

INDEPENDENT AUDITOR'S REPORT

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

The Auditor-General is the auditor of Garston School (the School). The Auditor-General has appointed me, Anna Campbell, using the staff and resources of Crowe, 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 2021, 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 2021; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector – Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 23 August 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Emphasis of Matter

In forming our unmodified opinion, we draw your attention to note 23 which refers to the School's working capital deficit of \$25,283.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed it will continue to provide the School with resources so it may meet its obligations as they fall due.

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 19 to 22, but does not include the financial statements, and our auditor's report thereon.

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

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

Independence

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

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



Anna Campbell
Crowe New Zealand Audit Partnership
On behalf of the Auditor-General
Invercargill, New Zealand

GARSTON SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 3953

Principal: Kathryn O'Loughlin

School Address: 1705 State Highway 6, Garston

School Postal Address: P O Box 22, Garston 9705

School Phone: 03 2488802

School Email: admin@garston.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Mark Evans	Presiding Member	Re-elected May 2019	May 2022
Kathryn O'Loughlin	Principal	ex Officio	
Stephen Glover	Parent Representative	Elected May 2019	May 2022
Jono Edmonds	Parent Representative	Elected May 2019	May 2022
Andrew McLachlan	Parent Representative	Elected May 2019	Resigned Dec 2021
Richard Stokes	Parent Representative	Elected May 2019	Resigned Dec 2021
Glen Martin	Parent Representative	Appointed July 2020	Resigned Dec 2021
Bernie McNabb	Staff Representative	Re-appointed May 2019	May 2022

Accountant / Service Provider:

O'Connor Richmond Ltd
Account Balance Ltd

GARSTON SCHOOL

Annual Report - For the year ended 31 December 2021

Index

Page	Statement
-------------	------------------

	Financial Statements
--	-----------------------------

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 18	Notes to the Financial Statements

	Other Information
--	--------------------------

	Analysis of Variance
--	----------------------

	Kiwisport
--	-----------

Garston School

Statement of Responsibility

For the year ended 31 December 2021

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2021 fairly reflects the financial position and operations of the school.

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

Mark Alistair Evans
Full Name of Presiding Member

Ms. Kathryn O'Loughlin
Full Name of Principal

MASNAE
Signature of Presiding Member

K. O'Loughlin
Signature of Principal

23/8/22
Date:

23/8/22.
Date:

Garston School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue				
Government Grants	2	555,717	600,000	592,630
Locally Raised Funds	3	27,773	33,350	24,578
Interest Income		287	600	853
		<u>583,777</u>	<u>633,950</u>	<u>618,061</u>
Expenses				
Locally Raised Funds	3	9,969	13,250	16,978
Learning Resources	4	332,253	333,065	296,135
Administration	5	70,479	61,225	66,984
Finance		584	-	903
Property	6	120,081	150,550	150,164
Depreciation	10	14,525	14,900	15,237
Transport		81,473	83,750	83,648
		<u>629,364</u>	<u>656,740</u>	<u>630,049</u>
Net Surplus / (Deficit) for the year		(45,587)	(22,790)	(11,988)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>(45,587)</u>	<u>(22,790)</u>	<u>(11,988)</u>

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

Garston School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Equity at 1 January		75,494	75,495	87,482
Total comprehensive revenue and expense for the year		(45,587)	(22,790)	(11,988)
Capital Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		32,796	-	-
Equity at 31 December		62,703	52,705	75,494

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

Garston School

Statement of Financial Position

As at 31 December 2021

	Notes	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Current Assets				
Cash and Cash Equivalents	7	12,694	160,680	172,463
Accounts Receivable	8	27,241	19,923	19,538
Investments	9	23,525	23,848	23,248
		63,460	204,451	215,249
Current Liabilities				
GST Payable		(898)	26,000	26,619
Accounts Payable	11	45,953	42,262	50,152
Provision for Cyclical Maintenance	12	38,501	-	-
Finance Lease Liability	13	3,454	3,967	3,967
Funds held for Capital Works Projects	14	1,733	123,564	123,564
		88,743	195,793	204,302
Working Capital Surplus/(Deficit)		(25,283)	8,658	10,947
Non-current Assets				
Property, Plant and Equipment	10	92,861	90,626	105,126
		92,861	90,626	105,126
Non-current Liabilities				
Provision for Cyclical Maintenance	12	4,500	42,750	36,750
Finance Lease Liability	13	375	3,829	3,829
		4,875	46,579	40,579
Net Assets		62,703	52,705	75,494
Equity		62,703	52,705	75,494

