

The background of the cover features a close-up of several hands holding a large, vibrant green leaf. The hands are positioned in the lower half of the frame, with one hand prominently in the foreground, palm up. The background is dark and out of focus, emphasizing the green leaf and the hands. The text is overlaid on the dark background in the upper half.

TE KURA O HAU KARETU

AUDIT COMPLETION REPORT

FOR THE YEAR ENDED

31 DECEMBER 2021



2 June 2022

Matthew Petrie
Chairperson
Te Kura o Hau Karetu
By Email: Matthew.Petrie@mhaids.health.nz
cc: Karen Wellington
Principal

Dear Matthew,

We have pleasure in presenting our Audit Completion Report for our audit of Te Kura o Hau Karetu School's financial statements for the year ended 31 December 2021.

We emphasise that our audit work involves the review of only those systems and controls in your School upon which we rely on for audit purposes. Our examination may not have identified, and should not be relied upon to identify, all control weaknesses that may exist.

We express our appreciation for the assistance and co-operation provided by the School and the School's service provider during the audit. There is nothing we wish to raise solely with the Board.

Yours faithfully,
BDO WELLINGTON AUDIT LIMITED



Geoff Potter
Partner
Audit & Assurance Services

DDI: +64 4 498 3864
Email: geoff.potter@bdo.co.nz

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1. EXECUTIVE SUMMARY

STATUS OF THE AUDIT AND THE AUDIT OPINION

BDO Wellington Audit Limited ('BDO') is the Appointed Audit Firm of Te Kura o Hau Karetu (the "School").

BDO's responsibilities include a requirement to express an opinion on the School's financial statements arising from our audit conducted in accordance with the Auditor-General's Auditing Standards which incorporate International Standards on Auditing (NZ).

This report details the processes, findings and recommendations from our audit of the School in accordance with the Auditor General's Auditing Standards, and the terms of our engagement as set out in our audit engagement letter.

Our audit of the School's financial statements for the year ended 31 December 2021 is complete.

We have issued an unmodified audit opinion.

We welcome your feedback on the effectiveness of the audit process and we are available to discuss our performance.

AUDIT SCOPE AND OBJECTIVES

Our audit objectives are to:

- report on whether the financial statements give a true and fair view; and
- report to Management about control environment issues that should be addressed by the School.

A strong control environment would feature adequate segregation of duties over important financial processes, and independent reviews as compensating controls should it not always be practicable for the duties to be separated.

We have documented, tested, and assessed the controls supporting the School's key transaction streams, and there are no significant weaknesses to report. Control weaknesses identified during the audit have been included in the Internal Control and Other Findings section of this report.

AREAS OF SIGNIFICANT RISK AND AUDIT EMPHASIS

Our audit approach considered the inherent risks for the School, and their potential impact on the financial statements, as well as the associated risk mitigations and controls in place. The significant matters arising from our audit work are:

- Locally raised funds
- Payroll controls
- Cyclical maintenance provision
- Management override of controls

We were able to obtain sufficient and appropriate audit evidence in respect to these items and we have no significant findings to bring to your attention. Refer to Section 2 for our comments in respect of each significant risk and area of audit emphasis.

SUMMARY OF UNCORRECTED MISSTATEMENTS

There were no errors left uncorrected at the conclusion of our audit

INTERNAL CONTROLS

Our audit approach requires us to obtain an understanding of the School's internal controls in order to assess the risk of material misstatement in the financial statements whether due to fraud or error. However, is not designed to provide assurance over the overall effectiveness of controls operating within the School.

We have included in Appendix 1 of this report, a summary of our findings and recommendations arising because of our audit procedures.

2. KEY FINANCIAL STATEMENT AUDIT RISKS AND AREAS OF AUDIT EMPHASIS

Our audit procedures were focused on those areas of the School's activities that are considered to represent the key audit risks identified during the risk assessment process undertaken and communicated with you through our Audit Plan issued to you at the planning phase of the audit. Below we present a summary of the identified key areas of risk and audit emphasis and our conclusions in relation to each matter. We are satisfied that these areas have been satisfactorily addressed through our audit processes, unless stated otherwise.

