

# PAPAROA SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

**School Directory**

**Ministry Number:** 1077

**Principal:** Karyn Taylor

**School Address:** 14 Franklin Road

**School Postal Address:** P O Box 15, Paparoa, 0543

**School Phone:** 09 431 7379

**School Email:** admin@paparoa.school.nz

**Accountant / Service Provider:**

**Education Services.**  
*Dedicated to your school*

# PAPAROA SCHOOL

Annual Report - For the year ended 31 December 2022

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# Paparoa 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.

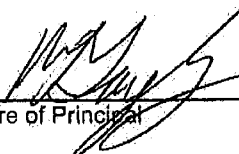
It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

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

Kirsten Emma Colquhoun  
Full Name of Presiding Member

Karyn Maree Taylor  
Full Name of Principal

  
Signature of Presiding Member

  
Signature of Principal

31/05/2023  
Date:

31/05/23  
Date:

**Paparoa 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	608,337	560,491	586,011
Locally Raised Funds	3	40,162	34,475	51,206
Interest Income		744	100	111
		<u>649,243</u>	<u>595,066</u>	<u>637,328</u>
<b>Expenses</b>				
Locally Raised Funds	3	20,262	9,900	32,770
Learning Resources	4	373,022	406,756	449,765
Administration	5	137,928	77,470	83,826
Finance		396	260	649
Property	6	120,477	131,667	97,316
Loss on Disposal of Property, Plant and Equipment	10	1,749	-	-
		<u>653,834</u>	<u>626,053</u>	<u>664,326</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>(4,591)</b>	<b>(30,987)</b>	<b>(26,998)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(4,591)</u></b>	<b><u>(30,987)</u></b>	<b><u>(26,998)</u></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.



**Paparoa 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>		233,299	220,199	251,065
Total comprehensive revenue and expense for the year		(4,591)	(30,987)	(26,998)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		1,601	-	9,232
MoE Assets		7,309	-	-
<b>Equity at 31 December</b>		237,618	189,212	233,299
Accumulated comprehensive revenue and expense		237,618	189,212	233,299
<b>Equity at 31 December</b>		237,618	189,212	233,299

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.



**Paparoa 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	7	131,281	94,936	109,643
Accounts Receivable	8	49,470	39,546	35,388
GST Receivable		134	3,187	2,368
Prepayments		2,276	1,627	3,207
Inventories	9	641	309	138
Funds Receivable for Capital Works Projects	15	1,625	-	-
		<u>185,427</u>	<u>139,605</u>	<u>150,744</u>
<b>Current Liabilities</b>				
Accounts Payable	11	34,392	34,432	26,430
Revenue Received in Advance	12	8,160	3,731	1,000
Provision for Cyclical Maintenance	13	15,808	18,199	4,616
Finance Lease Liability	14	2,600	5,158	5,035
		<u>60,960</u>	<u>61,520</u>	<u>37,081</u>
<b>Working Capital Surplus/(Deficit)</b>		<u>124,467</u>	<u>78,085</u>	<u>113,663</u>
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	148,175	139,970	141,083
		<u>148,175</u>	<u>139,970</u>	<u>141,083</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	32,117	22,765	20,404
Finance Lease Liability	14	2,907	6,078	1,043
		<u>35,024</u>	<u>28,843</u>	<u>21,447</u>
<b>Net Assets</b>		<u>237,618</u>	<u>189,212</u>	<u>233,299</u>
<b>Equity</b>		<u>237,618</u>	<u>189,212</u>	<u>233,299</u>