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

Garston School

Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash flows from Operating Activities				
Government Grants		201,391	231,081	235,845
Locally Raised Funds		27,773	33,350	24,578
Goods and Services Tax (net)		(27,517)	(619)	19,276
Payments to Employees		(125,194)	(135,659)	(108,987)
Payments to Suppliers		(142,172)	(139,751)	(137,652)
Interest Paid		(584)	-	(903)
Interest Received		403	815	858
Net cash from/(to) Operating Activities		(65,900)	(10,783)	33,015
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(591)	(400)	(1,035)
Purchase of Investments		(277)	(600)	(619)
Net cash from/(to) Investing Activities		(868)	(1,000)	(1,654)
Cash flows from Financing Activities				
Finance Lease Payments		(3,967)	-	(3,651)
Funds Held for Capital Works Projects		(121,830)	-	123,564
Net cash from/(to) Financing Activities		(93,001)	-	119,913
Net increase/(decrease) in cash and cash equivalents		(159,769)	(11,783)	151,274
Cash and cash equivalents at the beginning of the year	7	172,463	172,463	21,189
Cash and cash equivalents at the end of the year	7	12,694	160,680	172,463

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

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

Garston School

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial reports have been prepared for the period 1 January 2021 to 31 December 2021 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 12.

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 10.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Recognition of grants

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

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.

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

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

Other Grants

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) 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.

e) 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.

f) 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.

g) Accounts Receivable

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

h) Investments

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

i) Property, Plant and Equipment

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

based on a property occupancy document.

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

j) 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.

k) 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.

l) Employee Entitlements

Short-term employee entitlements

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

m) Provision for Cyclical Maintenance

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

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

n) Financial Instruments

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

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

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

o) Borrowings

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

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

p) 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.

q) Budget Figures

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

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.

2. Government Grants

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Operational Grants	108,422	135,000	138,099
Teachers' Salaries Grants	255,410	245,000	232,916
Use of Land and Buildings Grants	84,961	116,000	115,950
Other MoE Grants	9,675	9,000	10,026
Transport grants	97,249	95,000	95,639
	555,717	600,000	592,630

The school has not opted in to the donations scheme for this year.

3. Locally Raised Funds

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Revenue			
Donations & Bequests	2,255	3,000	2,913
Rental Income	6,500	6,500	5,588
Trading	488	750	615
Fundraising & Community Grants	16,220	17,100	11,053
Other Revenue	2,310	6,000	4,409
	27,773	33,350	24,578
Expenses			
Extra Curricular Activities Costs	4,478	8,000	6,847
Trading	276	400	478
Fundraising and Community Grant Costs	2,900	2,550	1,735
Rental Expenses	2,315	2,300	7,918
	9,969	13,250	16,978
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	17,804	20,100	7,600

4. Learning Resources

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Curricular	4,512	4,925	4,767
Information and Communication Technology	-	100	78
Library Resources	-	100	35
Employee Benefits - Salaries	322,986	322,900	288,653
Staff Development	4,755	5,040	2,602
	332,253	333,065	296,135

5. Administration

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Audit Fee	4,313	2,500	3,343
Board Fees	2,780	2,500	2,430
Board Expenses	1,404	1,750	1,736
Communication	926	1,000	1,050
Consumables	1,962	2,300	2,019
Operating Lease	772	1,500	1,178
Other	1,592	1,100	1,408
Employee Benefits - Salaries	40,336	40,100	40,057
Insurance	2,959	2,400	2,498
Service Providers, Contractors and Consultancy	13,435	6,075	11,265
	70,479	61,225	66,984

6. Property

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Caretaking and Cleaning Consumables	16	400	181
Cyclical Maintenance Provision	6,251	6,000	6,249
Heat, Light and Water	2,083	4,200	3,945
Rates	301	300	290
Repairs and Maintenance	4,859	6,650	3,875
Use of Land and Buildings	84,961	116,000	115,950
Employee Benefits - Salaries	21,610	17,000	19,674
	120,081	150,550	150,164

In 2021, the Ministry of education revised the notional rent rate from 8% to 5% to align it with the Government Capital Charge rate. This is considered to be a reasonable proxy for the market rental yield on the value of land and buildings used by schools. Accordingly in 2021, the use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

7. Cash and Cash Equivalents

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Bank Accounts	12,694	160,680	172,463
Cash and cash equivalents for Statement of Cash Flows	12,694	160,680	172,463

Of the \$12,694 Cash and Cash Equivalents, \$948 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2021 on Crown owned school buildings.