Locally Raised Funds

Area of Audit Emphasis	Conclusion/Response
Due to the nature of locally raised funds (often being cash, or having limited segregation of duties), there is a risk of material misstatement around the completeness of locally raised funds.	We found no issues regarding the completeness of locally raised funds balances recorded in the financial statements.

Payroll Not Approved or Checked

Area of Audit Emphasis	Conclusion/Response
Payroll is processed centrally for all schools. The accuracy of payroll processing is therefore dependent on appropriate approval of payroll changes and checking of the fortnightly SUE report at the School.	<p>Due to change to Edpay during the year, we note there is no pay changes report available anymore which can be relied upon for audit purposes.</p> <p>As a result we recommend to ensure controls are effective schools also need to ensure that:</p> <ul style="list-style-type: none">• there is segregation of duties between the processing and approval of payroll transactions;• access to EdPay is controlled;• payroll transactions are approved in line with delegations; and• approvals are appropriately documented. <p>We recommend that the Board ask management for assurance that appropriate controls are in place at the school over payroll transactions, consistent with the updated guidance.</p>

Cyclical Maintenance Provision

Area of Audit Emphasis

Cyclical Maintenance is an area of significant judgment and estimation which could lead to material misstatement in the financial statements if not considered properly by management. For Schools to be able to calculate the appropriate cyclical maintenance provision, a 10 Year Property Plan (10YPP) and cyclical maintenance calculation need to be prepared and/or reviewed by an expert.

Conclusion/Response

We found no issues regarding the provision for cyclical maintenance recorded in the financial statements.

Management Override

Area of Audit Emphasis

There is a non-rebuttable presumption under the Auditing Standards that management override presents a significant risk of material misstatement to the financial statements.

Conclusion/Response

We have assessed the segregation of duties and risk of management override as part of our planning process and concluded that the risk of fraud from management override of controls primarily relates to the processing of manual journals. We have used a risk-based approach to testing manual journals and focused on any areas with a risk of cut-off error or those requiring judgement or estimation. No issues with management override were identified.

Resource Teacher Learning and Behaviour Controls and Disclosures

Area of Audit Emphasis

Need to consider the controls that Te Kura o Hau Karetu have put in place and the accuracy of the RTLB disclosures in the financial statements.

Conclusion/Response

We have assessed the Cluster Funding for this school. There were adjustments that needed to be made to separate the cluster expenses and the funds received from the school and disclose it in the correspondent note. Other than that, there were no issues noted.

3. INTERNAL CONTROL AND OTHER AUDIT FINDINGS

This section of the report sets out the key findings we identified during the audit and highlights control deficiencies requiring attention from management. Our work has been limited to those controls relevant to the audit of your financial statements. The purpose of our audit work on controls is not to provide assurance and therefore we may not necessarily disclose all matters that might be significant deficiencies or deficiencies that heighten the risk of a fraud being perpetrated.

There were no key findings identified during this year's audit that we need to bring to your attention.

Significant Percentage of Operations Grant Funding Salaries

Finding	Conclusion
From the discussions with the Ministry of Education, we note that the "average" school uses around 50-55% of its operations grant to fund salaries. The board funded salaries for your school equated to 105% of its operations grant for the 2022 year.	We appreciate that the core staff make up the significant proportion of the board funded spend on salaries and this is not uncommon. We do not raise this to you as a recommendation to change but as a point of awareness to the board. A high commitment to the board funded salaries creates a potential risk that should the roll drop or local fund reduce. This may create employment issues, or it may be difficult to meet other school commitments out of the operations grant.

Invoices absent for Sensitive Expenditure

Finding	Conclusion
The absence of invoices to support sensitive expenditure means that GST input credit is being forsaken, and incidentally raises the risk that any inappropriate expenditure could go undetected. During our audit we have noted there was one invoice missing of \$113. Greater transparency in this area of sensitive expenditure is needed to avoid any distrust about the efficacy of spending.	All detailed invoices and receipts should be kept safely and should be provided for approval. Further, sensitive expenditure invoices should be subject to a "one up" review and approval for payment where detailed invoices are available. Any outstanding invoices should be followed up. In the unusual circumstances of an invoice not being available then a note of the spending detail should be recorded by the person who is acquiring the invoice.

