

# **TE MANAWA O PAPAMOA**

## **ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



**Te Manawa  
ō Pāpāmoa  
School**

# TE MANAWA O PAPAMOA

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

**Ministry Number:** 724  
**Principal:** Shane Cunliffe  
**School Address:** 72 Te Okuroa Drive, Papamoa Beach  
**School Postal Address:** As above  
**School Phone:** 07 899 4076  
**School Email:** [office@tmop.school.nz](mailto:office@tmop.school.nz)

#### Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Paul Conrad	Presiding Member	Elected	Sep-25
Shane Cunliffe	Principal	ex Officio	
Regan Spillane	Parent Representative	Elected	Sep-25
Simon McKennie	Parent Representative	Elected	Sep-25
Ashlee Yandle	Parent Representative	Elected	Sep-25
Rebecca Gillgren	Parent Representative	Elected	Sep-25
Angela Hall	Board Secretary	Elected	Sep-25
Kate Berry	Staff Representative	Elected	Sep-25

#### Accountant / Service Provider:



**Auditor:** BDO Tauranga

# TE MANAWA O PAPAMOAO

Annual Report - For the year ended 31 December 2022

## Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 18	Notes to the Financial Statements
	<b>Other Information</b>
Appendix	Kiwisport
Appendix	Statement of Compliance with Employment Policy
Appendix	Analysis of Variance
Appendix	Independent Auditors Report

# Te Manawa o Papamoa

## 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.

Paul Conrad  
Full Name of Presiding Member

  
Signature of Presiding Member

30/05/23  
Date:

SHANE CUNLIFFE  
Full Name of Principal

  
Signature of Principal

30/05/23.  
Date:

# Te Manawa o Papamoa

## 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	3,441,916	2,701,149	645,205
Locally Raised Funds	3	116,131	110,000	10,000
Interest Income		4,609	1,000	1,162
Gain on Sale of Property, Plant and Equipment		341	-	-
<b>Total Revenue</b>		<b>3,562,997</b>	<b>2,812,149</b>	<b>656,367</b>
<b>Expenses</b>				
Locally Raised Funds	3	88,915	85,000	-
Learning Resources	4	1,690,834	1,248,781	582,198
Administration	5	172,357	163,050	84,509
Finance		1,519	1,455	504
Property	6	1,522,109	1,276,300	17,111
		<b>3,475,734</b>	<b>2,774,586</b>	<b>684,322</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>87,263</b>	<b>37,563</b>	<b>(27,955)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>87,263</b>	<b>37,563</b>	<b>(27,955)</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.



# Te Manawa o Papamoa

## 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>		962,955	962,954	180,410
Total comprehensive revenue and expense for the year		87,263	37,563	(27,955)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	810,500
<b>Equity at 31 December</b>		1,050,218	1,000,517	962,955
Accumulated comprehensive revenue and expense		1,050,218	1,000,517	962,955
Reserves		-	-	-
<b>Equity at 31 December</b>		1,050,218	1,000,517	962,955

The above Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



# Te Manawa o Papamoa

## 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	435,923	155,910	635,813
Accounts Receivable	8	168,559	180	96,907
GST Receivable		25,008	359	44,555
Prepayments		52,949	10,000	72,197
Inventories	9	28,282	-	-
Investments	10	103,932	101,203	102,116
		814,653	267,652	951,588
<b>Current Liabilities</b>				
Accounts Payable	12	269,702	3,352	192,581
Revenue Received in Advance	13	-	-	889
Finance Lease Liability	15	18,521	-	6,608
		288,223	3,352	200,078
<b>Working Capital Surplus/(Deficit)</b>		526,430	264,300	751,510
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	543,502	746,217	222,059
		543,502	746,217	222,059
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	14	-	10,000	-
Finance Lease Liability	15	19,714	-	10,614
		19,714	10,000	10,614
<b>Net Assets</b>		1,050,218	1,000,517	962,955
<b>Equity</b>		1,050,218	1,000,517	962,955

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



# Te Manawa o Papamoa 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		687,372	492,794	157,228
Locally Raised Funds		130,388	117,390	(17,570)
Goods and Services Tax (net)		19,547	44,196	(44,196)
Payments to Employees		(187,522)	(136,004)	(9,915)
Payments to Suppliers		(464,102)	(408,584)	(171,357)
Interest Paid		(1,519)	(951)	(504)
Interest Received		4,609	650	1,342
Net cash from/(to) Operating Activities		188,773	109,491	(84,972)
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		341	-	-
Purchase of Property Plant & Equipment (and Intangibles)		(354,746)	(584,105)	(167,893)
Purchase of Investments		(1,816)	913	(913)
Net cash from/(to) Investing Activities		(356,221)	(583,192)	(168,806)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		-	-	810,500
Finance Lease Payments		(15,984)	(6,202)	(2,028)
Net cash from/(to) Financing Activities		(15,984)	(6,202)	808,472
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(183,432)</b>	<b>(479,903)</b>	<b>554,694</b>
Cash and cash equivalents at the beginning of the year	7	635,813	635,813	81,119
<b>Cash and cash equivalents at the end of the year</b>	7	<b>452,381</b>	<b>155,910</b>	<b>635,813</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.