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



**Paparoa School**  
**Statement of Cash Flows**  
For the year ended 31 December 2022

		2022	2022	2021
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		171,391	154,352	148,605
Locally Raised Funds		47,385	35,475	50,125
Goods and Services Tax (net)		2,234	-	819
Payments to Employees		(98,305)	(91,920)	(115,131)
Payments to Suppliers		(79,409)	(159,400)	(101,667)
Interest Paid		(396)	(260)	(649)
Interest Received		744	100	111
Net cash from/(to) Operating Activities		43,644	(61,653)	(17,787)
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(19,258)	(27,200)	(19,508)
Net cash from/(to) Investing Activities		(19,258)	(27,200)	(19,508)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		1,601	-	1,850
Finance Lease Payments		(4,593)	(5,212)	(4,235)
Funds Administered on Behalf of Third Parties		244	-	(39,678)
Net cash from/(to) Financing Activities		(2,748)	(5,212)	(42,063)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,638</b>	<b>(94,065)</b>	<b>(79,358)</b>
Cash and cash equivalents at the beginning of the year	7	109,643	189,001	189,001
<b>Cash and cash equivalents at the end of the year</b>	7	<b>131,281</b>	<b>94,936</b>	<b>109,643</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.



# Paparoa School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Paparoa 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 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 20b.

*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	40 years
Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication Technology	4 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 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.

**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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	225,980	143,852	165,851
Teachers' Salaries Grants	280,988	313,795	346,961
Use of Land and Buildings Grants	77,456	92,844	66,531
Transport Network	23,913	10,000	6,668
	608,337	560,491	586,011

The school has opted in to the donations scheme for this year. Total amount received was \$6,600.

## 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	-	16,500	16,005
Fees for Extra Curricular Activities	3,093	975	10,623
Trading	873	1,000	1,597
Fundraising & Community Grants	21,391	-	4,921
Other Revenue	14,805	16,000	18,060
	40,162	34,475	51,206
<b>Expenses</b>			
Extra Curricular Activities Costs	1,318	1,400	13,333
Trading	1,589	1,000	1,640
Fundraising & Community Grant Costs	1,539	-	-
Other Locally Raised Funds Expenditure	15,816	7,500	17,797
	20,262	9,900	32,770
<i>Surplus for the year Locally raised funds</i>	19,900	24,575	18,436

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	9,896	16,400	12,965
Equipment Repairs	382	1,000	1,936
Information and Communication Technology	7,313	5,700	4,816
Library Resources	862	650	486
Employee Benefits - Salaries	328,344	358,215	406,792
Staff Development	1,742	6,700	1,813
Depreciation	24,483	18,091	20,957
	373,022	406,756	449,765



**5. Administration**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	3,680	3,680	3,580
Board Fees	2,180	4,050	2,800
Board Expenses	1,158	2,920	392
Communication	1,240	2,170	1,681
Consumables	1,722	3,400	4,654
Operating Lease	1,626	-	-
Other	4,448	8,250	4,017
Employee Benefits - Salaries	49,751	47,000	45,175
Insurance	393	500	420
Service Providers, Contractors and Consultancy	5,256	5,500	5,256
Healthy School Lunch Programme	66,474	-	15,851
	137,928	77,470	83,826

**6. Property**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	3,652	2,750	2,698
Cyclical Maintenance Provision	22,905	7,023	9,939
Grounds	6,836	11,900	7,090
Heat, Light and Water	6,346	6,500	7,744
Repairs and Maintenance	1,795	10,050	2,494
Use of Land and Buildings	77,456	92,844	66,531
Security	1,487	600	820
	120,477	131,667	97,316

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**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	131,281	94,936	109,643
Cash and cash equivalents for Statement of Cash Flows	131,281	94,936	109,643

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



### 8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	478	16,917	11,896
Receivables from the Ministry of Education	25,139	-	6,668
Teacher Salaries Grant Receivable	23,853	22,629	16,824
	<u>49,470</u>	<u>39,546</u>	<u>35,388</u>
Receivables from Exchange Transactions	478	16,917	11,896
Receivables from Non-Exchange Transactions	48,992	22,629	23,492
	<u>49,470</u>	<u>39,546</u>	<u>35,388</u>