2020 Annual Report on School Website Missing the Audit Report

Finding

We note that the 2020 Annual Report uploaded to the school's website does not include BDO's audit opinion and it is not signed by the principal and the board chair

Conclusion

Audit opinions tell a reader of the financial statements that the contents of the report are materially correct and have been verified by an independent third party. This is an integral part of financial reporting process.

We recommend the school amend the 2020 report to the version with BDO's audit report and ensure all the future statements uploaded also contain an auditor's report. Also, please ensure that the annual report is signed by the board chair and the principal before publishing.

4. REQUIRED COMMUNICATIONS WITH GOVERNANCE

Matter	How the matter was addressed
Auditors responsibility under generally accepted auditing standards	<p>We are responsible for completing an audit in accordance with generally accepted auditing standards in New Zealand. The detailed terms of which are set out in our audit engagement letter.</p>
Confirmation of Audit Independence	<p>In conducting our audit, we are required to comply with the independence requirements of AG PES-1 <i>Code of Ethics for Assurance Practitioners</i> issued by the External Reporting Board.</p> <p>Our own internal policies and procedures are put in place to identify any threats to our independence, and to appropriately deal with and, if relevant, mitigate those risks.</p> <p>For the comfort of the Board, we note that the following processes assist in maintaining our independence:</p> <ul style="list-style-type: none">• No other work is permitted to be undertaken by any BDO office without the express approval of the audit engagement partner or the OAG.• All services performed by any national BDO office will be reported to the governing body. <p>There were no other services provided by BDO during the year.</p>
Management Judgements and Estimates	<p>Under International Standards on Auditing (NZ), we have a responsibility to ensure that you have been informed about the process used by the School in formulating particularly sensitive accounting estimates, assumptions, or valuation judgements. Overall, we note that the judgements and estimates made by management in the preparation of the financial statements for the year ended 31 December 2021 appear reasonable. Key matters impacting on our audit have been raised in sections 2 and 3 of this report if applicable.</p>

Matter	How the matter was addressed
Matters requiring Board of Trustee input	<p>We have placed reliance on the Board's review and approval of the following matters:</p> <ul style="list-style-type: none">• Minutes of the Board meetings;• Implementation of such controls as is needed to ensure that financial statements are presented fairly;• Management accounts;• Annual budget;• 10 Year Property Plan/maintenance plan;• Notification of fraud; and• Financial statements.
Accounting policies	<p>Auditing standards require us to discuss with you the qualitative aspects of the School's accounting practices and financial reporting. We reviewed the financial statements of the School against the Kiwi Park Model and noted no material departures from the requirements.</p>
Materiality and adjusted/ unadjusted differences	<p>Materiality means, in the context of an audit or review, if financial information is omitted, misstated, or not disclosed, it has the potential to affect the decisions of users of the financial statements. Materiality is used by auditors in making judgements on the amount of work to be performed, which balances require work and when evaluating the financial statements. Materiality is initially calculated at the planning stage of our audit and has an influence on the amount of work we do, as well as where we direct our efforts. Materiality is not only based on a numeric quantification but is assessed qualitatively for some balances and disclosures.</p> <p>All adjusted and unadjusted differences identified during our audit (if any) have been detailed in Appendix 1 of this report.</p> <p>It should be noted that the auditing standards do not require us to communicate misstatements that are considered "clearly trivial" and as such, if we identify such misstatements, we will not communicate these to you. We consider "clearly trivial" to be 5% or less of our planned materiality.</p>

Matter	How the matter was addressed
Going concern	<p>We have undertaken a review of the Board and management's assessment of the ability of the School to continue as a going concern for at least 12 months from the date of signing the audit report, and therefore whether the going concern basis for the preparation of the financial statements is appropriate.</p> <p>We identified no issues or concerns that led us to conclude the going concern assumption could not be relied upon.</p>
Fraud	<p>During the audit, no matters relating to fraud, concerning either employees or management, have come to our attention. It should be noted that our audit is not designed to detect fraud; however, should instances of fraud come to our attention, we will report them to you.</p>
Compliance with laws and regulations	<p>We have made enquiries in relation to compliance with laws and regulations during the course of our audit. We have not become aware of any instances of non-compliance with laws and regulations which has materially impacted the financial position or performance of the School.</p>
Significant findings from the audit	<p>Other than those documented in the executive summary and sections 2 and 3 of this report, there were no significant matters arising from the audit.</p>
Disagreements with management	<p>There have been no disagreements with management over matters of significance to the audit.</p>
Difficulties encountered during the audit	<p>There have been no significant difficulties encountered during the audit.</p>
Consultations with other accountants and consultants	<p>We have considered the need for other accounting specialists during our work and determined due to the nature of the engagement and experience and knowledge of the engagement team, that no specialists were necessary for the current period.</p>
Management representation letter	<p>We have not requested specific representation from management in addition to those areas normally covered by our standard representation letter.</p>

