

Te Kura o Hau Karetu

AUDIT COMPLETION REPORT

FOR THE YEAR ENDED

31 DECEMBER 2022



26 May 2023

Matthew Petrie
Chairperson
Te Kura o Hau Karetu

cc: Karen Wellington
Principal

Dear Matthew

We have pleasure in presenting our Audit Completion Report for our audit of Porirua East School's financial statements for the year ended 31 December 2022.

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 3846
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 Porirua (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 2022 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 are presented in all material aspects; 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 subpart 3 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. | We found no issues regarding controls that could affect the payroll balances recorded in the financial statements |

Cyclical Maintenance Provision

| Area of Audit Emphasis | Conclusion/Response |
|------------------------|---------------------|
|------------------------|---------------------|

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.

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.

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.

The following key findings were identified during this year's audit:

Cyclical maintenance Plan not Updated

| Finding | Conclusion |
|---------|------------|
|---------|------------|

| | |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| While the Board does have a property plan in place, we noted that information was out-of-date as it the plan is dated 2019. | The impact of this is that the school does not have the necessary information to adequately plan for and carry out maintenance works in a systematic and efficient manner. We recommend the board to update the 10YPP plan. |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Old Assets in Fixed Assets register

| Finding | Conclusion |
|---------|------------|
|---------|------------|

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| From our testing of Property, Plant & equipment, we identified that there are many old assets in Fixed assets Register. Assets date back to the year 1990s and include things like desks, cabinets and cupboards. | We recommend performing a Stocktake and disposing of any old assets not in use from the Fixed assets Register. |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|

Also, we have noted that cost of lost and damaged Library books has not been written off from the Fixed Assets Register in 2022

4. REQUIRED COMMUNICATIONS WITH GOVERNANCE

| Matter | How the matter was addressed |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Auditors responsibility under generally accepted auditing standards | 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. |
| 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 | 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 2022 appear reasonable. Key matters impacting on our audit have been raised in sections 2 and 3 of this report if applicable. |

| 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 |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Probity, waste and performance | <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 one issues of concern with respect to probity of expenditure.</p> |
| Publishing Annual Report on the School's Website | <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, Kiwisport statement and statement of compliance with employment policy.</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

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) |
| | \$ | \$ | \$ | \$ |
| Banking Staffing Underuse | 14,502 | - | - | (14,502) |
| Cluster Funded Teacher accrual Adjustment | 78,000 | (78,000) | | |
| Net Effect of Adjustments made: | 92,502 | (78,000) | - | (14,502) |

UNADJUSTED DIFFERENCES

We have found no unadjusted differences during out audit.

APPENDIX 2 - UPDATE ON FINDINGS FROM PRIOR YEAR

Significant percentage of operations grant funding salaries

Finding

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.

Update

Re-raised: 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

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.

Update

Cleared: 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

Update

Re-raised:: 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.

TE KURA O HAU KARETU

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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Te Kura o Hau Karetu

Statement of Responsibility

For the year ended 31 December 2022

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 2022 fairly reflects the financial position and operations of the school.


The School's 2022 financial statements are authorised for issue by the Board.

Matthew Donald Felton
Full Name of Presiding Member


Signature of Presiding Member

17/10/23
Date:

Karen Jane Wellinfor
Full Name of Principal


Signature of Principal

17/10/23
Date:

Te Kura o Hau Karetu

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

| | | 2022 | 2022 | 2021 |
|-------------------------------------------------------------|-------|------------------|------------------|------------------|
| | Notes | Actual | Budget | Actual |
| | | \$ | \$ | \$ |
| Revenue | | | | |
| Government Grants | 2 | 3,046,904 | 1,434,732 | 2,608,537 |
| Locally Raised Funds | 3 | 124,893 | 74,360 | 99,437 |
| Interest Income | | 5,449 | 1,000 | 1,596 |
| | | <u>3,177,246</u> | <u>1,510,092</u> | <u>2,709,570</u> |
| Expenses | | | | |
| Locally Raised Funds | 3 | 9,997 | 10,200 | 6,031 |
| Learning Resources | 4 | 2,584,019 | 1,154,099 | 2,283,974 |
| Administration | 5 | 267,997 | 95,830 | 165,711 |
| Finance | | 1,306 | 1,018 | 1,828 |
| Property | 6 | 212,269 | 253,178 | 172,084 |
| | | <u>3,075,588</u> | <u>1,514,325</u> | <u>2,629,628</u> |
| Net Surplus / (Deficit) for the year | | 101,658 | (4,233) | 79,942 |
| Other Comprehensive Revenue and Expense | | - | - | - |
| Total Comprehensive Revenue and Expense for the Year | | <u>101,658</u> | <u>(4,233)</u> | <u>79,942</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 2022