### 9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery Sales	641	309	138
	<u>641</u>	<u>309</u>	<u>138</u>

### 10. Property, Plant and Equipment

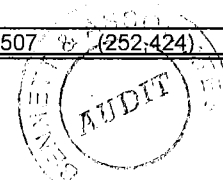
2022	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land	28,000	-	-	-	-	28,000
Buildings	40,370	-	-	-	(1,770)	38,600
Building Improvements	15,487	-	-	-	(435)	15,052
Furniture and Equipment	27,196	13,906	(1,749)	-	(6,372)	32,981
Information and Communication Technology	25,509	14,467	-	-	(11,206)	28,770
Leased Assets	4,488	4,951	-	-	(4,672)	4,767
Library Resources	33	-	-	-	(28)	5
<b>Balance at 31 December 2022</b>	<u>141,083</u>	<u>33,324</u>	<u>(1,749)</u>	<u>-</u>	<u>(24,483)</u>	<u>148,175</u>

The net carrying value of equipment held under a finance lease is \$4,767 (2021: \$4,488)

#### 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 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Land	28,000	-	28,000	28,000	-	28,000
Buildings	70,776	(32,176)	38,600	70,776	(30,406)	40,370
Building Improvements	17,417	(2,365)	15,052	17,417	(1,930)	15,487
Furniture and Equipment	158,568	(125,587)	32,981	153,321	(126,125)	27,196
Information and Communication Technology	82,400	(53,630)	28,770	67,933	(42,424)	25,509
Leased Assets	19,137	(14,370)	4,767	18,340	(13,852)	4,488
Library Resources	37,720	(37,715)	5	37,720	(37,687)	33
<b>Balance at 31 December</b>	<u>414,018</u>	<u>(265,843)</u>	<u>148,175</u>	<u>393,507</u>	<u>(252,424)</u>	<u>141,083</u>





**11. Accounts Payable**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	4,787	7,490	4,048
Accruals	3,680	3,380	3,580
Employee Entitlements - Salaries	23,853	22,629	16,824
Employee Entitlements - Leave Accrual	2,072	933	1,978
	34,392	34,432	26,430
Payables for Exchange Transactions	34,392	34,432	26,430
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	34,392	34,432	26,430

The carrying value of payables approximates their fair value.

**12. Revenue Received in Advance**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Other Received In Advance	8,160	3,731	1,000
	8,160	3,731	1,000

**13. Provision for Cyclical Maintenance**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	25,020	33,941	33,131
Increase to the Provision During the Year	7,400	7,023	6,991
Use of the Provision During the Year	-	-	(18,050)
Other Adjustments	15,505	-	2,948
Provision at the End of the Year	47,925	40,964	25,020
Cyclical Maintenance - Current	15,808	18,199	4,616
Cyclical Maintenance - Non current	32,117	22,765	20,404
	47,925	40,964	25,020

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 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	2,943	5,158	5,295
Later than One Year and no Later than Five Years	3,150	6,078	1,055
Future Finance Charges	(586)	-	(272)
	5,507	11,236	6,078
<b>Represented by</b>			
Finance lease liability - Current	2,600	5,158	5,035
Finance lease liability - Non current	2,907	6,078	1,043
	5,507	11,236	6,078

#### 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 \$
Block 1 Refurb			-	-	(1,625)	-	(1,625)
Totals			-	-	(1,625)	-	(1,625)

**Represented by:**

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	(1,625)

	2021	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
LSC Space		220467	35,224	6,400	(41,624)	-	-
Totals			35,224	6,400	(41,624)	-	-

**Represented by:**

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



## 16. 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.

## 17. 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	2,180	2,800
<i>Leadership Team</i>		
Remuneration	119,767	112,936
Full-time equivalent members	1.00	1.00
 Total key management personnel remuneration	121,947	115,736