Matter	How the matter was addressed
<p>Probity, waste, and performance</p> <p>Publishing Annual Report on the School's Website</p>	<p>We are required to consider whether any approved payments could be considered extravagant or wasteful, or show a lack of probity or financial prudence. We did not identify any issues of concern with respect to probity, waste and performance.</p> <p>The Education and Training Act 2020 requires you to publish your Annual Report online. Your Annual Report contains your audited annual financial statements including our audit opinion, analysis of variance, list of trustees and Kiwisport statement.</p> <p>Making your Annual Report accessible to the school community is important for transparency and accountability. The expectation is that your Annual Report is published as soon as possible after your audit is completed, as the value of good accountability lessens over time.</p> <p>We note that you have published your prior year Annual Report on the School's website.</p>

APPENDIX 1 - ADJUSTED DIFFERENCES

ADJUSTED DIFFERENCES

The following misstatements have been identified during our audit, and have been adjusted:

Description	Assets	Liabilities	Reserves	Profit
	Dr(Cr)	Dr(Cr)	Dr(Cr)	Dr(Cr)
	\$	\$	\$	\$
Adjusting for banking staffing underuse	27,700	-	-	(27,700)
Adjustment to exclude the cluster funded teachers' expense and grants	-	-	-	1,171,727 (1,171,727)
Adjustment to exclude the cluster funded teachers' receivables and payables	(78,000)	78,000	-	-
Adjustment to the cyclical maintenance provision	-	10,400 (1,226) (9,553)	-	379
Net Effect of Adjustments made:	(50,300)	77,621	-	(27,321)



APPENDIX 2 - UPDATE ON FINDINGS FROM PRIOR YEAR

The updates on the prior year findings are addressed in the interim visit and in section 3

TE KURA O HAU KARETU

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

School Directory

Ministry Number: 2902

Principal: Karen Wellington

School Address: 32 Hillside Drive, Maoribank

School Postal Address: 32 Hillside Drive, Maoribank, Upper Hutt, 5018

School Phone: 04 526 9552

School Email: principal@tehaukaretu.school.nz

Accountant / Service Provider:

Education  **Services.**
Dedicated to your school

TE KURA O HAU KARETU

Annual Report - For the year ended 31 December 2021

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	Members of the Board
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Te Kura o Hau Karetu

Statement of Responsibility

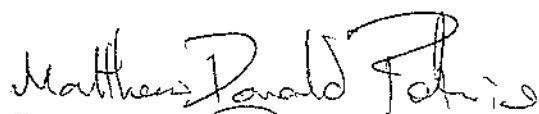
For the year ended 31 December 2021

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

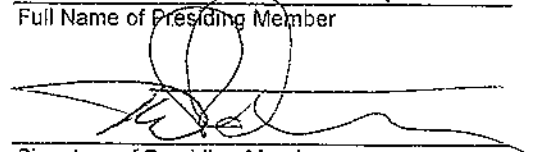
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.