| | 2022 | 2022 | 2021 |
|------------------------------------------------------|---------|-------------|---------|
| | Actual | Budget | Actual |
| Notes | \$ | (Unaudited) | \$ |
| Equity at 1 January | 312,104 | 215,262 | 232,162 |
| Total comprehensive revenue and expense for the year | | | |
| Contributions from the Ministry of Education | 101,658 | (4,233) | 79,942 |
| Contribution - Furniture and Equipment Grant | 7,696 | - | - |
| Equity at 31 December | 421,458 | 211,029 | 312,104 |
| Accumulated comprehensive revenue and expense | 421,458 | 211,029 | 312,104 |
| Equity at 31 December | 421,458 | 211,029 | 312,104 |

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 2022

| | | 2022 | 2022 Budget (Unaudited) | 2021 |
|---------------------------------------------|-------|--------------|-------------------------------|--------------|
| | Notes | Actual \$ | \$ | Actual \$ |
| Current Assets | | | | |
| Cash and Cash Equivalents | 7 | 161,533 | 56,115 | 85,604 |
| Accounts Receivable | 8 | 198,262 | 88,280 | 198,996 |
| GST Receivable | | - | 874 | 4,295 |
| Prepayments | | 22,505 | 3,748 | 1,193 |
| Investments | 9 | 201,913 | 92,806 | 242,627 |
| Funds Receivable for Capital Works Projects | 15 | 13,770 | - | 5,142 |
| | | 597,983 | 241,823 | 537,857 |
| Current Liabilities | | | | |
| GST Payable | | 3,767 | - | - |
| Accounts Payable | 11 | 180,664 | 84,857 | 179,451 |
| Revenue Received in Advance | 12 | 53,182 | 3,269 | 16,025 |
| Provision for Cyclical Maintenance | 13 | 14,118 | 43,205 | 49,619 |
| Finance Lease Liability | 14 | 6,777 | 9,695 | 10,528 |
| Funds held for Capital Works Projects | 15 | 32,865 | - | 74,376 |
| Funds held on behalf of RTM Cluster | 16 | 20,371 | 15,912 | 25,848 |
| | | 311,744 | 156,938 | 355,847 |
| Working Capital Surplus/(Deficit) | | 286,239 | 84,885 | 182,010 |
| Non-current Assets | | | | |
| Property, Plant and Equipment | 10 | 168,265 | 141,674 | 159,596 |
| | | 168,265 | 141,674 | 159,596 |
| Non-current Liabilities | | | | |
| Provision for Cyclical Maintenance | 13 | 28,704 | - | 20,850 |
| Finance Lease Liability | 14 | 4,342 | 15,530 | 8,652 |
| | | 33,046 | 15,530 | 29,502 |
| Net Assets | | 421,458 | 211,029 | 312,104 |
| | | 421,458 | 211,029 | 312,104 |
| Equity | | 421,458 | 211,029 | 312,104 |