There are 4 members of the Board excluding the Principal. The Board had held 10 full meetings of the Board in the year. The Board also has Finance (4 members) and Property (4 members) that met 10 and 10 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	60 - 70	50 - 60
Benefits and Other Emoluments	1 - 2	1 - 2
Termination Benefits	-	-
Principal 2		
The total value of remuneration paid or payable to the Principal was in the following bands:		
Salary and Other Payments	-	50 - 60
Benefits and Other Emoluments	-	-
Termination Benefits	-	-
Principal 3		
The total value of remuneration paid or payable to the Principal was in the following bands:		
Salary and Other Payments	50 - 60	-
Benefits and Other Emoluments	1 - 2	-
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	-	-
	0.00	0.00

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

**18. 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	-	-

**19. 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.

**20. Commitments**

**(a) Capital Commitments**

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

contract for the Block 1 Refurb as agent for the Ministry of Education. This project is fully funded by the Ministry and \$0 has been received of which \$1,625 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021: Nil)



**(b) Operating Commitments**

As at 31 December 2022 the Board has entered into the following contracts:

(a) operating lease of photocopiers;

	2022 Actual \$	2021 Actual \$
No later than One Year	191	1,148
Later than One Year and No Later than Five Years	-	191
Later than Five Years	-	-
	191	1,339

The total lease payments incurred during the period were \$1,626 (2021: \$0).

**21. 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 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	131,281	94,936	109,643
Receivables	49,470	39,546	35,388
Investments - Term Deposits	-	-	-
	180,751	134,482	145,031

**Financial liabilities measured at amortised cost**

Payables	34,392	34,432	26,430
Finance Leases	5,507	11,236	6,078
	39,899	45,668	32,508

**22. Events After Balance Date**

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period.

The damage caused by extreme weather events in the Northland region and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

**23. Comparatives**

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



## Paparoa School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Hayley Hutton	Presiding Member	Co-opted	Sep 2022
Rosie Ellis	Principal	ex Officio	Jul 2022
Karyn Taylor	Principal	ex Officio	
Bronwyn Dempster	Parent Representative	Co-opted	Sep 2022
Kirsten Colquhoun	Parent Representative	Co-opted	Jun 2025
Shelly Priest	Parent Representative	Elected	Jun 2025
Maureen Evans	Parent Representative	Elected	Jun 2025
Julie Harper	Staff Representative	Elected	Jun 2025

## Paparoa School

## Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$613 (excluding GST). The funding was spent on sporting endeavours.

## Statement of Compliance with Employment Policy

For the year ended 31st December 2022 the Paparoa School Board:

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

# Statement of Variance Reporting

Mathematics

<b>School Name:</b>	Paparoa School
<b>School Number:</b>	1077

## Strategic Aim: Analysis report

To create a positive, diverse and inclusive learning environment.  
To create sustainable, enviro-conscious practices to support healthy wellbeing.

### Annual Aim:

To create an environment that is culturally responsive, with a student centred approach to learning, and that has specific outdoor learning environments.  
To plan and implement our Paparoa Enviro strategy.  
To establish strong community connections and create a sense of belonging to Paparoa.  
To create sustainable enviro-conscious practices to support healthy wellbeing.

### Target:

**To provide quality learning programmes that meet individual students' needs and abilities academically, socially, physically and emotionally.**

### Baseline Data:

No Baseline data found from previous year  
New principal from Term 3 2022.



**Actions**

**What did we do?**

**From Term 3 2022**

- # Introduced formative assessment sheets to record evidence of learning
- # Identified target number students from Term 3 data and implemented Weekly Action Plans
- # Reviewed the use of Maths Whizz

**Outcomes**

**What happened?**

**End of Year 2022 Data**

Maths	Above	At	Below	Well Below	Total Number
School	7 (19%)	20 (54%)	6 (16%)	4 (11%)	37
Male	2 (15%)	7 (54%)	3 (23%)	1 (8%)	13
Female	5 (21%)	13 (54%)	3 (13%)	3 (12%)	24
Maori		4 (45%)	3 (33%)	2 (22%)	9

Pasifika data has not been recorded due to there being only 3 students of this ethnicity. There is one ORS student that is not in the schoolwide data

**Reasons for the variance**

**Why did it happen?**

There have been 8 new students enrolled at the school throughout the year. This comprises 2 boys & 6 girls, 5 Maori & 3 NZE. These students entered our school working 2 At, 3 Below & 3 Well Below their respective curriculums. Transiency with four Maori students was addressed with two students improving attendance in Term 4.

Overall the schoolwide data showed 73% of students achieving in mathematics. Females were slightly higher 75% than the boys who were 69%.

Maori students had under half achieving in math, showing 45%

**Evaluation**

**Where to next?**

Target students for 2023 have been identified, including Year 1 students who have not shown progress with numeracy

Mathematics overview which will include strands and number will be implemented

Senco programme will be set up to support the target students

Weekly meetings will include discussion of evidence and progress of writing target students

Math Whizz will be used to support the accelerated progress of all students

**Planning for next year:**

**Professional development for formative assessment practice will be provided for staff. Ensuring coverage of all math teaching will be a focus for 2023. Analysing the learning with Math Whizz will be initiated.**

# Statement of Variance Reporting

Writing

School Name:	Paparoa School
School Number:	1077

## Strategic Aim: Analysis report

To create a positive, diverse and inclusive learning environment.  
To create sustainable, enviro-conscious practices to support healthy wellbeing.

## Annual Aim:

To create an environment that is culturally responsive, with a student centred approach to learning, and that has specific outdoor learning environments.  
To plan and implement our Paparoa Enviro strategy.  
To establish strong community connections and create a sense of belonging to Paparoa.  
To create sustainable enviro-conscious practices to support healthy wellbeing.

## Target:

To provide quality learning programmes that meet individual students' needs and abilities academically, socially, physically and emotionally.

## Baseline Data:

No Baseline data found from previous year  
New principal from Term 3 2022.

**Actions**  
*What did we do?*

**From Term 3 2022**

- # Introduced formative assessment sheets to record evidence of learning
- # Identified target writing students from Term 3 data and implemented Weekly Action Plans
- # Implemented "Crack the ABC Code" to support students in writing for 5 weeks in Term 4

**Outcomes**  
*What happened?*

End of Year 2022 Data

Writing	Above	At	Below	Well Below	Total Number
School	5 (14%)	18 (49%)	8 (21%)	6 (16%)	37
Male		5 (39%)	6 (46%)	2 (15%)	13
Female	5 (21%)	13 (54%)	2 (8%)	4 (17%)	24
Maori		4 (45%)	3 (33%)	2 (22%)	9

Pasifika data has not been recorded due to there being only 3 students of this ethnicity.  
There is one ORS student that is not in the schoolwide data

**Reasons for the variance**  
*Why did it happen?*

There have been 8 new students enrolled at the school throughout the year. This comprises 2 boys & 6 girls, 5 Maori & 3 NZE. These students entered our school working 3 At, 4 Below & 1 Well Below their respective curriculums. Transiency with four Maori students was addressed with two students improving attendance in Term 4.

Overall the schoolwide data showed 63% of students achieving in writing. Females were significantly higher 75% than the boys who were 39%. Maori students had under half achieving in writing, showing 45%

**Evaluation**  
*Where to next?*

Target students for 2023 have been identified, including Year 1 students who have not shown progress with sounds and letters.

A structured literacy schoolwide assessment will be created and implemented which will help support the fluency of writing

Senco programme will be set up to support the target students

Kahui Ako will be targeting writing in 2023

Weekly meetings will include discussion of evidence and progress of writing target students

Writing that Essay will be reviewed, looking at implementing this in 2023

Handwriting will be implemented schoolwide on a consistent basis

**Planning for next year:**

The Write that Essay Programme will be reviewed as part of the Kahui Ako goals. Professional development will continue to be provided and the programme will be supported with new resources. Senco programmes will be put in place for target students.