Full Name of Presiding Member



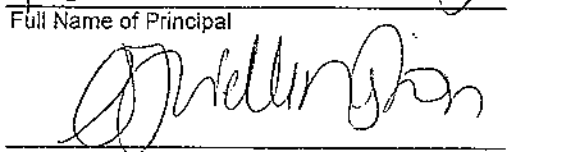
Signature of Presiding Member

01/06/2022

Date:



Full Name of Principal



Signature of Principal

1/6/22

Date:

Te Kura o Hau Karetu

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2021

		2021	2021	2020
	Notes	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue				
Government Grants	2	1,436,810	1,082,949	1,338,050
Locally Raised Funds	3	99,437	16,150	69,218
Interest Income		1,596	500	1,477
		<u>1,537,843</u>	<u>1,099,599</u>	<u>1,408,745</u>
Expenses				
Locally Raised Funds	3	6,031	6,700	18,930
Learning Resources	4	1,069,796	793,392	1,013,785
Administration	5	164,975	75,050	99,400
Finance		1,828	297	1,747
Property	6	172,095	203,346	252,820
Depreciation	10	43,176	34,954	37,701
Loss on Disposal of Property, Plant and Equipment		-	-	562
		<u>1,457,901</u>	<u>1,113,739</u>	<u>1,424,945</u>
Net Surplus / (Deficit) for the year		79,942	(14,140)	(16,200)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		<u>79,942</u>	<u>(14,140)</u>	<u>(16,200)</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.

Te Kura o Hau Karetu

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		232,162	245,009	248,362
Total comprehensive revenue and expense for the year		79,942	(14,140)	(16,200)
Capital Contributions from the Ministry of Education				
Equity at 31 December		312,104	230,869	232,162
Retained Earnings		312,104	230,869	232,162
Equity at 31 December		312,104	230,869	232,162

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.

Te Kura o Hau Karetu
Statement of Financial Position
As at 31 December 2021

		2021	2021	2020
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Current Assets				
Cash and Cash Equivalents	7	85,604	79,020	96,894
Accounts Receivable	8	120,996	67,663	88,280
GST Receivable		4,295	12,839	874
Prepayments		1,193	4,854	3,748
Investments	9	242,627	91,412	92,806
		454,715	255,788	282,602
Current Liabilities				
Accounts Payable	11	101,451	60,370	84,857
Revenue Received in Advance	12	16,025	24,761	3,269
Provision for Cyclical Maintenance	13	49,619	-	46,923
Finance Lease Liability	14	10,528	4,615	9,695
Funds held for Capital Works Projects	15	69,234	-	24,293
Funds held on behalf of RTM Cluster	16	25,848	25,526	15,912
		272,705	115,272	184,949
Working Capital Surplus/(Deficit)		182,010	140,516	97,653
Non-current Assets				
Property, Plant and Equipment	10	159,596	118,473	175,039
		159,596	118,473	175,039
Non-current Liabilities				
Provision for Cyclical Maintenance	13	20,850	24,758	25,000
Finance Lease Liability	14	8,652	3,362	15,530
		29,502	28,120	40,530
Net Assets		312,104	230,869	232,162
Equity		312,104	230,869	232,162

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

Te Kura o Hau Karetu

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2021	2020
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
Cash flows from Operating Activities				
Government Grants		521,915	378,768	470,837
Locally Raised Funds		116,604	15,150	30,717
Goods and Services Tax (net)		(3,421)	-	11,965
Payments to Employees		(335,385)	(209,932)	(302,500)
Payments to Suppliers		(202,484)	(245,777)	(175,297)
Interest Paid		(1,828)	(297)	(1,747)
Interest Received		1,203	500	2,140
Net cash from/(to) Operating Activities		96,604	(61,588)	36,115
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(9,759)	(23,957)	(71,304)
Purchase of Investments		(149,821)	-	(52,325)
Proceeds from Sale of Investments		-	-	50,931
Net cash from/(to) Investing Activities		(159,580)	(23,957)	(72,698)
Cash flows from Financing Activities				
Finance Lease Payments		(6,157)	(4,172)	(4,740)
Funds Administered on Behalf of Third Parties		57,843	-	(30,520)
Net cash from/(to) Financing Activities		51,686	(4,172)	(35,260)
Net increase/(decrease) in cash and cash equivalents		(11,290)	(89,717)	(71,843)
Cash and cash equivalents at the beginning of the year	7	96,894	168,737	168,737
Cash and cash equivalents at the end of the year	7	85,604	79,020	96,894

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.

Te Kura o Hau Karetu

Notes to the Financial Statements

For the year ended 31 December 2021

1. Statement of Accounting Policies

a) Reporting Entity

Te Kura o Hau Karetu (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 13.

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) Inventories

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

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 not trivial.