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 2022

| | 2022 | 2022 Budget (Unaudited) | 2021 |
|-------------------------------------------------------------|------|-------------------------------|--------------|
| | Note | Actual \$ | Actual \$ |
| Cash flows from Operating Activities | | | |
| Government Grants | | 793,014 | 521,915 |
| Locally Raised Funds | | 158,278 | 116,604 |
| Goods and Services Tax (net) | | 8,062 | (3,421) |
| Payments to Employees | | (557,159) | (383,206) |
| Payments to Suppliers | | (252,184) | (297,286) |
| Interest Paid | | (1,306) | (1,828) |
| Interest Received | | 4,084 | 1,203 |
| Net cash from/(to) Operating Activities | | 152,789 | (52,657) |
| | | (18,200) | (159,580) |
| Cash flows from Investing Activities | | | |
| Purchase of Property Plant & Equipment (and Intangibles) | | (58,139) | (18,200) |
| Purchase of Investments | | (101,512) | - |
| Proceeds from Sale of Investments | | 142,226 | - |
| Net cash from/(to) Investing Activities | | (17,425) | (18,200) |
| | | (9,922) | (6,157) |
| Cash flows from Financing Activities | | | |
| Furniture and Equipment Grant | | 7,696 | - |
| Finance Lease Payments | | (6,261) | (9,922) |
| Funds Administered on Behalf of Third Parties | | (60,870) | 40,000 |
| Net cash from/(to) Financing Activities | | (59,435) | 30,078 |
| | | (40,779) | (11,290) |
| Net increase/(decrease) in cash and cash equivalents | | 75,929 | (40,779) |
| Cash and cash equivalents at the beginning of the year | 7 | 85,604 | 96,894 |
| Cash and cash equivalents at the end of the year | 7 | 161,533 | 56,115 |
| | | 85,604 | 85,604 |

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 2022

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 statements have been prepared for the period 1 January 2022 to 31 December 2022 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 expense 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 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 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. 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 14. 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 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 (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 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 | 4 - 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 and research expenditure 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. 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 the surplus or deficit.

The reversal of an impairment loss is recognised in the 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.

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 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.

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 Expense.

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

q) 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.

r) 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. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTLB programme), all income and expenditure related to the provision of the service is 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.

s) 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 7 to 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.

t) 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, finance lease liability, and painting contract liability. Financial liabilities are 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.

u) 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.

v) 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.

w) Budget Figures

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

x) 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

Government Grants - Ministry of Education
Teachers' Salaries Grants
Use of Land and Buildings Grants
Other Government Grants

| | 2022 | 2022 Budget | 2021 |
|------------------|------------------|------------------|--------|
| | Actual | (Unaudited) | Actual |
| \$ | \$ | \$ | \$ |
| 882,636 | 513,493 | 573,782 | |
| 1,999,609 | 718,768 | 1,876,049 | |
| 129,888 | 162,471 | 112,853 | |
| 34,771 | 40,000 | 45,853 | |
| <u>3,046,904</u> | <u>1,434,732</u> | <u>2,608,537</u> | |

The school has opted in to the donations scheme for this year. Total amount received was \$19,350.

3. Locally Raised Funds

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

Revenue
Donations & Bequests
Fees for Extra Curricular Activities
Trading
Fundraising & Community Grants
Asc

| | 2022 | 2022 Budget | 2021 |
|----------------|---------------|----------------|--------|
| | Actual | (Unaudited) | Actual |
| \$ | \$ | \$ | \$ |
| 12,205 | 3,760 | 21,892 | |
| 27,316 | 13,100 | 15,829 | |
| 2,556 | - | - | |
| 82,816 | 57,500 | 61,654 | |
| - | - | 62 | |
| <u>124,893</u> | <u>74,360</u> | <u>99,437</u> | |

Expenses
Extra Curricular Activities Costs
Trading
Fundraising & Community Grant Costs
Asc

| | 2022 | 2021 |
|--------------|---------------|--------------|
| | Actual | Actual |
| \$ | \$ | \$ |
| 6,797 | 4,900 | 5,574 |
| 2,265 | - | - |
| 935 | 5,300 | 60 |
| - | - | 397 |
| <u>9,997</u> | <u>10,200</u> | <u>6,031</u> |

Surplus for the year Locally raised funds

| | | |
|----------------|---------------|---------------|
| <u>114,896</u> | <u>64,160</u> | <u>93,406</u> |
|----------------|---------------|---------------|

4. Learning Resources

Curricular
Library Resources
Employee Benefits - Salaries
Staff Development
Depreciation
Learning Support Coordinator

| | 2022 | 2022 Budget | 2021 |
|------------------|------------------|------------------|--------|
| | Actual | (Unaudited) | Actual |
| \$ | \$ | \$ | \$ |
| 34,881 | 24,907 | 46,882 | |
| 315 | 250 | 193 | |
| 2,448,250 | 1,046,974 | 2,133,200 | |
| 2,832 | 5,400 | 6,253 | |
| 54,890 | 40,568 | 43,176 | |
| 42,851 | 36,000 | 54,270 | |
| <u>2,584,019</u> | <u>1,154,099</u> | <u>2,283,974</u> | |

5. Administration

Audit Fee
Board Fees
Board Expenses
Communication
Consumables
Other
Employee Benefits - Salaries
Insurance
Service Providers, Contractors and Consultancy
Healthy School Lunch Programme

| | 2022 | 2022 Budget | 2021 |
|---------|-------------|----------------|------|
| Actual | (Unaudited) | Actual | |
| \$ | \$ | \$ | |
| 6,345 | 6,345 | 6,160 | |
| 4,330 | 5,100 | 4,895 | |
| 3,250 | 2,115 | 763 | |
| 2,289 | 1,900 | 1,972 | |
| 2,930 | 2,250 | 1,986 | |
| 15,481 | 14,620 | 9,763 | |
| 78,955 | 55,000 | 57,227 | |
| 3,293 | 1,900 | 1,471 | |
| 6,600 | 6,600 | 6,600 | |
| 144,524 | - | 74,874 | |
| 267,997 | 95,830 | 165,711 | |

6. Property

Caretaking and Cleaning Consumables
Cyclical Maintenance Provision
Grounds
Heat, Light and Water
Rates
Repairs and Maintenance
Use of Land and Buildings
Security
Employee Benefits - Salaries
Contractors

| | 2022 | 2022 Budget | 2021 |
|---------|-------------|----------------|------|
| Actual | (Unaudited) | Actual | |
| \$ | \$ | \$ | |
| 6,590 | 7,150 | 5,953 | |
| 2,767 | 12,857 | (1,454) | |
| 4,734 | 5,000 | 2,711 | |
| 12,156 | 11,250 | 9,882 | |
| 1,070 | 3,000 | 2,175 | |
| 15,244 | 9,500 | 9,045 | |
| 129,888 | 162,471 | 112,853 | |
| 1,893 | 1,300 | 1,627 | |
| 15,403 | - | - | |
| 22,524 | 40,650 | 29,292 | |
| 212,269 | 253,178 | 172,084 | |

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

Bank Accounts

| 2022 | 2022 Budget | 2021 |
|---------|----------------|--------|
| Actual | (Unaudited) | Actual |
| \$ | \$ | \$ |
| 161,533 | 56,115 | 85,604 |
| 161,533 | 56,115 | 85,604 |

Cash and cash equivalents for Statement of Cash Flows

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

Of the \$161,533 Cash and Cash Equivalents \$32,865 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

8. Accounts Receivable

Receivables
Receivables from the Ministry of Education
Banking Staffing Underuse
Interest Receivable
Teacher Salaries Grant Receivable

| | 2022 | 2022 Budget (Unaudited) | 2021 |
|---------|--------|-------------------------------|------|
| Actual | \$ | \$ | \$ |
| 14,422 | 17,865 | 10,300 | |
| - | - | 2,418 | |
| 14,502 | 5,049 | 27,700 | |
| 1,952 | 194 | 587 | |
| 167,386 | 65,172 | 157,991 | |
| 198,262 | 88,280 | 198,996 | |

Receivables from Exchange Transactions
Receivables from Non-Exchange Transactions

| | | |
|---------|--------|---------|
| 16,374 | 18,059 | 10,887 |
| 259,888 | 70,221 | 188,109 |
| 276,262 | 88,280 | 198,996 |

9. Investments

The School's investment activities are classified as follows:

Current Asset
Short-term Bank Deposits

Total Investments

| 2022 | 2022 Budget (Unaudited) | 2021 |
|---------|-------------------------------|---------|
| Actual | \$ | Actual |
| \$ | | \$ |
| 201,913 | 92,806 | 242,627 |
| 201,913 | 92,806 | 242,627 |

10. Property, Plant and Equipment

| | Opening Balance (NBV) \$ | Additions \$ | Disposals \$ | Impairment \$ | Depreciation \$ | Total (NBV) \$ |
|------------------------------------------|-----------------------------------|-----------------|-----------------|------------------|--------------------|-------------------|
| 2022 | | | | | | |
| Building Improvements | 19,162 | - | - | - | (1,797) | 17,366 |
| Furniture and Equipment | 90,942 | 48,013 | - | - | (29,158) | 109,797 |
| Information and Communication Technology | 27,302 | 12,010 | - | - | (11,584) | 27,728 |
| Leased Assets | 16,730 | 2,854 | - | - | (11,289) | 8,294 |
| Library Resources | 5,460 | 682 | - | - | (1,062) | 5,080 |

Balance at 31 December 2022

| | | | | | |
|---------|--------|---|---|----------|----------------|
| 159,596 | 63,559 | - | - | (54,890) | 168,265 |
|---------|--------|---|---|----------|----------------|

The net carrying value of equipment held under a finance lease is \$8,294 (2021: \$16,730)

Restrictions

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.

| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
|------------------------------------------|----------------------|-----------------------------|-------------------|----------------------|-----------------------------|-------------------|
| | Cost or Valuation | Accumulated Depreciation | Net Book Value | Cost or Valuation | Accumulated Depreciation | Net Book Value |
| Building Improvements | 50,642 | (33,276) | 17,366 | 56,222 | (37,060) | 19,162 |
| Furniture and Equipment | 341,104 | (231,307) | 109,797 | 305,111 | (214,169) | 90,942 |
| Information and Communication Technology | 83,432 | (55,704) | 27,728 | 84,198 | (56,896) | 27,302 |
| Leased Assets | 34,678 | (26,384) | 8,294 | 34,525 | (17,795) | 16,730 |
| Library Resources | 8,503 | (3,423) | 5,080 | 7,822 | (2,362) | 5,460 |

Balance at 31 December

| | | | | | |
|---------|-----------|----------------|---------|-----------|----------------|
| 518,359 | (350,094) | 168,265 | 487,878 | (328,282) | 159,596 |
|---------|-----------|----------------|---------|-----------|----------------|

11. Accounts Payable

Creditors
Accruals
Employee Entitlements - Salaries
Employee Entitlements - Leave Accrual

| | 2022 | 2022 Budget (Unaudited) | 2021 |
|----------------|---------------|-------------------------------|-----------|
| Actual | \$ | \$ | \$ |
| 4,964 | 12,514 | 15,026 | |
| 4,845 | 4,000 | 4,660 | |
| 167,386 | 65,172 | 157,991 | |
| 3,469 | 3,171 | 1,774 | |
| 180,664 | 84,857 | 179,451 | |

Payables for Exchange Transactions

| | | |
|----------------|---------------|----------------|
| 258,664 | 84,857 | 179,451 |
| 258,664 | 84,857 | 179,451 |

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

Income in Advance
Income in Advance - Grants

| | 2022 | 2022 Budget (Unaudited) | 2021 |
|---------------|--------------|-------------------------------|-----------|
| Actual | \$ | \$ | \$ |
| - | 3,269 | 4,000 | |
| 53,182 | - | 12,025 | |
| 53,182 | 3,269 | 16,025 | |

13. Provision for Cyclical Maintenance

Provision at the Start of the Year
Increase to the Provision During the Year
Use of the Provision During the Year
Other Adjustments

| | 2022 | 2022 Budget (Unaudited) | 2021 |
|---------------|---------------|-------------------------------|-----------|
| Actual | \$ | \$ | \$ |
| 70,469 | 30,348 | 71,923 | |
| 12,736 | 12,857 | 13,236 | |
| (9,553) | - | (9,553) | |
| (30,830) | - | (5,137) | |
| 42,822 | 43,205 | 70,469 | |

Provision at the End of the Year

Cyclical Maintenance - Current
Cyclical Maintenance - Non current

| | | |
|---------------|---------------|---------------|
| 14,118 | 43,205 | 49,619 |
| 28,704 | - | 20,850 |
| 42,822 | 43,205 | 70,469 |

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2023. This plan is based on the schools 10 Year Property plan / painting quotes.

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:

| | 2022 | 2022 Budget (Unaudited) | 2021 |
|--------------------------------------------------|---------|-------------------------------|---------|
| | Actual | \$ | Actual |
| No Later than One Year | 7,470 | 9,695 | 11,730 |
| Later than One Year and no Later than Five Years | 4,923 | 15,530 | 9,620 |
| Future Finance Charges | (1,274) | - | (2,170) |
| | 11,119 | 25,225 | 19,180 |

Represented by

Finance lease liability - Current
Finance lease liability - Non current

| | | | |
|--|--------|--------|--------|
| | 6,777 | 9,695 | 10,528 |
| | 4,342 | 15,530 | 8,652 |
| | 11,119 | 25,225 | 19,180 |

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. The amount of cash held on behalf of the Ministry for capital works projects is included under cash and cash equivalents in note 7.

| | 2022 | Project No. | Opening Balances | Receipts from MoE | Payments | Board Contributions | Closing Balances |
|------------------------------------------|--------|-------------|---------------------|----------------------|-----------|------------------------|---------------------|
| | | | \$ | \$ | \$ | | \$ |
| Special Needs Modifications | 210760 | | (3,310) | 3,310 | - | - | - |
| Stormwater Drainage | 216024 | | 1,577 | - | - | - | 1,577 |
| Block 4 Refurbish classrooms 2,3,4 | 216479 | | 24,908 | - | (200) | - | 24,708 |
| Block 8, Replace Hall Flooring | 216779 | | (1,832) | - | (8,806) | - | (10,638) |
| LSC Room Project | 220475 | | - | 92,135 | (89,835) | - | 2,300 |
| Replace Pool Lining | 223946 | | 47,891 | - | (51,023) | - | (3,132) |
| 216780 Block A -Replace Heat Pumps/Units | 216780 | | - | 18,984 | (14,704) | - | 4,280 |
| Totals | | | 69,234 | 114,429 | (164,568) | - | 19,095 |

Represented by:

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

32,865
(13,770)

| | 2021 | Project No. | Opening Balances | Receipts from MoE | Payments | Board Contributions | Closing Balances |
|------------------------------------|--------|-------------|---------------------|----------------------|----------|------------------------|---------------------|
| | | | \$ | \$ | \$ | | \$ |
| Special Needs Modifications | 210760 | | (2,192) | 8,778 | (9,896) | - | (3,310) |
| Stormwater Drainage | 216024 | | 1,577 | - | - | - | 1,577 |
| Block 4 Refurbish classrooms 2,3,4 | 216479 | | 24,908 | - | - | - | 24,908 |
| Block 8, Replace Hall Flooring | 216779 | | - | 65,210 | (67,042) | - | (1,832) |
| Replace Pool Lining | 223946 | | - | 49,500 | (1,609) | - | 47,891 |
| Totals | | | 24,293 | 123,488 | (78,547) | - | 69,234 |

Represented by:

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

74,376
(5,142)

16. Funds held on behalf of RTM Cluster

Te Kura o Hau Karetu is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry of Education.” Due to the updated Kiwi Park Model requirement in 2022 FY, the relevant salary balance in 2021 FY has also been updated in notes 4.5 and 6 to make sure the presentation in 2022 FY is consistent with 2021 FY.

| | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|--------------------------------------|----------------------|----------------------|----------------------|
| Funds Held at Beginning of the Year | 25,847 | 15,912 | 15,912 |
| Funds Received from Cluster Members | - | (12,269) | 15,929 |
| Funds Received from MoE | | | |
| Total funds received | 25,847 | 3,643 | 31,841 |
| Funds Spent on Behalf of the Cluster | 5,476 | (12,269) | 5,993 |
| Funds remaining | 20,371 | 15,912 | 25,848 |
| Funds Held at Year End | 20,371 | 15,912 | 25,848 |

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.

| | 2022 Actual \$ | 2021 Actual \$ |
|------------------------------|----------------------|----------------------|
| Board Members | | |
| Remuneration | 4,330 | 4,895 |
| Leadership Team | | |
| Remuneration | 244,102 | 231,048 |
| Full-time equivalent members | 2.00 | 2.22 |

Total key management personnel remuneration

248,432 235,943

There are 6 members of the Board excluding the Principal. The Board had held 11 full meetings of the Board in the year. The Board also has Finance (1 members) and Property (0 members) that met 0 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:

| | 2022 Actual \$000 | 2021 Actual \$000 |
|--------------------------------------------------|-------------------------|-------------------------|
| Salaries and Other Short-term Employee Benefits: | | |
| Salary and Other Payments | 140 - 150 | 130 - 140 |
| Benefits and Other Emoluments | 3 - 4 | 3 - 4 |
| Termination Benefits | - | - |

Other Employees

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

| Remuneration \$000 | 2022 FTE Number | 2021 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:

| | 2022 Actual | 2021 Actual |
|------------------|----------------|----------------|
| Total | - | - |
| Number of People | - | - |

20. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2022 (Contingent liabilities and assets at 31 December 2021: nil).

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The school is still yet to receive a final wash up that adjusts the estimated quarterly instalments for the actual teacher aides employed in 2022.

The Ministry is in the Process of determining the amount of the final wash up payment for the year ended 31 December 2022. Even though the payment is probable, the amount to be received is not known with a high level of certainty. The school has therefore not recognised the expected receipt (asset) and income in its financial statements. The payment is expected to be received in July 2023.

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 2022 a contingent liability for the school may exist.

21. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into contract agreements for capital works as follows:

\$38,853 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

\$30,538 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 \$5,380 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$66,327 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 \$75,848 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$95,450 contract for the LSC Room Project as agent for the Ministry of Education. This project is fully funded by the Ministry and \$92,135 has been received of which \$89,835 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$50,349 contract for the Replace Pool Lining as agent for the Ministry of Education. This project is fully funded by the Ministry and \$49,500 has been received of which \$52,632 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$18,984 contract for the 216780 Block A -Replace Heat Pumps/Units as agent for the Ministry of Education. This project is fully funded by the Ministry and \$18,984 has been received of which \$14,704 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021:

\$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 Lining 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;)

(b) Operating Commitments

There are no operating commitments as at 31 December 2022 (Operating commitments at 31 December 2021: 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

| | 2022 | 2022 Budget | 2021 |
|-----------------------------|--------------|-------------------|--------------|
| | Actual \$ | (Unaudited) \$ | Actual \$ |
| Cash and Cash Equivalents | 161,533 | 56,115 | 85,604 |
| Receivables | 198,262 | 88,280 | 198,996 |
| Investments - Term Deposits | 201,913 | 92,806 | 242,627 |

Total Financial assets measured at amortised cost

| | | |
|---------|---------|---------|
| 561,708 | 237,201 | 527,227 |
|---------|---------|---------|

Financial liabilities measured at amortised cost

| | | | |
|----------------|---------|--------|---------|
| Payables | 180,664 | 84,857 | 179,451 |
| Finance Leases | 11,119 | 25,225 | 19,180 |

Total Financial Liabilities Measured at Amortised Cost

| | | |
|---------|---------|---------|
| 191,783 | 110,082 | 198,631 |
|---------|---------|---------|

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 2025 |
| Karen Wellington | Principal | ex Officio | |
| Michelle Andrews | Parent Representative | Elected | Sep 2022 |
| Rhoslyn Thomas | Parent Representative | Elected | Sep 2022 |
| Anthony Nickel | Parent Representative | Elected | Sep 2025 |
| Donna Williams | Staff Representative | Elected | Sep 2025 |
| Neil Carroll | Other | Elected | Sep 2025 |
| Dave Wellington | Other | Elected | Sep 2022 |
| Ronnie Rawiri | Other | Elected | Sep 2025 |
| Kim Nikora | Other | Elected | Sep 2025 |

Te Kura o Hau Karetu

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$2,168 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2022 the Te Kura o Hau Karetu 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.