# Te Manawa o Papamoa

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Te Manawa o Papamoa (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 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 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:

Building improvements	10–40 years
Furniture and equipment	5–15 years
Information and communication technology	3–5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value



#### **k) 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.

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.

#### **l) Accounts Payable**

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

#### **m) Employee Entitlements**

##### *Short-term employee entitlements*

Employee entitlements that are expected to be settled within 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, 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.

#### **n) 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.

#### **o) 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.

**p) 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.

**q) Budget Figures**

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

**r) 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	687,072	651,149	158,654
Teachers' Salaries Grants	1,365,593	950,000	486,551
Use of Land and Buildings Grants	1,389,251	1,100,000	-
	3,441,916	2,701,149	645,205

The school has opted in to the donations scheme for this year. Total amount received was \$24,150.

## 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	19,528	-	10,000
Fundraising & Community Grants	1,092	-	-
Other Revenue	16,524	25,000	-
Trading	71,540	75,000	-
Fees for Extra Curricular Activities	7,447	10,000	-
	116,131	110,000	10,000
<b>Expenses</b>			
Extra Curricular Activities Costs	15,717	10,000	-
Trading	65,199	75,000	-
Fundraising and Community Grant Costs	7,999	-	-
	88,915	85,000	-
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	27,216	25,000	10,000

## 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	79,865	68,500	61,125
Equipment Repairs	2,307	-	-
Information and Communication Technology	17,046	20,000	4,474
Library Resources	9,434	29,000	1,619
Employee Benefits - Salaries	1,486,301	1,049,281	486,553
Staff Development	25,581	32,000	18,577
Depreciation	70,300	50,000	9,850
	1,690,834	1,248,781	582,198



## 5. Administration

	<b>2022 Actual \$</b>	<b>2022 Budget (Unaudited) \$</b>	<b>2021 Actual \$</b>
Audit Fee	4,628	6,000	3,548
Board Fees	5,315	7,500	11,655
Board Expenses	13,427	18,700	8,465
Communication	4,890	6,300	3,632
Consumables	7,110	24,000	5,075
Operating Lease	550	-	-
Other	34,897	30,050	26,761
Employee Benefits - Salaries	66,940	47,000	11,746
Insurance	3,688	5,000	130
Service Providers, Contractors and Consultancy	30,912	18,500	13,497
	<u>172,357</u>	<u>163,050</u>	<u>84,509</u>

## 6. Property

	<b>2022 Actual \$</b>	<b>2022 Budget (Unaudited) \$</b>	<b>2021 Actual \$</b>
Caretaking and Cleaning Consumables	8,523	11,000	3,611
Consultancy and Contract Services	42,288	46,800	-
Cyclical Maintenance Provision	-	10,000	-
Grounds	6,469	7,500	4,312
Heat, Light and Water	58,152	75,000	7,789
Repairs and Maintenance	1,224	6,000	-
Use of Land and Buildings	1,389,251	1,100,000	-
Security	7,672	7,000	1,399
Employee Benefits - Salaries	8,530	13,000	-
	<u>1,522,109</u>	<u>1,276,300</u>	<u>17,111</u>

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

## 7. Cash and Cash Equivalents

	<b>2022 Actual \$</b>	<b>2022 Budget (Unaudited) \$</b>	<b>2021 Actual \$</b>
Bank Accounts	435,923	155,910	635,813
Cash and cash equivalents for Statement of Cash Flows	<u>435,923</u>	<u>155,910</u>	<u>635,813</u>

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	4,202	180	18,459
Receivables from the Ministry of Education	-	-	300
Teacher Salaries Grant Receivable	147,899	-	78,148
	<u>168,559</u>	<u>180</u>	<u>96,907</u>
Receivables from Exchange Transactions	4,202	180	18,459
Receivables from Non-Exchange Transactions	164,357	-	78,448
	<u>168,559</u>	<u>180</u>	<u>96,907</u>

## 9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	126	-	-
School Uniforms	28,156	-	-
	<u>28,282</u>	<u>-</u>	<u>-</u>

## 10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	103,932	101,203	102,116
Total Investments	<u>103,932</u>	<u>101,203</u>	<u>102,116</u>





## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	19,750	-	-	-	(496)	<b>19,254</b>
Furniture and Equipment	122,274	287,325	-	-	(30,109)	<b>379,490</b>
Info. and Comm. Technology	63,229	41,864	-	-	(20,383)	<b>84,710</b>
Leased Assets	16,806	36,997	(989)	-	(15,994)	<b>36,820</b>
Library Resources	-	26,546	-	-	(3,318)	<b>23,228</b>
<b>Balance at 31 December 2022</b>	<b>222,059</b>	<b>392,732</b>	<b>(989)</b>	<b>-</b>	<b>(70,300)</b>	<b>543,502</b>

