

DAVID STREET SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

School Directory

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Principal:	Brian Harrop
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Accountant / Service Provider:

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DAVID STREET SCHOOL

Annual Financial Statements - For the year ended 31 December 2025

Index

Page	Statement
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 - 20	Notes to the Financial Statements
21 - 23	Independent Auditor's Report

David Street School

Statement of Responsibility

For the year ended 31 December 2025

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 2025 fairly reflects the financial position and operations of the School.

The School's 2025 financial statements are authorised for issue by the Board.

Jason Stevenson
Full Name of Presiding Member

[Signature]
Signature of Presiding Member

21/5/2026
Date

Brian Noel Harrop
Full Name of Principal

[Signature]
Signature of Principal

21/5/2026
Date

David Street School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2025

		2025	2025	2024
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	4,923,952	4,453,347	4,796,080
Locally Raised Funds	3	404,130	440,200	455,611
Interest		19,879	17,000	29,797
Other Revenue		669	-	970
Total Revenue		5,348,630	4,910,547	5,282,458
Expense				
Locally Raised Funds	3	288,661	276,070	289,815
Learning Resources	4	3,729,680	3,245,699	3,344,020
Administration	5	319,452	318,722	299,217
Interest		2,438	2,110	3,436
Property	6	939,078	1,028,792	1,144,354
Loss on Disposal of Property, Plant and Equipment		5,526	-	-
Total Expense		5,284,835	4,871,393	5,080,842
Net Surplus / (Deficit) for the year		63,795	39,154	201,616
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		63,795	39,154	201,616

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

David Street School
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2025

	Notes	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Equity at 1 January		1,614,207	1,435,275	1,385,338
Total comprehensive revenue and expense for the year		63,795	39,154	201,616
Contributions from the Ministry of Education - Te Mana Tuhono		-	-	27,253
Equity at 31 December		1,678,002	1,474,429	1,614,207
Accumulated comprehensive revenue and expense		1,678,002	1,474,429	1,614,207
Equity at 31 December		1,678,002	1,474,429	1,614,207

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.

David Street School
Statement of Financial Position
As at 31 December 2025

		2025	2025	2024
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	320,296	84,454	131,149
Accounts Receivable	8	301,197	244,261	260,469
GST Receivable		2,680	9,811	18,009
Prepayments		36,646	32,004	37,842
Inventories	9	5,642	7,271	5,227
Investments	10	300,000	-	452,325
Funds Receivable for Capital Works Projects	16	4,500	-	-
		<u>970,961</u>	<u>377,801</u>	<u>905,021</u>
Current Liabilities				
Accounts Payable	12	338,604	293,184	402,977
Revenue Received in Advance	13	39,441	12,421	16,692
Provision for Cyclical Maintenance	14	47,277	36,013	22,626
Finance Lease Liability	15	14,013	13,729	17,552
		<u>439,335</u>	<u>355,347</u>	<u>459,847</u>
Working Capital Surplus/(Deficit)		531,626	22,454	445,174
Non-current Assets				
Property, Plant and Equipment	11	1,351,936	1,583,349	1,360,469
		<u>1,351,936</u>	<u>1,583,349</u>	<u>1,360,469</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	14	173,260	114,153	175,267
Finance Lease Liability	15	32,300	17,221	16,169
		<u>205,560</u>	<u>131,374</u>	<u>191,436</u>
Net Assets		<u><u>1,678,002</u></u>	<u><u>1,474,429</u></u>	<u><u>1,614,207</u></u>
Equity		<u><u>1,678,002</u></u>	<u><u>1,474,429</u></u>	<u><u>1,614,207</u></u>