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 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 are depreciated over their estimated useful lives on a straight line 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	20 years
Furniture and Equipment	10 years
Information and Communication Technology	5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

k) Intangible Assets

Software costs

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

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

l) 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.

m) 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.

n) 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.

Long-term employee entitlements

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

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows.

o) Revenue Received in Advance

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

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.

p) 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 Expenses.

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. The cluster of schools operate activities outside of the School's control. These amounts are not recorded in the Statement of Comprehensive Revenue and Expenses. 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 an up to date 10 Year Property Plan (10YPP) or another appropriate source of evidence.

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 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.

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.

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

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 statements 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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Operational Grants	300,737	242,381	296,267
Teachers' Salaries Grants	704,322	574,010	723,817
Use of Land and Buildings Grants	112,853	130,171	162,471
Other MoE Grants	273,045	96,387	118,905
Other Government Grants	45,853	40,000	36,590
	1,436,810	1,082,949	1,338,050

The school has opted in to the donations scheme for this year. Total amount received was \$16,650.

3. Locally Raised Funds

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

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Revenue			
Donations & Bequests	21,892	-	7,771
Fees for Extra Curricular Activities	15,829	6,900	13,882
Fundraising & Community Grants	61,654	8,250	46,518
Asc	62	1,000	1,047
	99,437	16,150	69,218
Expenses			
Extra Curricular Activities Costs	5,574	4,700	16,925
Trading	-	500	-
Fundraising & Community Grant Costs	60	500	288
Asc	397	1,000	1,717
	6,031	6,700	18,930
Surplus for the year Locally raised funds	93,406	9,450	50,288

4. Learning Resources

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	46,882	13,000	20,891
Library Resources	193	200	268
Employee Benefits - Salaries	962,198	742,942	974,116
Staff Development	6,253	2,750	9,851
Learning Support Coordinator	54,270	34,500	8,659
	1,069,796	793,392	1,013,785

5. Administration

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	6,160	5,800	5,504
Board Fees	4,895	4,500	4,970
Board Expenses	763	650	1,148
Communication	1,972	1,800	1,737
Consumables	1,986	2,550	3,502
Other	9,763	10,150	23,062
Employee Benefits - Salaries	56,491	40,000	47,635
Insurance	1,471	3,000	5,842
Service Providers, Contractors and Consultancy	6,600	6,600	6,000
Healthy School Lunch Programme	74,874	-	-
	164,975	75,050	99,400

6. Property

	2021	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	5,953	7,300	5,723
Cyclical Maintenance Provision	(1,454)	13,425	19,923
Grounds	2,711	3,700	3,151
Heat, Light and Water	9,882	12,800	17,090
Rates	2,175	3,000	2,747
Repairs and Maintenance	9,045	7,200	15,302
Use of Land and Buildings	112,853	130,171	162,471
Security	1,627	1,500	1,690
Employee Benefits - Salaries	11	1,000	1,603
Contractors	29,292	23,250	23,120
	172,095	203,346	252,820

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	2021	2020
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	85,604	79,020	96,894
Cash and cash equivalents for Statement of Cash Flows	85,604	79,020	96,894

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

Of the \$85,604 Cash and Cash Equivalents \$74,376 is held by the School on behalf of the Ministry of Education. These funds have been provided for the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2022 on Crown owned school buildings.

8. Accounts Receivable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Receivables	10,300	1,565	17,865
Receivables from the Ministry of Education	2,418	8,547	-
Banking Staffing Underuse	27,700	15,101	5,049
Interest Receivable	587	857	194
Teacher Salaries Grant Receivable	79,991	41,593	65,172
	<u>120,996</u>	<u>67,663</u>	<u>88,280</u>
Receivables from Exchange Transactions	13,305	2,422	18,059
Receivables from Non-Exchange Transactions	107,691	65,241	70,221
	<u>120,996</u>	<u>67,663</u>	<u>88,280</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	242,627	91,412	92,806
Total Investments	<u>242,627</u>	<u>91,412</u>	<u>92,806</u>