The net carrying value of furniture and equipment held under a finance lease is \$36,820 (2021: \$16,806)

### 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
	\$	\$	\$	\$	\$	\$
Building Improvements	19,810	(556)	<b>19,254</b>	19,810	(60)	<b>19,750</b>
Furniture and Equipment	411,058	(31,568)	<b>379,490</b>	123,732	(1,458)	<b>122,274</b>
Info. and Comm. Technology	110,648	(25,938)	<b>84,710</b>	68,784	(5,555)	<b>63,229</b>
Leased Assets	55,145	(18,325)	<b>36,820</b>	19,947	(3,141)	<b>16,806</b>
Library Resources	26,546	(3,318)	<b>23,228</b>	-	-	-
<b>Balance at 31 December</b>	<b>623,207</b>	<b>(79,705)</b>	<b>543,502</b>	<b>232,273</b>	<b>(10,214)</b>	<b>222,059</b>

## 12. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	106,170	3,352	111,760
Accruals	6,652	-	2,348
Employee Entitlements - Salaries	152,712	-	78,148
Employee Entitlements - Leave Accrual	4,168	-	325
	<b>269,702</b>	<b>3,352</b>	<b>192,581</b>
Payables for Exchange Transactions	269,702	3,352	192,581
	<b>269,702</b>	<b>3,352</b>	<b>192,581</b>

The carrying value of payables approximates their fair value.



### 13. Revenue Received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Other revenue in Advance	-	-	889
	-	-	889

### 14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	-	-	-
Increase to the Provision During the Year	-	10,000	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	-	10,000	-
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Non current	-	10,000	-
	-	10,000	-

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. The School is currently at the stage of developing such a plan and therefore provisions have been made in the budget to being to set aside funds for cyclical maintenance.

### 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	19,668	-	7,817
Later than One Year and no Later than Five Years	20,178	-	11,505
Future Finance Charges	(1,611)	-	(2,100)
	38,235	-	17,222
<b>Represented by</b>			
Finance lease liability - Current	18,521	-	6,608
Finance lease liability - Non current	19,714	-	10,614
	38,235	-	17,222



## 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 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.

## 17. Remuneration

### Key management personnel compensation

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

	<b>2022</b> <b>Actual</b> <b>\$</b>	<b>2021</b> <b>Actual</b> <b>\$</b>
<i>Board Members</i>		
Remuneration	5,315	11,655
<i>Leadership Team</i>		
Remuneration	374,357	146,892
Full-time equivalent members	3.00	1.00
Total key management personnel remuneration	379,672	158,547

There are 5 members of the Board excluding the Principal. The Board had held 11 full meetings in the year. The Board also has Finance (2 members) and Property/H&S (3 members) that meet quarterly. 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:

	<b>2022</b> <b>Actual</b> <b>\$000</b>	<b>2021</b> <b>Actual</b> <b>\$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	4 - 5	4 - 5
Termination Benefits	-	-

### Other Employees

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

<b>Remuneration</b> <b>\$000</b>	<b>2022</b> <b>FTE Number</b>	<b>2021</b> <b>FTE Number</b>
100 - 110	2.00	0.00
	2.00	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:

	<b>2022 Actual</b>	<b>2021 Actual</b>
Total	\$0	\$0
Number of People	nil	nil

## 19. Contingencies

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

Holidays Act Compliance – schools payroll

The Ministry of Education performs payroll processing and payments on behalf of boards, through payroll service provider Education Payroll Limited.

The Ministry's review of the schools sector payroll to ensure compliance with the Holidays Act 2003 is ongoing. Final calculations and potential impact on any specific individual will not be known until further detailed analysis and solutions have been completed.

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

Additional Funding Settlements - Teachers

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 at the date of reporting.

## 20. Commitments

### (a) Capital Commitments

As at 31 December 2022 the Board has not entered into contract agreements for capital works.

(Capital commitments at 31 December 2021: Nil)

### (b) Operating Commitments

As at 31 December 2022 the Board has not entered into operating commitments (2021: Nil).



## 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	435,923	155,910	635,813
Receivables	168,559	180	96,907
Investments - Term Deposits	103,932	101,203	102,116
Total Financial assets measured at amortised cost	<u>708,414</u>	<u>257,293</u>	<u>834,836</u>

### Financial liabilities measured at amortised cost

Payables	269,702	3,352	192,581
Finance Leases	38,235	-	17,222
Total Financial Liabilities Measured at Amortised Cost	<u>307,937</u>	<u>3,352</u>	<u>209,803</u>

## 22. Events After Balance Date

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

## 23. Comparatives

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



## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF TE MANAWA O PAPAMOA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Te Manawa o Papamoa School (the School). The Auditor-General has appointed me, Fraser Lellman, using the staff and resources of BDO Tauranga, 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 18, 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 Sector Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

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, Board of Trustees Listing, Kiwisport Report and Good Employer Statement, but does not include the financial statements, and our auditor's report 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.



Fraser Lellman  
BDO Tauranga  
On behalf of the Auditor-General  
Tauranga, New Zealand