8. Accounts Receivable

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Interest Receivable	99	-	215
Sports Storage Grant Receivable	6,036		
Teacher Salaries Grant Receivable	21,106	19,923	19,323
	<u>27,241</u>	<u>19,923</u>	<u>19,538</u>
Receivables from Exchange Transactions	99	-	215
Receivables from Non-Exchange Transactions	27,142	19,923	19,323
	<u>27,241</u>	<u>19,923</u>	<u>19,538</u>

9. Investments

The School's investment activities are classified as follows:

	2021 Actual	2021 Budget (Unaudited)	2020 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	23,525	23,848	23,248
	<u>23,525</u>	<u>23,848</u>	<u>23,248</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2021	\$	\$	\$	\$	\$	\$
Building Improvements	65,816				(2,956)	62,860
Furniture and Equipment	26,606	2,173			(6,829)	21,950
Motor Vehicles	1,155				(330)	825
Leased Assets	7,050				(3,726)	3,324
Library Resources	4,499	87			(684)	3,902
Balance at 31 December 2021	<u>105,126</u>	<u>2,260</u>	<u>-</u>	<u>-</u>	<u>(14,525)</u>	<u>92,861</u>

The net carrying value of equipment held under a finance lease is \$3,324 (2020: \$7,050)

The net carrying value of motor vehicles held under a finance lease is \$0,00 (2020: \$000)

	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value	2020 Cost or Valuation	2020 Accumulated Depreciation	2020 Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	195,472	(132,612)	62,860	195,472	(129,656)	65,816
Furniture and Equipment	167,910	(145,960)	21,950	165,736	(139,130)	26,606
Motor Vehicles	1,650	(825)	825	1,650	(495)	1,155
Leased Assets	20,177	(16,853)	3,324	20,177	(13,127)	7,050
Library Resources	31,602	(27,700)	3,902	31,515	(27,016)	4,499
Balance at 31 December	<u>416,811</u>	<u>(323,950)</u>	<u>92,861</u>	<u>414,550</u>	<u>(309,424)</u>	<u>105,126</u>

11. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	16,983	19,462	19,374
Banking Staffing Overuse	4,149	-	7,919
Employee Entitlements - Salaries	21,107	19,300	19,324
Employee Entitlements - Leave Accrual	3,714	3,500	3,535
	<u>45,953</u>	<u>42,262</u>	<u>50,152</u>
Payables for Exchange Transactions	45,953	42,262	50,152
	<u>45,953</u>	<u>42,262</u>	<u>50,152</u>

The carrying value of payables approximates their fair value.

12. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	36,750	36,750	103,358
Increase/ (decrease) to the Provision During the Year	6,251	6,000	6,249
Provision at the End of the Year	<u>43,001</u>	<u>42,750</u>	<u>109,607</u>
Cyclical Maintenance - Current	38,501	-	-
Cyclical Maintenance - Term	4,500	42,750	36,750
	<u>43,001</u>	<u>42,750</u>	<u>36,750</u>

13. Finance Lease Liability

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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
No Later than One Year	3,655		4,546
Later than One Year and no Later than Five Years	397		4,052
Future Finance Charges	(219)		(802)
	<u>3,833</u>		<u>7,796</u>
Represented by			
Finance lease liability - Current	3,454		3,967
Finance lease liability - Term	379		3,829
	<u>3,833</u>		<u>7,796</u>

14. Funds Held for Capital Works Projects

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

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Block A Remodel	<i>in progress</i>	95,127		(94,405)	-	722
Install 3 Heatpumps	<i>in progress</i>	28,437	1,237	(28,663)	-	1,011
Generator	<i>complete</i>	-	14,047	(14,047)	-	-
Storage Shed	<i>complete</i>	-	15,077	(15,077)	-	-
Totals		123,564	30,361	(152,192)	-	1,733

Represented by:

Funds Held on Behalf of the Ministry of Education	1,733
Funds Due from the Ministry of Education	-
	<u>1,733</u>

	2020	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Block A Remodel	<i>in progress</i>		167,802	(72,675)		95,127
Install 3 Heatpumps	<i>in progress</i>		28,437			28,437
Totals		-	196,239	(72,675)	-	123,564

15. 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.

Bernie McNabb is a trustee of the Board and the School Secretary. His wife, Kathryn O'Loughlin, is employed as principal of the school. Their terms of employment are no more favourable than the terms of a standard contract. In addition to this, Mr McNabb was contracted as handyman to the school for which he received payment. The total value of all transactions for the year was \$8,841 (2020: \$7,524). Because this amount is less than \$25,000 (excl GST) for the year the contract does not require Ministry approval under s10 of Schedule 23 of the Education and Training Act 2020.

16. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i> Remuneration	2,780	2,430
<i>Leadership Team</i> Remuneration	115,247	117,726
Full-time equivalent members	1	1
Total key management personnel remuneration	118,027	120,156

There are 7 members of the Board excluding the Principal. The Board had held 7 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110-120	110-120
Benefits and Other Emoluments	0-5	0-5
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2021 FTE Number	2020 FTE Number
100 - 110	0.00	0.00
	0.00	0.00

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

17. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be board members, committee members, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2021 Actual	2020 Actual
Total	\$0	\$0
Number of People	0	0

18. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at **31 December 2021** (Contingent liabilities and assets at **31 December 2020**: nil).

Holidays Act Compliance – schools payroll

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

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

To the extent that any obligation cannot reasonably be quantified at 31 December 2021, a contingent liability for the school may exist.

19. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into no contract agreements for capital works

(Capital commitments at 31 December 2020: \$0)

(b) Operating Commitments

As at 31 December 2021 the Board has entered into no operating commitments

	2021 Actual \$	2020 Actual \$
	-	-

20. Financial Instruments

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

Financial assets measured at amortised cost

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	12,694	160,680	172,463
Receivables	27,241	19,923	19,538
Investments - Term Deposits	23,525	23,848	23,248
Total Financial assets measured at amortised cost	63,460	204,451	215,249

Financial liabilities measured at amortised cost

Payables	45,953	42,262	50,152
Finance Leases	3,829	7,796	7,796
Total Financial Liabilities Measured at Amortised Cost	49,782	50,058	57,948

21. Events After Balance Date

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

22. COVID 19 Pandemic on going implications

Impact of Covid-19

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

Towards the end of June 2021, the Wellington region was placed into alert level 2 for one week.

Towards the end of August 2021, the entire country moved to alert level 4, with a move to alert level 3 and 2 for everyone outside the Auckland region three weeks later. While Auckland has remained in alert level 3 for a prolonged period of time the Northland and Waikato regions have also returned to alert level 3 restrictions during this period.

Impact on operations

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

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

Reduction in locally raised funds

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

23. Working Capital Deficit

There is a working capital deficit as at 31 December 2021 because current liabilities exceed current assets by \$25,283. The financial difficulties have arisen mainly due to the fact that the school has incurred losses over recent years. The Ministry of education has confirmed that the School is essential to the network and will continue to provide financial support if required for at least 12 months from the sign off of the financial statements. On this basis, the Annual Report has been prepared on a going concern basis.

Garston School Kiwisport 2021

Total Funding: \$427.83

Fifteen students participated in a highly successful outdoor education camp based in the Bannockburn/Cromwell area. The purpose of the activities they participated in was for the students to learn about:

- how people lived in the goldmining communities and what resources they used.
- history and what attracted early European settlers to the area (goldmining and farming).
- geography, geology – impact on the landscape of goldmining; Clutha Valley; Clutha River; Lake Dunstan formation.

The funding paid for the camp fees for students which came to \$440.00.

Observations and assessments showed the students gained a great deal of knowledge in the range of learning areas. Another stand-out outcome was that 100% of children developed personal attributes for life such as:

- working as a team to organise their campsite and taking responsibility for duties.
- following instructions independently.
- asking/answering pertinent questions.
- taking part in challenging activities with support from others.

This valuable experience has motivated the children to explore further the region with its historic connections and educational facilities (e.g. Arrowtown Museum, China Town and Goldmining Tailings). It has also informed students of future career options.

Thank you

Kathryn O'Loughlin

Principal

Garston School

Garston School - 1st December, 2021 - Analysis of Variance

Goal 1 & 2: Garston School's aim is to lift the achievement in **reading**, **writing** and **maths** of all students including those who do not yet meet the expected level.

Below is an analysis of students' achievement at November, 2021, including those who do not yet meet the expected learning benchmarks relative to their school year.

2021 - End of year summary of achievement in **READING** in relation to the expected level.

Year	Working Towards	At	Above	Total Students
8		1	3	4
7		2		2
6	1	4	1	6
5	1	1	1	3
4		3	3	6
3		1	2	3
2	2	1* 1 = 2	1	5
1	2	2		4
Total	6	16	11	33

* Indicates maori student

The 2021 Charter Achievement Target 1 stated that by November, 2021:

~ 100% of students will show progress in reading.

