
	<u>76,339</u>	<u>80,206</u>	<u>80,206</u>
Payables for Exchange Transactions	76,339	80,206	80,206
	<u>76,339</u>	<u>80,206</u>	<u>80,206</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Other	2,748	1,311	1,311
	<u>2,748</u>	<u>1,311</u>	<u>1,311</u>

14. Provision for Cyclical Maintenance

	2017	2017	2016
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Provision at the Start of the Year	68,022	68,022	64,279
Increase to the Provision During the Year	13,246	-	13,000
Adjustment to the Provision	(8,830)	-	-
Use of the Provision During the Year	(16,540)	-	(9,257)
Provision at the End of the Year	<u>55,898</u>	<u>68,022</u>	<u>68,022</u>
Cyclical Maintenance - Current	20,205	18,000	18,000
Cyclical Maintenance - Term	35,693	50,022	50,022
	<u>55,898</u>	<u>68,022</u>	<u>68,022</u>



15. Finance Lease Liability

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

	2017 Actual \$	2017 Budget (Unaudited) \$	2016 Actual \$
No Later than One Year	16,819	11,988	11,988
Later than One Year and no Later than Five Years	15,030	20,979	20,979
Later than Five Years	-	-	-
	<u>31,849</u>	<u>32,967</u>	<u>32,967</u>

16. Funds Held for Capital Works

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

	2017	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Tech Block Upgrade	<i>In progress</i>	(14,170)	7,966	-	6,204	-
Rationalisation	<i>In progress</i>	-	325,000	82,672	-	242,328
Totals		<u>(14,170)</u>	<u>332,966</u>	<u>82,672</u>	<u>6,204</u>	<u>242,328</u>

Represented by:

Funds Held on Behalf of the Ministry of Education

242,328

Funds Due from the Ministry of Education

-

242,328

	2016	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contribution/ (Write-off to R&M)	Closing Balances \$
Tech Block Upgrade	<i>In progress</i>	207,182	328,684	521,697	-	14,170
Totals		<u>207,182</u>	<u>328,684</u>	<u>521,697</u>	<u>-</u>	<u>14,170</u>

17. 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.



18. Remuneration

Key management personnel compensation

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

	2017 Actual \$	2016 Actual \$
<i>Board Members</i>		
Remuneration	2,805	3,510
Full-time equivalent members	0.14	0.11
<i>Leadership Team</i>		
Remuneration	441,460	261,969
Full-time equivalent members	4.00	2.75
Total key management personnel remuneration	444,265	265,479
Total full-time equivalent personnel	4.14	2.86

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

Principal

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

	2017 Actual \$000	2016 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments - Principal 1	170 - 180	20-30
Salary and Other Payments - Acting Principal	0 - 0	50-60
Salary and Other Payments - Principal 2	0 - 0	90-100
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	2017 FTE Number	2016 FTE Number
110 - 120	-	-
100 - 110	-	-
	-	-

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

19. 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:

	2017 Actual \$	2016 Actual \$
Total	-	-
Number of People	-	-



20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2017 (Contingent liabilities and assets at 31 December 2016: nil).

21. Commitments

(a) Capital Commitments

As at 31 December 2017 \$325,000 contract for Rationalisation project to be completed, which will be fully funded by the Ministry of Education. \$325,000 has been received of which \$82,672 has been spent on the project to date.

(Capital commitments at 31 December 2016: nil)

(b) Operating Commitments

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

(a) operating lease of a container and Laptops;

(b) The school has an agreement with the Tuatapere community baths for 50% of the total outgoing costs. The consideration is in return for use of the pool as when required by the school. The value of this commitment is unable to be accurately quantified as at balance date.

	2017 Actual	2016 Actual
	\$	\$
No later than One Year	-	2,212
Later than One Year and No Later than Five Years	-	174
Later than Five Years	-	-
	-	2,386

22. 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.

