



# PONGAKAWA SCHOOL



*Enter To Learn Go Forth To Serve  
Kuhu mai ki te ako, haere ki te awahi*

31 May 2023

Donna Taylor  
BDO Tauranga  
Po Box 15660  
Tauranga

## REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2022

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Pongakawa School (the School) for the year ended 31 December 2022 for the purpose of expressing an independent opinion about whether the financial statements:

- present fairly, in all material respects:
  - the financial position as at 31 December 2022; and
  - the financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Benefit Entity Standards Reduced Disclosure Regime.

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

### General representations

To the best of our knowledge and belief:

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

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

### Representations for the financial statements

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

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2022; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Benefit Entity Standards Reduced Disclosure Regime.
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;

- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure;
- there are no remaining uncorrected misstatements in the financial statements; and
- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector Benefit Entity Standards Reduced Disclosure Regime; *and*.

**Representations about the provision of information**

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

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

**Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2022. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from date of signing the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

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

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

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

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

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

Yours faithfully

\_\_\_\_\_  
Presiding Member

\_\_\_\_\_  
Principal

# PONGAKAWA SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

**Ministry Number:** 1899

**Principal:** Craig Haggo

**School Address:** Old Coach Road, RD 6, Pongakawa

**School Postal Address:** RD 6, Old Coach Road, Pongakawa, Te Puke 3118

**School Phone:** 07-533-3731

**School Email:** [office@pongakawa.school.nz](mailto:office@pongakawa.school.nz)

#### Members of the Board

Position		Name	Term Expired/ Expires
Principal		Craig Haggo	on going
Presiding member	Elected	Karen Gillingham	Sep-25
Parent Rep	Elected	Lachie McKenzie	Sep-25
Parent Rep	Elected	Brendon Jones	Dec-23
Maori Rep	Co Opted	Danny Ngawhika	Mar-22
Staff Rep	Elected	Corrina Dibley	Sep-25
Left office			
		Joanne Deleare	Jun-22
		Martyn Robinson	Jun-22
		Stewart Cooper	Nov-22
		Kylie Delabarca Steel	Dec-22

**Accountant / Service Provider:** Davidson Dickson Ltd

# PONGAKAWA SCHOOL

Annual Report - For the year ended 31 December 2022

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# Pongakawa School

## 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.

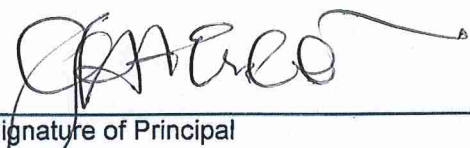
The School's 2022 financial statements are authorised for issue by the Board.

Lachlan James McKenna  
Full Name of Presiding Member

  
Signature of Presiding Member

6/6/2023.  
Date:

CRAIG HAGGO  
Full Name of Principal

  
Signature of Principal

31-05-2023  
Date:

# Pongakawa School

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	2,953,566	2,805,449	2,740,849
Locally Raised Funds	3	173,303	56,000	171,284
Interest Income		3,474	4,150	1,639
Other Revenue		-	-	-
<b>Total Revenue</b>		<b>3,130,343</b>	<b>2,865,599</b>	<b>2,913,772</b>
<b>Expenses</b>				
Locally Raised Funds	3	74,006	-	66,627
Learning Resources	4	2,142,880	2,122,825	2,026,323
Administration	5	211,493	195,820	175,769
Finance		1,745	-	1,453
Property	6	625,461	588,476	584,128
Other Expenses	7	2,932	5,000	-
Loss on Disposal of Property, Plant and Equipment		296	-	2,053
		<b>3,058,813</b>	<b>2,912,121</b>	<b>2,856,353</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>71,530</b>	<b>(46,522)</b>	<b>57,419</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>71,530</b>	<b>(46,522)</b>	<b>57,419</b>

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

# Pongakawa School

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		1,831,106	1,794,662	1,773,687
Total comprehensive revenue and expense for the year		71,530	(46,522)	57,419
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		12,183	-	-
<b>Equity at 31 December</b>		1,914,819	1,748,140	1,831,106
Accumulated comprehensive revenue and expense Reserves		1,914,819	1,748,140	1,831,106
		-	-	-
<b>Equity at 31 December</b>		1,914,819	1,748,140	1,831,106

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.

# Pongakawa School

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	456,099	283,950	345,583
Accounts Receivable	9	209,614	135,000	142,488
GST Receivable		4,612	25,000	26,037
Prepayments		19,360	15,000	17,372
Inventories	10	5,074	2,000	2,563
Funds Receivable for Capital Works Projects	16	27,384	-	20,898
		<u>722,143</u>	<u>460,950</u>	<u>554,941</u>
<b>Current Liabilities</b>				
Accounts Payable	12	229,759	164,233	210,827
Revenue Received in Advance	13	5,446	-	4,420
Finance Lease Liability	15	11,187	10,000	10,969
Funds held for Capital Works Projects	16	6,446	-	11,256
		<u>252,838</u>	<u>174,233</u>	<u>237,472</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>469,305</b>	<b>286,717</b>	<b>317,469</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	1,520,443	1,489,427	1,534,257
		<u>1,520,443</u>	<u>1,489,427</u>	<u>1,534,257</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	65,000	19,004	11,504
Finance Lease Liability	15	9,929	9,000	9,116
		<u>74,929</u>	<u>28,004</u>	<u>20,620</u>
<b>Net Assets</b>		<u><u>1,914,819</u></u>	<u><u>1,748,140</u></u>	<u><u>1,831,106</u></u>
<b>Equity</b>		<u><u>1,914,819</u></u>	<u><u>1,748,140</u></u>	<u><u>1,831,106</u></u>

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



# Pongakawa School

## Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Cash flows from Operating Activities</b>				
Government Grants		775,398	642,070	594,944
Locally Raised Funds		119,272	33,143	166,439
Goods and Services Tax (net)		21,431	(46,600)	4,251
Payments to Employees		(367,126)	(320,858)	(359,364)
Payments to Suppliers		(374,528)	(333,631)	(343,164)
Interest Paid		(1,745)	-	(1,453)
Interest Received		3,020	4,150	1,581
Net cash from/(to) Operating Activities		175,722	(21,726)	63,233
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		(296)	(5,000)	(2,053)
Purchase of Property Plant & Equipment (and Intangibles)		(60,498)	8,966	(107,551)
Purchase of Investments		-	-	-
Net cash from/(to) Investing Activities		(60,794)	3,966	(109,604)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		12,183	-	-
Finance Lease Payments		(5,299)	(9,000)	(17,086)
Funds Administered on Behalf of Third Parties		(11,296)	-	(76,626)
Net cash from/(to) Financing Activities		(4,412)	(9,000)	(93,712)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>110,516</b>	<b>(26,760)</b>	<b>(140,083)</b>
Cash and cash equivalents at the beginning of the year	8	345,583	310,710	485,666
<b>Cash and cash equivalents at the end of the year</b>	8	<b>456,099</b>	<b>283,950</b>	<b>345,583</b>

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.

# Pongakawa School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### *Reporting Period*

The financial statements have been prepared for the period 1 January 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 14.

###### *Useful lives of property, plant and equipment*

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

### ***Critical Judgements in applying accounting policies***

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

#### ***Classification of leases***

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

#### ***Recognition of grants***

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

### **c) Revenue Recognition**

#### ***Government Grants***

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

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

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

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

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

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

#### ***Other Grants where conditions exist***

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

#### ***Donations, Gifts and Bequests***

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

#### ***Interest Revenue***

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

### **d) Operating Lease Payments**

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

### **e) Finance Lease Payments**

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

### **f) Cash and Cash Equivalents**

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

#### **g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The 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 except for library resources are depreciated over their estimated useful lives on a straight line basis. Library resources are depreciated on a diminishing value basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Board Owned Buildings	10-75 years
Furniture and equipment	10-15 years
Information and communication technology	4-5 years
Motor vehicles	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

#### **k) Accounts Payable**

Accounts Payable represents liabilities for goods and services provided to the School prior to the end of the financial year which are unpaid. Accounts Payable are recorded at the amount of cash required to settle those liabilities. The amounts are unsecured and are usually paid within 30 days of recognition.

## **l) Employee Entitlements**

### *Short-term employee entitlements*

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

### *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.

## **m) 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 international students, should the School be unable to provide the services to which they relate.

## **n) 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 Revenue and Expense.

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

## **o) 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 schools 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.

## **p) 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.

## **q) 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.

**r) Budget Figures**

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

**s) 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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	747,474	642,070	679,341
Teachers' Salaries Grants	1,799,780	1,793,692	1,709,153
Use of Land and Buildings Grants	369,688	369,687	340,272
Other Government Grants	36,624	-	12,083
	<u>2,953,566</u>	<u>2,805,449</u>	<u>2,740,849</u>

The school has opted in to the donations scheme for this year. Total amount received was \$45,900.

## 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	13,933	2,000	7,375
Fees for Extra Curricular Activities	59,428	7,000	51,818
Trading	8,217	-	8,065
Fundraising & Community Grants	87,157	47,000	103,244
Other Revenue	4,568	-	782
	<u>173,303</u>	<u>56,000</u>	<u>171,284</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	57,354	-	45,865
Trading	7,725	-	6,933
Fundraising and Community Grant Costs	8,927	-	13,829
	<u>74,006</u>	<u>-</u>	<u>66,627</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>99,297</u>	<u>56,000</u>	<u>104,657</u>

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	76,987	96,200	62,206
Information and Communication Technology	5,385	4,000	4,416
Library Resources	31	500	480
Employee Benefits - Salaries	1,968,372	1,933,725	1,852,664
Staff Development	9,009	18,400	10,713
Depreciation	83,096	70,000	95,844
	<u>2,142,880</u>	<u>2,122,825</u>	<u>2,026,323</u>

## 5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	4,304	4,920	4,568
Board Fees	4,280	4,250	4,130
Board Expenses	1,531	5,150	3,768
Communication	4,828	4,250	5,312
Consumables	26,308	24,850	15,798
Operating Lease	689	750	695
Other	12,253	16,150	6,258
Employee Benefits - Salaries	135,893	114,000	114,145
Insurance	14,928	15,000	14,224
Service Providers, Contractors and Consultancy	6,479	6,500	6,871
	<u>211,493</u>	<u>195,820</u>	<u>175,769</u>

## 6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	29,785	28,000	18,825
Consultancy and Contract Services	17,213	30,000	-
Cyclical Maintenance Provision	53,496	7,500	-
Grounds	7,282	5,000	11,702
Heat, Light and Water	57,466	50,000	50,560
Repairs and Maintenance	17,969	23,039	66,191
Use of Land and Buildings	369,688	369,687	340,272
Security	6,186	5,000	5,309
Employee Benefits - Salaries	66,376	70,250	91,269
	<u>625,461</u>	<u>588,476</u>	<u>584,128</u>

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

## 7. Other Expenses

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Transport	2,932	5,000	-
	<u>2,932</u>	<u>5,000</u>	<u>-</u>



## 8. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
ASB Main Account	95,309	283,950	21,484
Saver 51 Account	131,036	-	130,395
Saver 50 Account	34,304	-	16,653
Fundraising Account	20,380	-	42,337
ASB 01 Account	71,344	-	32,019
ASB 52 Account	6,671	-	6,638
Short term investment	97,055	-	96,057

Cash and cash equivalents for Statement of Cash Flows

456,099	283,950	345,583
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The carrying value of short-term deposits with original maturity dates of 90 days or less approximates their fair value.

Of the \$459,099 Cash and Cash Equivalents, \$6,446 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.

## 9. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	71,175	5,000	16,118
Interest Receivable	583	-	129
Banking Staffing Underuse	6,087	-	-
Teacher Salaries Grant Receivable	131,769	130,000	126,241
	<u>209,614</u>	<u>135,000</u>	<u>142,488</u>
Receivables from Exchange Transactions	71,758	5,000	16,247
Receivables from Non-Exchange Transactions	137,856	130,000	126,241
	<u>209,614</u>	<u>135,000</u>	<u>142,488</u>

## 10. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	5,074	2,000	2,563
School Uniforms	-	-	-
Canteen	-	-	-
	<u>5,074</u>	<u>2,000</u>	<u>2,563</u>

## 11. Property, Plant and Equipment

	Opening Balance	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Buildings	1,241,809	-	-	-	(14,182)	1,227,627
Furniture and Equipment	160,824	38,983	-	-	(40,050)	159,757
Information and Communication Technology	37,793	17,575	(292)	-	(13,347)	41,729
Vehicles	56,647	-	-	-	(5,666)	50,981
Leased Assets	19,026	11,715	-	-	(7,589)	23,152
Library Resources	18,158	1,380	(79)	-	(2,262)	17,197
<b>Balance at 31 December 2022</b>	<b>1,534,257</b>	<b>69,653</b>	<b>(371)</b>	<b>-</b>	<b>(83,096)</b>	<b>1,520,443</b>

### 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
	\$	\$	\$	\$	\$	\$
Buildings	1,455,224	(227,597)	1,227,627	1,455,224	(213,415)	1,241,809
Furniture and Equipment	687,080	(527,323)	159,757	693,498	(532,674)	160,824
Information and Communication Technology	208,915	(167,186)	41,729	213,075	(175,282)	37,793
Vehicles	56,663	(5,682)	50,981	56,663	(16)	56,647
Leased Assets	84,337	(61,185)	23,152	72,622	(53,596)	19,026
Library Resources	69,732	(52,535)	17,197	68,649	(50,491)	18,158
<b>Balance at 31 December</b>	<b>2,561,951</b>	<b>(1,041,508)</b>	<b>1,520,443</b>	<b>2,559,731</b>	<b>(1,025,474)</b>	<b>1,534,257</b>

## 12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	86,811	26,808	77,992
Accruals	4,304	4,000	3,454
Employee Entitlements - Salaries	131,769	130,000	126,241
Employee Entitlements - Leave Accrual	6,875	3,425	3,140
	<b>229,759</b>	<b>164,233</b>	<b>210,827</b>
Payables for Exchange Transactions	229,759	164,233	210,827
	<b>229,759</b>	<b>164,233</b>	<b>210,827</b>

The carrying value of payables approximates their fair value.

### 13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Grants in Advance - Ministry of Education	-	-	-
Other revenue in Advance	5,446	-	4,420
	5,446	-	4,420

### 14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	11,504	11,504	39,457
Increase to the Provision During the Year	53,496	7,500	-
Use of the Provision During the Year	-	-	(27,953)
Provision at the End of the Year	65,000	19,004	11,504
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Non current	65,000	19,004	11,504
	65,000	19,004	11,504

As detailed in note 20, many of the school buildings are affected by weathertightness issues. As a result, the Board is unable to make a reliable estimate of the cyclical maintenance provision required in respect of these buildings, the cyclical maintenance provision in respect of these affected buildings is therefore \$ Nil.

The schools cyclical maintenance provision recognised in these financial statements relates to the school buildings that are not affected by weathertightness issues and based on the plan updated in 2022.

### 15. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	9,673		9,473
Later than One Year and no Later than Five Years	9,089		8,193
Future Finance Charges	2,354		2,419
	21,116	-	20,085
<b>Represented by</b>			
Finance lease liability - Current	11,187		10,969
Finance lease liability - Non current	9,929		9,116
	21,116	-	20,085

## 16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 9.

	2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Moe -LSC offices	<i>ongoing</i>	(4,433)	-	4,433		-
Landscaping, paving upgrade	<i>ongoing</i>	9,622	-	(3,176)		6,446
Kitchen Snr block - SIP	<i>ongoing</i>	(2,174)	27,112	(41,338)		(16,400)
SIP - Heatpumps	<i>ongoing</i>	1,634	-	(4,669)		(3,035)
SIP Carpark	<i>ongoing</i>	(7,138)	6,341	-		(797)
SIP - Playground	<i>ongoing</i>	(7,153)	-	-		(7,153)
<b>Totals</b>		<b>(9,642)</b>	<b>33,453</b>	<b>(44,750)</b>	<b>-</b>	<b>(20,939)</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	6,446
Funds Receivable from the Ministry of Education	27,384

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Moe -LSC offices		(568)	-	(3,865)		(4,433)
Landscaping, paving upgrade		11,922	-	(2,300)		9,622
Kitchen Snr block - SIP		-	-	(2,174)		(2,174)
SIP - Heatpumps		2,859	-	(1,225)		1,634
SIP Carpark		54,884	-	(62,022)		(7,138)
SIP - Playground		(2,113)	4,200	(9,240)		(7,153)
<b>Totals</b>		<b>66,984</b>	<b>4,200</b>	<b>(80,826)</b>	<b>-</b>	<b>(9,642)</b>

### Represented by:

Funds Held on Behalf of the Ministry of Education	11,256
Funds Receivable from the Ministry of Education	20,898

## 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.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i> Remuneration	4,280	4,130
<i>Leadership Team</i> Remuneration	381,194	361,833
Full-time equivalent members	3	3
Total key management personnel remuneration	385,474	365,963

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance meetings and Property meetings. 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

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	150-160	140-150
Benefits and Other Emoluments	20-25	20-25
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	2.00	3.00
110-120	1.00	0.00
	3.00	3.00

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

## 19. Compensation and Other Benefits Upon Leaving

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

	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).

### Cyclical Maintenance

Many of the school buildings are currently affected by weathertightness issues. Since 2020 all painting maintenance has been put on hold whilst the Ministry of Education work with the school to scope weathertightness rectification works. At this time, the Ministry has scoped two phases of a significant Ministry-led rectification project, with a third phase still to be scoped. The scoped phases are expected to provide the school with newly renovated building exteriors for the affected blocks, but it is currently still unclear how much interior work will be included in these project phases. Any interior work not covered by the weathertightness project will revert to being the liability of the school.

At this time, the Board is unable to make a reliable estimate of the cyclical maintenance provision required in respect of the buildings affected by the weathertightness issues as it is impossible to quantify the work that is likely to be required to be paid for by the school. No cyclical maintenance provision has been recognised in respect of these blocks due to the ongoing uncertainty around the final project works.

The school has made a cyclical maintenance provision for the school buildings not affected by weathertight issues using usual methodology techniques.

To the extent that any obligations cannot reasonably be quantified as at 31 December 2022, a contingent liability for the school may exist.

### 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.

### Contingent Asset: Additional funding washup payment.

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 has not been notified of the final wash up calculation relating to 31 December 2022. The final calculations impact on the financial statements is unable to be determined as the date of reporting.