~ 80% of students will be achieving at or above the expected level for reading.

Actual outcome:

READING

- 100% of students have shown progress.

- 82% of students are achieving at or above the expected level for Reading.

Evaluation:

Changes to roll since mid-year 2021:

- 2 students (year 6, year 2) who were both above for reading have moved overseas.

- 1 New Entrant student has enrolled.

Short term enrolments:

- Data has not been included for 2 English second language students who were classified as having no English language skills when they enrolled (1 at start and 1 at end of Term 3). The emphasis has been on establishing their oral language.

- Data has not been included for a New Entrant student who was enrolled for 8.5 weeks.

Students who moved from Working Towards to AT:

- Year 3 - 1 student.

Students who moved from AT to Above:

- Year 8 - 2 students.

- Year 3 - 1 student.

Target students:

- The 4 students who range from Year 2 to 6 who are identified as Working Towards the expected level, have progressed onto a higher reading level but their achievement is not yet appropriate to that which is expected for their year level. They will continue to have extra support and their progress will be consistently, closely monitored by their class teacher and the Learning Support Co-ordinator throughout 2022.

2021 - End of year summary of achievement in **WRITING** in relation to the expected level.

Year	Working Towards	At	Above	Total Students
8		4		4
7			2	2
6	1	3	2	6
5	1	2		3
4	2	2	2	6
3		3		3
2	1	1* + 3 = 4		5
1		4		4
Total	5	22	6	33

* Indicates maori students.

WRITING

- 100% of the students have shown progress.
- 85% of the students are achieving at or above the expected level for writing.

Evaluation:

Changes to roll since mid-year 2021:

- 2 students (Year 6, Year 2) who were both above for reading have moved overseas.
- 1 New Entrant student has enrolled.

Students who moved from Working Towards to AT:

- Year 4 - 1 student.

Students who moved from AT to Above:

- Year 7 & Year 6 - 2 students.

Target students:

- There are now 5 target students as opposed to 6 as 1 student (see above) is now working at the expected level. While there have been interruptions due to Covid as well as repeated absences (for 1 student) the progress for the other 5 students continues slow which indicates that the students need continued support.

For 2022 this will include extra assistance for those students as follows:

1. RTL B - work with 1 student to consolidate learning gaps and support improved attendance.
2. LSC - support by providing alternative teaching/learning strategies e.g. assistive technology.
3. RT Lit - 2 students to remain on the roll.
4. Place a strong emphasis on building a solid foundation of phonemic knowledge through the structured literacy programme.
5. Class programmes will deliberately target teaching of writing skills to include:
 - elaboration of ideas; structured features used for different types of writing; organisation of ideas within a text; selection of vocabulary; grammar; punctuation; spelling.

2021 - End of year summary of achievement in **MATHS** in relation to the expected level.

Year	Working Towards	At	Above	Total Students
8		3	1	4
7		2		2
6	2	4		6
5	1	1	1	3
4	3	3		6
3	1	2		3
2		1* plus 4 = 5		5
1		4		4
Total	7	24	2	33

* Indicates maori students.

The 2021 Charter Achievement Target 1 stated that by November, 2021:

~ By November, 2021 - 100% of students will show progress in maths.

~ By November, 2021 - 80% of students will be achieving at or above the expected level in maths.

Actual outcome:

-100% of the students have shown progress.

- 79% of the students are achieving at or above the expected level for Maths.

Evaluation:

Changes to roll since mid-year 2021:

- 2 students (year 6, year 2) who were both above for reading have moved overseas.
- 1 New Entrant student has enrolled.

Students who moved from Working Towards to AT:

- Year 6 - 3 students.

Students who moved from WT to Above:

- Year 5 - 1 student.

Target students:

One of the students will no longer be classified as Working Towards and has indeed shown above average ability to think mathematically to employ maths strategies.

The other 6 students who in March were identified as working towards the expected level, while still having the same classification, have progressed.

We will continue to:

- deliberately teach mathematical processing strategies.
 - group students across the school according to ability.
 - emphasise the mastery of basic facts.
 - revisit the acquisition of knowledge around the topic of fractions and proportions.
 - programmes include learning activities based on meaningful simple problem-solving contexts so students can apply their basic facts and use appropriate strategies to find solutions.
- The 4 students who range from Year 3 to 6 are identified as Working Towards the expected level, have progressed onto a higher reading level but their achievement is not yet appropriate to that which is expected for their year level. They will continue to have extra support and their progress will be consistently, closely monitored by their class teacher and the Learning Support Co-ordinator throughout 2022.