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

David Street School
Statement of Cash Flows
For the year ended 31 December 2025

		2025	2025	2024
	Note	Actual \$	Budget (Unaudited) \$	Actual \$
Cash flows from Operating Activities				
Government Grants		1,198,928	1,209,563	1,329,751
Locally Raised Funds		440,103	440,200	455,564
Goods and Services Tax (net)		15,329	-	(8,198)
Payments to Employees		(918,143)	(736,491)	(880,093)
Payments to Suppliers		(586,821)	(622,306)	(435,003)
Interest Paid		(2,438)	(2,110)	(3,436)
Interest Received		22,708	17,000	26,326
Net cash from/(to) Operating Activities		169,666	305,856	484,911
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(117,228)	(380,100)	(213,052)
Purchase of Investments		(200,000)	-	(352,325)
Proceeds from Sale of Investments		352,325	-	100,000
Net cash from/(to) Investing Activities		35,097	(380,100)	(465,377)
Cash flows from Financing Activities				
Finance Lease Payments		(11,116)	(21,164)	(10,588)
Funds Administered on Behalf of Other Parties		(4,500)	-	(57,659)
Net cash from/(to) Financing Activities		(15,616)	(21,164)	(68,247)
Net increase/(decrease) in cash and cash equivalents		189,147	(95,408)	(48,713)
Cash and cash equivalents at the beginning of the year	7	131,149	179,862	179,862
Cash and cash equivalents at the end of the year	7	320,296	84,454	131,149

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, use of land and buildings grant and expense and other notional items 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.

David Street School

Notes to the Financial Statements

For the year ended 31 December 2025

1. Statement of Accounting Policies

a) Reporting Entity

David Street 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 statements have been prepared for the period 1 January 2025 to 31 December 2025 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 with reference to generally accepted accounting practice. The financial statements have been prepared with reference to 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 expense threshold of \$33 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

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the School. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

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.

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

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 expected credit losses (uncollectable debts). The School's receivables are largely made up of funding from the Ministry of Education. Therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

h) Inventories

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

i) 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 material.

j) Property, Plant and Equipment

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

Improvements (funded by the Board) to buildings owned by the Crown or directly by the Board are recorded at cost, less accumulated depreciation and impairment losses.

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

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

Finance Leases

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the 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:

Board-owned Buildings	18-40 years
Building Improvements	18-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	5 years
Motor Vehicles	5 years
Library Resources	12.5% Diminishing value
Leased Assets held under a Finance Lease	Term of Lease

k) Impairment of property, plant, and equipment

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

Non cash generating assets

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised 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.

In determining fair value less costs to sell, the School engages an independent valuer to assess market value based on the best available information. The valuation is based on a comparison to recent market transactions.

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 surplus or deficit.

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

l) 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.

m) 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 and annual leave earned, by non teaching staff, but not yet taken at balance date.

Long-term employee entitlements

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

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

n) Revenue Received in Advance

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

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

o) Funds Held in Trust

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

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

p) Funds held for Capital works

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

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

q) Shared Funds

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

r) 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 the School's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The School carries out painting maintenance of the whole school over a 10 year period. The economic outflow of this is dependent on the plan established by the School to meet this obligation and is detailed in the notes and disclosures of these accounts.

s) Financial Instruments

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

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

The School's financial liabilities comprise accounts payable, borrowings and finance lease liability. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

t) 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.

u) 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 statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

v) Budget Figures

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

w) 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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Government Grants - Ministry of Education	1,216,406	1,210,363	1,279,529
Teachers' Salaries Grants	3,041,425	2,523,399	2,734,635
Use of Land and Buildings Grants	658,765	713,285	757,813
Other Government Grants	7,356	6,300	24,103
	<u>4,923,952</u>	<u>4,453,347</u>	<u>4,796,080</u>

3. Locally Raised Funds

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Revenue			
Donations and Bequests	39,809	42,000	39,699
Fees for Extra Curricular Activities	27,200	8,500	27,585
Trading	3,793	-	3,549
Fundraising and Community Grants	14,626	67,700	56,174
Other Revenue	3,000	-	-
After School Care	315,702	322,000	328,604
	<u>404,130</u>	<u>440,200</u>	<u>455,611</u>
Expense			
Extra Curricular Activities Costs	50,986	5,570	20,191
Trading	3,511	-	6,056
Fundraising and Community Grant Costs	682	-	338
After School Care	233,482	270,500	263,230
	<u>288,661</u>	<u>276,070</u>	<u>289,815</u>
<i>Surplus for the year Locally Raised Funds</i>	<u>115,469</u>	<u>164,130</u>	<u>165,796</u>