# Statement of Variance Reporting

Reading

School Name:	Paparaoa School
School Number:	1077

## Strategic Aim: Analysis report

To create a positive, diverse and inclusive learning environment.  
To create sustainable, enviro-conscious practices to support healthy wellbeing.

## Annual Aim:

To create an environment that is culturally responsive, with a student centred approach to learning, and that has specific outdoor learning environments.  
To plan and implement our Paparaoa Enviro strategy.  
To establish strong community connections and create a sense of belonging to Paparaoa.  
To create sustainable enviro-conscious practices to support healthy wellbeing.

## Target:

To provide quality learning programmes that meet individual students' needs and abilities academically, socially, physically and emotionally.

## Baseline Data:

No Baseline data found from previous year  
New principal from Term 3 2022.

**Actions**  
*What did we do?*

**From Term 3 2022**  
 # Introduced a new summative reading assessment  
 # Introduced formative assessment sheets to record evidence of learning  
 # Identified target reading students from Term 3 data and implemented Weekly Action Plans  
 # Implemented "Crack the ABC Code" to support students in reading and writing for 5 weeks in Term 4  
 # Purchased our first set of Structured Literacy Decodable books for Structured Literacy programme

**Outcomes**  
*What happened?*

End of Year 2022 Data

Reading	Above	At	Below	Well Below	Total Number
School	12 (32%)	15 (41%)	5 (13.5%)	5 (13.5%)	37
Male	1 (8%)	7 (54%)	3 (23%)	2 (15%)	13
Female	11 (46%)	8 (33%)	2 (8%)	3 (13%)	24
Maori		4 (44%)	3 (33%)	2 (67%)	9

Pasifika data has not been recorded due to there being only 3 students of this ethnicity.  
 There is one ORS student that is not in the schoolwide data

**Reasons for the variance**  
*Why did it happen?*

There have been 8 new students enrolled at the school throughout the year. This comprises 2 boys & 6 girls, 5 Maori & 3 NZE. These students entered our school working 2 At, 3 Below & 3 Well Below their respective curriculums. Transiency with four Maori students was addressed with two students improving attendance in Term 4.  
 Overall the schoolwide data showed 73% of students achieving in reading. Females were significantly higher 79% than the boys who were 62%.  
 Maori students had under half achieving in reading, showing 44%

**Evaluation**  
*Where to next?*

Target students for 2023 have been identified, including Year 1 students who have not shown progress with sounds and letters.  
 A structured literacy schoolwide assessment will be created and implemented  
 Senco programme will be set up to support the target students  
 Structured literacy books will be purchased to support the Sunshine programme  
 Weekly meetings will include discussion of evidence and progress of reading target students  
 Sunshine Structured Literacy Programme will implemented in 2023  
 Books will be purchased for students at the upper level

**Planning for next year:**

**The Structured Literacy Programme will be implemented schoolwide. Professional development will continue to be provided and the programme will be supported with new resources. Senco programmes will be put in place for target students.**

**INDEPENDENT AUDITOR'S REPORT  
TO THE READERS OF PAPAROA SCHOOL'S  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The Auditor-General is the auditor of Paparoa School (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, to carry out the audit of the financial statements of the School on his behalf.

### **Opinion**

We have audited the financial statements of the School on pages 2 to 19, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 31 May 2023. This is the date at which our opinion is expressed.

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

### **Basis for our opinion**

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

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

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

### **Responsibilities of the Board for the financial statements**

The Board is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.





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

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

### **Responsibilities of the auditor for the audit of the financial statements**

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.



- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

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

Our responsibilities arises from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the Analysis of Variance, the Kiwisport Statement, the List of Trustees and Statement of Responsibility but does not include the financial statements, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

### **Independence**

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

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



**Steve Bennett**  
**BENNETT & ASSOCIATES**  
On behalf of the Auditor-General  
Whangarei, New Zealand