23. Financial Instruments

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

Loans and Receivables

	2017 Actual	2017 Budget (Unaudited)	2016 Actual
	\$	\$	\$
Cash and Cash Equivalents	435,045	269,277	233,082
Receivables	110,276	54,018	54,018
Investments - Term Deposits	153,234	100,000	100,000
Total Cash and Receivables	698,555	423,295	387,100

Financial liabilities measured at amortised cost

Payables	76,339	80,206	80,206
Finance Leases	30,663	32,967	32,967
Total Financial Liabilities Measured at Amortised Cost	107,002	113,173	113,173

24. Events After Balance Date

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

WAI AU AREA SCHOOL BOARD OF TRUSTEES 2017

Name	Position	How Position on Board was gained	Term Expires	Occupation
Dwayne Unahi	<i>Board Chair</i>	<i>Elected May 2016</i>	<i>May 2019</i>	<i>Business Owner in Tuatapere</i>
Honorlea Mangoin	<i>Parent rep</i>	<i>Elected May 2016</i>	<i>May 2019</i>	<i>Community worker at Ohai</i>
Phil Erskine	<i>Parent rep</i>	<i>Elected May 2016</i>	<i>May 2019</i>	<i>Farmer</i>
Graham Parsons	<i>Parent rep</i>	<i>Elected May 2016</i>	<i>May 2019</i>	<i>Local Police Officer</i>
Rachael Poole	<i>Parent rep</i>	<i>C-opted April 2017</i>	<i>May 2019</i>	<i>Works in office in Invercargill</i>
Andrew Pardoe-Burnett	<i>Principal</i>	<i>Appointed January 2017</i>		
Jasmine Qiunn	<i>Staff Rep</i>	<i>Appointed July 2017</i>		<i>Teacher at school</i>
Amanda Baldwin	<i>Student rep</i>	<i>Elected April 2017</i>		
Leeanne de Vries	MOE specialist advisor	<i>Appointed July 2016</i>	<i>As per Contract</i>	

WAI AU AREA SCHOOL

KIWISPORT

2018

Students participated in organised sport. In 2017 the school received Kiwisport funding of \$1,512.86 (2016 \$1,323.52). The funding was spent on sports co-ordinator expenses.

Waiau Area School – 0402 - Analysis of Value Added - 2017

Strategic Aim:

All students are able to access the NZ curriculum as evidenced by achievement in relation to National Standards.

Annual Objective:

- To increase the number of students achieving at or above in relation to the National Standard for mathematics (Years 1-8);
- To increase the number of students achieving at or above in Year 9 and 10;
- To improve the students behaviour and management of this throughout the school; and
- To improve student attendance throughout the school.

Maths Targets: *by the end of the year:*

1. ALiM target groups – 12 students in Years 5-8 will be working at their expected level in relation to National Standard;
2. 78% of students in Year 1-6 will be at or above in relation to their National Standard;
3. 22% of students in Year 1-6 will have moved at least one strategy stage in JAM or GLOSS;
4. 89% of students in Year 7-10 will be at or above in relation to their National Standard and the use of e-asttle and applying teachers OTJ;
5. 11% of students in Year 7-10 will have evidence of improvement in relation to applying teachers OTJ; and
6. 100% of our Year 11-14 students will pass NCEA Level 1, 2 or 3 achievement standards over a two year period.

Baseline Data = Feb 2017:

- Analysis of school wide mathematics data identified concern in student achievement and engagement for Years 1-10 in relation to National Standards for Mathematics achievement. 55% of students (22/49) in Year 1-6 are at or above and 38% of students (14/27) are at or above in Year 7-10.
- There is no significant difference between NZM and NZE students achievement.
- There is a need to teach number strategies and use math equipment to support our students development.
- The implementation of ALiM 2 will occur during Term 2&3. Three teachers will be involved in this with the support from the principal.
- 100 hours PLD have been allocated to 2017/18 – Averil Lee will be the maths advisor/mentor.

Result - End of 2017 in relation to our maths targets:

1. 7/12 students are working at their expected level. 5/12 are still below and have not met the target.
2. 59% (23/39) of students in Year 1-6 are at or above in relation to the National Standard. The remaining students who did not met the target have moved at least one strategy stage in JAM or GLOSS.
3. 10% (4/39) of these targeted students did not move one strategy stage when reading the final results.