10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2021						
Building Improvements	20,959	-	-	-	(1,796)	19,162
Furniture and Equipment	87,522	22,790	-	-	(19,370)	90,942
Information and Communication Technology	36,556	650	-	-	(9,904)	27,302
Leased Assets	23,564	4,294	-	-	(11,128)	16,730
Library Resources	6,438	-	-	-	(978)	5,460
Balance at 31 December 2021	<u>175,039</u>	<u>27,734</u>	<u>-</u>	<u>-</u>	<u>(43,176)</u>	<u>159,596</u>

The net carrying value of equipment held under a finance lease is \$16,730 (2020: \$23,564)

	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$	2020 Cost or Valuation \$	2020 Accumulated Depreciation \$	2020 Net Book Value \$
Building Improvements	56,222	(37,060)	19,162	56,822	(35,863)	20,959
Furniture and Equipment	305,111	(214,169)	90,942	291,675	(204,153)	87,522
Information and Communication Technology	84,198	(56,896)	27,302	153,976	(117,420)	36,556
Leased Assets	34,525	(17,795)	16,730	34,189	(10,625)	23,564
Library Resources	7,822	(2,362)	5,460	7,822	(1,384)	6,438
Balance at 31 December	<u>487,878</u>	<u>(328,282)</u>	<u>159,596</u>	<u>544,484</u>	<u>(369,445)</u>	<u>175,039</u>

11. Accounts Payable

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Creditors	15,026	13,852	12,514
Accruals	4,660	3,836	4,000
Employee Entitlements - Salaries	79,991	41,593	65,172
Employee Entitlements - Leave Accrual	1,774	1,089	3,171
	<u>101,451</u>	<u>60,370</u>	<u>84,857</u>
Payables for Exchange Transactions	101,451	60,370	84,857
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<u>101,451</u>	<u>60,370</u>	<u>84,857</u>

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Income in Advance	4,000	2,991	-
Income in Advance - Grants	12,025	21,386	2,901
Income in Advance MOE	-	384	368
	<u>16,025</u>	<u>24,761</u>	<u>3,269</u>

13. Provision for Cyclical Maintenance

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Provision at the Start of the Year	71,923	11,333	52,000
Increase to the Provision During the Year	13,236	13,425	14,327
Adjustment to the Provision	(5,137)	-	5,596
Use of the Provision During the Year	(9,553)	-	-
Provision at the End of the Year	<u>70,469</u>	<u>24,758</u>	<u>71,923</u>
Cyclical Maintenance - Current	49,619	-	46,923
Cyclical Maintenance - Term	20,850	24,758	25,000
	<u>70,469</u>	<u>24,758</u>	<u>71,923</u>

14. 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	11,730	4,615	11,341
Later than One Year and no Later than Five Years	9,620	3,362	17,267
Future finance charges	(2,170)	-	(3,383)
	<u>19,180</u>	<u>7,977</u>	<u>25,225</u>

Represented by

Finance lease liability - Current	10,528	4,615	9,695
Finance lease liability - Term	8,652	3,362	15,530
	<u>19,180</u>	<u>7,977</u>	<u>25,225</u>

15. Funds Held (Owed) for Capital Works Projects

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

2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Special Needs Modifications		(2,192)	8,778	(9,896)	-	(3,310)
Stormwater Drainage		1,577	-	-	-	1,577
Block 4 Refurbish classrooms 2,3,4		24,908	-	-	-	24,908
Block 8, Replace Hall Flooring		-	65,210	(67,042)	-	(1,832)
Replace Pool Cover		-	49,500	(1,609)	-	47,891
Totals		<u>24,293</u>	<u>123,488</u>	<u>(78,547)</u>	<u>-</u>	<u>69,234</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	74,376
Funds Due from the Ministry of Education	(5,142)
	<u>69,234</u>

2020	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Special Needs Modifications		3,362	15,762	(21,316)	-	(2,192)
Carpet / Ceiling Replacement		2,641	-	(2,641)	-	-
Fencing Project		227	147	(374)	-	-
Stormwater Drainage		6,829	23,500	(28,752)	-	1,577
Block 4 Refurbish classrooms 2,3,4		30,088	-	(5,180)	-	24,908
Totals		<u>43,147</u>	<u>39,409</u>	<u>(58,263)</u>	<u>-</u>	<u>24,293</u>

16. Funds held on behalf of RTM Cluster

Kiwi Park School is the lead school and holds funds on behalf of the Kiwi Park cluster, a group of schools funded by the Ministry of Education to share ICT professional development.