4. Learning Resources

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Curricular	58,206	97,825	56,146
Employee Benefits - Salaries	3,509,177	3,006,076	3,142,280
Staff Development	13,715	20,838	16,936
Depreciation	147,192	119,460	127,910
Other Learning Resources	1,390	1,500	748
	<u>3,729,680</u>	<u>3,245,699</u>	<u>3,344,020</u>

5. Administration

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fees	9,444	6,100	9,020
Board Fees and Expenses	11,387	12,200	7,987
Operating Leases	1,119	1,100	1,080
Other Administration Expenses	73,181	67,955	65,214
Employee Benefits - Salaries	173,730	180,867	167,735
Insurance	27,345	27,000	25,709
Service Providers, Contractors and Consultancy	23,246	23,500	22,472
	<u>319,452</u>	<u>318,722</u>	<u>299,217</u>

6. Property

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Consultancy and Contract Services	62,043	62,000	55,497
Cyclical Maintenance	37,537	43,760	142,343
Heat, Light and Water	46,383	37,000	38,635
Rates	8,606	9,000	6,107
Repairs and Maintenance	35,507	59,400	49,616
Use of Land and Buildings	658,765	713,285	757,813
Employee Benefits - Salaries	65,906	72,947	65,758
Other Property Expenses	24,331	31,400	28,585
	<u>939,078</u>	<u>1,028,792</u>	<u>1,144,354</u>

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

7. Cash and Cash Equivalents

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	320,296	84,454	131,149
Cash and cash equivalents for Statement of Cash Flows	<u>320,296</u>	<u>84,454</u>	<u>131,149</u>

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

Of the \$320,296 Cash and Cash Equivalents \$39,441 is subject to restrictions for the following reasons:

- \$39,441 of Revenue Received in Advance is held by the school, as disclosed in note 13.

8. Accounts Receivable

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Receivables	2,679	3,164	84
Receivables from the Ministry of Education	4,928	-	3,834
Interest Receivable	2,810	2,168	5,639
Banking Staffing Underuse	-	29,925	-
Teacher Salaries Grant Receivable	290,780	209,004	250,912
	<u>301,197</u>	<u>244,261</u>	<u>260,469</u>
Receivables from Exchange Transactions	5,711	35,257	5,723
Receivables from Non-Exchange Transactions	295,486	209,004	254,746
	<u>301,197</u>	<u>244,261</u>	<u>260,469</u>

9. Inventories

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Stationery	5,642	7,271	5,227
	<u>5,642</u>	<u>7,271</u>	<u>5,227</u>

10. Investments

The School's investment activities are classified as follows:

	2025	2025	2024
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Current Asset			
Short-term Bank Deposits	300,000	-	452,325
Total Investments	<u>300,000</u>	<u>-</u>	<u>452,325</u>

11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2025	\$	\$	\$	\$	\$	\$
Board-owned Buildings	560,033	-	-	-	(18,762)	541,271
Building Improvements	204,176	5,341	-	-	(6,992)	202,525
Furniture and Equipment	450,679	75,662	(5,526)	-	(69,396)	451,419
Information and Communication Technology	79,634	25,348	-	-	(25,433)	79,549
Motor Vehicles	317	-	-	-	(317)	-
Leased Assets	28,464	31,027	-	-	(20,766)	38,725
Library Resources	37,166	6,807	-	-	(5,526)	38,447
	1,360,469	144,185	(5,526)	-	(147,192)	1,351,936

The net carrying value of equipment held under a finance lease is \$38,725 (2024: \$28,464)

Restrictions

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

	2025	2025	2025	2024	2024	2024
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Board-owned Buildings	746,137	(204,866)	541,271	746,137	(186,104)	560,033
Building Improvements	279,830	(77,305)	202,525	274,489	(70,313)	204,176
Furniture and Equipment	1,144,983	(693,564)	451,419	1,082,621	(631,942)	450,679
Information and Communication Technology	225,399	(145,850)	79,549	215,195	(135,561)	79,634
Motor Vehicles	8,252	(8,252)	-	8,252	(7,935)	317
Leased Assets	138,436	(99,711)	38,725	122,430	(93,966)	28,464
Library Resources	124,692	(86,245)	38,447	117,885	(80,719)	37,166
	2,667,729	(1,315,793)	1,351,936	2,567,009	(1,206,540)	1,360,469

12. Accounts Payable

	2025	2025	2024
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	33,761	70,568	135,903
Accruals	6,254	5,861	7,520
Employee Entitlements - Salaries	290,780	209,004	250,912
Employee Entitlements - Leave Accrual	7,809	7,751	8,642
	338,604	293,184	402,977
Payables for Exchange Transactions	338,604	293,184	402,977
	338,604	293,184	402,977

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Income in Advance	39,496	3,764	2,742
PTA Holding Account	39	35	39
Sundry Clearing Account - Eftpos	(94)	-	(89)
Grants in Advance - Ministry of Education	-	8,622	14,000
	39,441	12,421	16,692

14. Provision for Cyclical Maintenance

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Provision at the Start of the Year	197,893	106,406	158,902
Increase/(decrease) to the Provision During the Year	37,537	43,760	41,362
Use of the Provision During the Year	(14,893)	-	(2,371)
Provision at the End of the Year	220,537	150,166	197,893
Cyclical Maintenance - Current	47,277	36,013	22,626
Cyclical Maintenance - Non current	173,260	114,153	175,267
	220,537	150,166	197,893

Per the cyclical maintenance schedule, the School is next expected to undertake painting works during 2026. This plan is based on the School's painting quotes.

15. Finance Lease Liability

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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
No Later than One Year	17,258	13,729	19,662
Later than One Year	36,199	17,221	17,742
Future Finance Charges	(7,144)	-	(3,683)
	46,313	30,950	33,721
Represented by			
Finance lease liability - Current	14,013	13,729	17,552
Finance lease liability - Non current	32,300	17,221	16,169
	46,313	30,950	33,721

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7, and includes retentions on the projects, if applicable.

	2025	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions / Transfers	Closing Balances \$
A, B, C, D, G, I, J, K, L:Roofing		243174	-	-	(4,500)	-	(4,500)
Totals			-	-	(4,500)	-	(4,500)

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	(4,500)

	2024	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions / Transfers	Closing Balances \$
Drainage & Pavement Remediation		243177	14,623	6,116	(20,739)	-	-
Totals			14,623	6,116	(20,739)	-	-

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	-

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 conditions 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 Board members, Principal, Deputy Principals and Heads of Departments.

	2025	2024
	Actual	Actual
	\$	\$
<i>Board Members</i>		
Remuneration	3,545	4,565
<i>Leadership Team</i>		
Remuneration	462,606	460,600
Full-time equivalent members	3.00	3.00
Total key management personnel remuneration	466,151	465,165

There are 7 members of the Board excluding the Principal. The Board has held 12 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (2 members) committees that met 12 and 0 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2025	2024
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	180 - 190	170 - 180
Benefits and Other Emoluments	12 - 13	24 - 25
Termination Benefits	-	-

Other Employees

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

Remuneration	2025	2024
\$000	FTE Number	FTE Number
100 - 110	0.00	2.00
110 - 120	4.00	3.00
120 - 130	1.00	0.00
130 - 140	2.00	2.00
	7.00	7.00

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 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:

	2025 Actual	2024 Actual
Total	\$0	\$0
Number of People	0	0

20. Contingencies

There are no contingent liabilities (except as noted below) and no contingent assets as at 31 December 2025 (Contingent liabilities and assets at 31 December 2024: 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 continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts for specific individuals. As such, this is expected to resolve the liability for school boards.

21. Commitments

(a) Capital Commitments

There are no capital commitments as at 31 December 2025 (Capital commitments at 31 December 2024: \$0).

The Board receives funding from the Ministry of Education for Capital Works which is disclosed in note 16.

(b) Operating Commitments

There are no operating commitments as at 31 December 2025 (Operating commitments at 31 December 2024: nil).

22. 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

	2025 Actual \$	2025 Budget (Unaudited) \$	2024 Actual \$
Cash and Cash Equivalents	320,296	84,454	131,149
Receivables	301,197	244,261	260,469
Investments - Term Deposits	300,000	-	452,325
Total financial assets measured at amortised cost	<u>921,493</u>	<u>328,715</u>	<u>843,943</u>

Financial liabilities measured at amortised cost

Payables	338,604	293,184	402,977
Finance Leases	46,313	30,950	33,721
Total financial liabilities measured at amortised cost	<u>384,917</u>	<u>324,134</u>	<u>436,698</u>

23. Events After Balance Date

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

24. Comparatives

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

David Street School

Members of the Board

Name	Position	How Position Gained	Term Expired/Expires
Rachel Robb	Presiding Member	Elected	Sep 2025
Jason Stevenson	Presiding Member	Elected	Sep 2028
Brian Harrop	Principal	ex Officio	
Debora Rawhi-Galloway	Parent Representative	Elected	Sep 2025
Mike Garrud	Parent Representative	Elected	Sep 2025
Carla McKenzie	Parent Representative	Elected	Sep 2025
Teresa Higham	Parent Representative	Co-opted	Sep 2028
Wyn Hughes	Parent Representative	Elected	Sep 2028
Stepanie Harford	Parent Representative	Select one	Sep 2028
Julie Atkinson	Parent Representative	Elected	Sep 2028
Natalie Brownlie	Parent Representative	Elected	Sep 2028
Michelle Fielding	Staff Representative	Elected	Sep 2025
Nicola Soffe	Staff Representative	Elected	Sep 2028

David Street School

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2025, the school received total Kiwisport funding of \$7,868 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2025 the David Street School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspects of their employment.
- Has reviewed its compliance against both its personnel policy and procedures and can report that it meets all requirements and identified best practice.
- Is a good employer and complies with the conditions contained in the employment contracts of all staff employed by the Board.
- Ensures all employees and applicants for employment are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.



DAVID STREET SCHOOL

Kia Maia - Have Courage

Principal: Brian Harrop

45 David Street, Morrinsville 3300, NEW ZEALAND

Ph: 07 889-7780 email: office@davidst.school.nz www.davidst.school.nz

21 May 2026

Foster Shek
Audit Director
PKF Hamilton Audit Limited
Chartered Accountants
PO Box 187
Hamilton

Dear Foster

Audit of financial statements for the year ended 31 December 2025

We confirm that there are no other events subsequent to year end that need to be disclosed or adjusted in the financial statements other than what is disclosed in the signed version as at the date of this letter.

Signed on behalf of The Board of David Street School by:

Presiding
Member

Principal

Date

21 May 2026



DAVID STREET SCHOOL

Kia Maia - Have Courage

Principal: Brian Harrop

45 David Street, Morrinsville 3300, NEW ZEALAND

Ph: 07 889-7780 email: office@davidst.school.nz www.davidst.school.nz

21 May 2026

Foster Shek
PKF Hamilton Audit Ltd
PO BOX 187, Waikato Mail Centre
Hamilton, 3240

REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2025

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of David Street School (the School) for the year ended 31 December 2025 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
 - the financial position as at 31 December 2025; and
 - the 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 (PBE) Standards Reduced Disclosure Regime.

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

General representations

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 134 of the Education and Training Act 2020 and, in particular, that the financial statements:
 - present fairly, in all material respects:
 - the financial position as at 31 December 2025; and
 - the 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 (PBE) Standards Reduced Disclosure Regime.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter;
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Representations about the provision of information

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
 - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements; and
 - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

Going concern basis of accounting

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2025. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from 21 May 2026, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

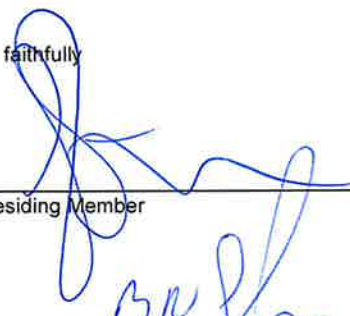
Publication of the financial statements and related audit report on a website

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:

- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully



Presiding Member



Principal