4. 43% (12/28) of our Year 7-10 students are at or above in relation to their National Standard and the use of e-asttle and apply teachers OTJ.
5. 57% (16/28) of our students who are below their National Standard had evidence of improvement in relation to OTJ.
6. Not met – refer to report by Principal's Nominee.

Actions (what we did):

- Classroom teachers who were teaching maths worked together to identify and monitor progress (through discussion and reviewing data and how they were assessing), responded to and reported on student's progress and how the staff were achieving with their own knowledge in teaching and assessing maths.
- Ensure there was enough professional support provided to staff. Averil Lee (maths advisor) worked throughout the year, in the school, supporting staff in and out of their classrooms.
- Reassess what assessment tools were being used, re-tested students and built on current teachers' knowledge.
- Developed a Student Progress and Achievement sheet for recording progress in maths.
- Continued to identify learning needs of each individual student and support required to improve progress and achievement.
- Continued to create a healthy home/school partnership – we had a maths parent night.
- Equipment and resources were purchased to support teaching programmes.
- Regular staff meetings and professional development occurred through the year.

Outcomes (What happened?):

- 59% of our students in Year 1-6 are at or above the NS in maths.
- 43% of our students in Year 7-10 are at or above the NS in maths.
- 52% of our students in Years 1-10 are at or above in relation to where they should be achieving for their age.

Reasons for the Variance (Why did it happen?):

- 2016 results were analysed in 2017 by new management and as a result found differences in where students were achieving.
- In-depth PLD sessions and working together in the classrooms with our maths advisor enabled staff to review their current assessment tools, equipment & resources being used and overall understanding/maths knowledge – this had a huge impact on student achievement outcomes from the beginning of the year to mid year results.
- 38% (24/64) of students were at or above mid year. End of year results were 52% (35/67) of students were at or above. All other students did show progress which is pleasing. However, for some students this isn't evident when comparing end of 2017 data to the end of year 2016/start of 2017 data which was used to form these targets.
- The 2017 mid year results were valid after further PLD and as a result, the overall results of where students were at, in relation to the National Standard were low. Improvement has occurred.

- There were staff changes in one class and data was inconsistent.
- ALiM (identified groups) occurred and as a result strengthened teacher knowledge.
- Teachers working collaboratively and moderation occurred.
- 14 new students arrived at WAS during the second half of the year – 10/14 students arrived with learning difficulties.

Evaluation (Where to next?)

- Continue to use maths advisor (Averil) throughout 2018. Regular (weekly-fortnightly) visits will occur.
- Continue to use equipment and resources within the classrooms and more problem solving approaches to learning.
- Continue to build home/school partnerships – maths nights, clear reporting and so forth.
- Monitor target students and report regularly.
- Enter student achievement data onto SMS and manage and monitor closely.
- ALiM to occur in Term 2&3 – more targeted grouping and accelerated learning opportunities.
- Offer maths nights for parents and caregivers.
- Continue to teach using identified needs from assessment and observations.
- Continue to build on our engaging learning environments and range of cultural contexts during maths sessions.
- Continue to find games/apps (purchase of ipads)/materials that consolidate learning and extend students.
- Continue to collect and analyse data to identify needs of target groups.

Planning for 2018:

- More PLD (applied for a further 100 hours) from Averil which will consolidate and strengthen our current teachers' knowledge in teaching maths in Years 1-10.
- To build on our planning, curriculum and assessment practices across the school.
- To align targeted student achievement to PLD and teacher appraisals to monitor and accelerate progress in student achievement in maths.
- Teacher Inquiry included in the appraisal process and links to be made to charter goals in regards to maths.
- To use maths as a vehicle to enhance other curriculum areas and procedures.
- To work on better attendance (getting to school on time with some of the seniors) with students – more incentives and proactive approaches to getting them to school.
- To continue the 'team approach' by working together to make a real positive difference by collecting robust assessment for learning, analysing, planning, reviewing and growing teacher capacity in maths.

Completed by:

Andrew Pardoe-Burnett
Principal

This table show credits gained by students **during the 2017 year** and includes external examinations from the end of 2017. Only students enrolled at the end of the year are included.

Student	Year Level in 2017	Gain in Credits L1	Gain in Credits L2	Gain in Credits L3	Achievement Standard Count	NCEA Level(s) Gained in 2017	Numeracy	Literacy
A	11	55	27	8	38 out of 90	L1	Y	Y
B	11	41	22	4	41 out of 67		Y	Y
C	11	79	28	3	75 out of 110	L1	Y	Y
D	11	0	0	0	0		N	N
E	11	36	13	0	33 out of 49		N	N
F	12	14	19	22	31 out of 55	L1 and L2	Y	Y
G	12	10	40	0	17 out of 50	L1	Y	Y
H	12	17	11	24	24 out of 52	L2	Y	Y
I	13	0	0	37	16 out of 37		Y	Y
J	13	22	16	10	16 out of 48		N	N
K	14	0	4	43	4 out of 47	L3	Y	Y

This table show credits gained by students **during all years from all schools attended**. Only students enrolled at the end of the year are included.

Student	Year Level in 2017	L1 Credits	L2 Credits	L3 Credits
A	11	55	27	8
B	11	41	22	4
C	11	79	28	3
D	11	10	0	0
E	11	36	13	0
F	12	33	56	22
G	12	39	49	0
H	12	53	62	28
I	13	50	60	44
J	13	35	16	10
K	14	64	61	61

Notes:

1. The performance on external exams (in November) was very positive. In total students attempted 10 standards, and this resulted in 9 grades of achieved or higher with only 1 not achieved grade.
2. Of our 11 students at the end of the Year 6 gained an NCEA Level during 2017. (This is a roll based statistic)
3. Of the 6 students who had the opportunity to gain an NCEA Level based on entries, 5 gained an NCEA Level. (This is a participation based statistic. I believe that this is a realistic statistic as it reflects the abilities, needs and goals of our students)
4. Student D transferred to Waiau during the year, and struggled academically. They were not in a position to gain NCEA credits because of ability and is no longer at Waiau.
5. For Year 11, students A and C gained NCEA Level One quite easily with student C nearly gaining a merit endorsement (which should be gained in 2018).. This is a very positive result. However Student B in particular did not perform at the level expected but communication was maintained with parents throughout the year and they were kept informed of progress. Student E performed a little below what was expected, but we hope that this student can gain Level 1 and make significant progress towards gaining Level 2 in 2018.
6. All 3 Year 12 students gained an NCEA Level. We have been very pleased with the progress of these students. It is hoped that at least two of these students should be able to gain NCEA Level 3 this year.
7. Student I found the transition to Level 3 quite difficult in terms of academic level but has returned to school in a different part of the country. They are quite close to gaining NCEA Level 3.
8. Student J came to Waiau as a Year 13 with no NCEA Levels and 13 credits gained over two years of study. At Waiau this student gained 48 credits in 2017. We see this as a positive achievement even no NCEA Level was gained.
9. Our Year 14 student leaves school with all 3 NCEA Levels. Our staff are very proud of this student's achievements.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF WAIAU AREA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The Auditor-General is the auditor of Waiau Area School (the School). The Auditor-General has appointed me, Michael Lee, using the staff and resources of Crowe Horwath, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 18, that comprise the Statement of Financial Position as at 31 December 2017, the Statement of Comprehensive Revenue and Expense, Statement of Changes in Net Assets/Equity and Cash Flow Statement for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2017; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 29th May 2018. This is the date at which our opinion is expressed.

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

Basis of 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 arises 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 on pages 19 to 25, but does not include the financial statements, and our auditor's report thereon.

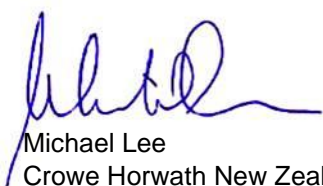
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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



Michael Lee
Crowe Horwath New Zealand Audit Partnership
On behalf of the Auditor-General
Invercargill, New Zealand