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Funds Held at Beginning of the Year	15,912	25,526	25,526
Funds Received from Cluster Members	1,187,656	12,269	912,335
Funds Spent on Behalf of the Cluster	1,177,720	12,269	921,949
Funds Held at Year End	25,848	25,526	15,912

17. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

18. Remuneration

Key management personnel compensation

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

	2021 Actual \$	2020 Actual \$
<i>Board Members</i>		
Remuneration	4,895	4,970
<i>Leadership Team</i>		
Remuneration	231,048	129,152
Full-time equivalent members	2.22	1.00
Total key management personnel remuneration	<u>235,943</u>	<u>134,122</u>

There are 6 members of the Board excluding the Principal. The Board had held 12 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (1 members) that met 0 and 12 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:

	2021 Actual \$000	2020 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	120 - 130
Benefits and Other Emoluments	3 - 4	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	-	-
	<u>0.00</u>	<u>0.00</u>

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:

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

20. 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.

21. Commitments

(a) Capital Commitments

As at 31 December 2021 the Board has entered into contract agreements for capital works as follows:

\$200,061 contract for the Special Needs Modifications as agent for the Ministry of Education. This project is fully funded by the Ministry and \$193,924 has been received of which \$197,234 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$150,353 contract for the Stormwater Drainage as agent for the Ministry of Education. This project is fully funded by the Ministry and \$38,500 has been received of which \$36,923 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$301,328 contract for the Block 4 Refurbish classrooms 2,3,4 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$30,088 has been received of which \$5,180 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$88,566 contract for the Block 8, Replace Hall Flooring as agent for the Ministry of Education. This project is fully funded by the Ministry and \$65,210 has been received of which \$67,042 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$55,849 contract for the Replace Pool Cover as agent for the Ministry of Education. This project is fully funded by the Ministry and \$49,500 has been received of which \$1,609 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2020:

\$301,328 contract for the Block 4 Refurbish classrooms 2,3,4 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$30,088 has been received of which \$5,180 has been spent on the project to balance date. This project has been approved by the Ministry; and

The School has also appointed Quality Painting Guaranteed Ltd to carry out the exterior painting of Te Hikuwai, Admin and Dental Clinic for \$35,872 in 2021 year.

(b) Operating Commitments

There are no operating commitments as at 31 December 2021 (Operating commitments at 31 December 2020: 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

	2021 Actual \$	2021 Budget (Unaudited) \$	2020 Actual \$
Cash and Cash Equivalents	85,604	79,020	96,894
Receivables	120,996	67,663	88,280
Investments - Term Deposits	242,627	91,412	92,806

Total Financial assets measured at amortised cost	449,227	238,095	277,980
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Financial liabilities measured at amortised cost

Payables	101,451	60,370	84,857
Finance Leases	19,180	7,977	25,225

Total Financial Liabilities Measured at Amortised Cost	120,631	68,347	110,082
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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.

Te Kura o Hau Karetu

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Matthew Petrie	Presiding Member	Elected	Sep 2022
Karen Wellington	Principal		
Michelle Andrews	Parent Representative	Elected	Sep 2022
Rhoslyn Thomas	Parent Representative	Elected	Sep 2022
Donna Williams	Staff Representative	Elected	Sep 2022
Neil Carroll	Other	Co-opted	Sep 2022
Dave Wellington	Other	Elected	Sep 2022
Ronnie Rawiri	Other	Elected	Sep 2022

Te Kura o Hau Karetu

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2021, the school received total Kiwisport funding of \$1,740 (excluding GST). The funding was spent on sporting endeavours.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TE KURA O HAU KARETU FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

The Auditor-General is the auditor of Te Kura o Hau Karetu (the School). The Auditor-General has appointed me, Geoff Potter using the staff and resources of BDO Wellington Audit Limited to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2021, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2021; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit (PBE) Standards Disclosure Regime.

Our audit was completed on 1 June 2022. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

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

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 arise 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 1 and 20 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.

A handwritten signature in blue ink, appearing to read 'GP', is written over a horizontal line.

Geoff Potter
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand