

# WAATEA SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

<b>Ministry Number:</b>	880
<b>Principal:</b>	Zara Buckman
<b>School Address:</b>	31 Calthorp Close, Favona
<b>School Postal Address:</b>	P O Box 23398, Hunters Corner, Auckland, 2024
<b>School Phone:</b>	0800 922 832
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**Accountant / Service Provider:**



# WAATEA SCHOOL

Annual Report - For the year ended 31 December 2022

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# Waatea 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.

Bernie O'Donnell

Zara Buckman

Full Name of Presiding Member

Full Name of Principal



Signature of Presiding Member

Signature of Principal

26.10.2023

26.10.2023

Date:

Date:

**Waatea 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	908,685	959,511	1,078,630
Locally Raised Funds	3	5,518	7,000	4,206
Use of Proprietor's Land and Buildings		240,300	30,853	228,800
Interest Income		11,546	2,000	3,239
		<u>1,166,049</u>	<u>999,364</u>	<u>1,314,875</u>
<b>Expenses</b>				
Locally Raised Funds	3	6,294	7,000	7,469
Learning Resources	4	633,183	833,908	754,870
Administration	5	217,908	126,000	159,815
Finance		231	-	319
Property	6	297,822	91,853	292,779
Other Expenses	7	15,388	14,000	17,250
Loss on Disposal of Property, Plant and Equipment	12	1,639	-	266
		<u>1,172,465</u>	<u>1,072,761</u>	<u>1,232,768</u>
<b>Net Surplus / (Deficit) for the year</b>		(6,416)	(73,397)	82,107
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u>(6,416)</u>	<u>(73,397)</u>	<u>82,107</u>

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

**Waatea School**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2022

	2022	2022	2021
Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Equity at 1 January</b>	771,527	642,887	684,676
Total comprehensive revenue and expense for the year	(6,416)	(73,397)	82,107
Contributions from the Ministry of Education			
Contribution - Furniture and Equipment Grant	7,229	-	4,744
<b>Equity at 31 December</b>	772,340	569,490	771,527
Accumulated comprehensive revenue and expense	772,340	569,490	771,527
<b>Equity at 31 December</b>	772,340	569,490	771,527

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.

**Waatea School**  
**Statement of Financial Position**  
As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	8	115,426	44,643	64,224
Accounts Receivable	9	102,360	68,839	143,883
GST Receivable		4,010	6,487	5,535
Prepayments		2,354	1,824	1,868
Inventories	10	3,019	6,220	5,780
Investments	11	555,645	350,000	550,353
		<u>782,814</u>	<u>478,013</u>	<u>771,643</u>
<b>Current Liabilities</b>				
Accounts Payable	13	104,586	67,199	115,788
Revenue Received in Advance	14	5,000	-	-
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability	15	1,268	1,092	1,180
		<u>110,854</u>	<u>68,291</u>	<u>116,968</u>
<b>Working Capital Surplus/(Deficit)</b>		<b>671,960</b>	<b>409,722</b>	<b>654,675</b>
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	102,793	164,630	120,534
		<u>102,793</u>	<u>164,630</u>	<u>120,534</u>
<b>Non-current Liabilities</b>				
Finance Lease Liability	15	2,413	4,862	3,682
		<u>2,413</u>	<u>4,862</u>	<u>3,682</u>
<b>Net Assets</b>		<u><u>772,340</u></u>	<u><u>569,490</u></u>	<u><u>771,527</u></u>
<b>Equity</b>		<u><u>772,340</u></u>	<u><u>569,490</u></u>	<u><u>771,527</u></u>

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

**Waatea 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		407,308	272,581	456,487
Locally Raised Funds		(39,482)	7,000	4,516
Goods and Services Tax (net)		1,525	-	952
Payments to Employees		(133,241)	(120,100)	(116,994)
Payments to Suppliers		(183,206)	(209,776)	(257,517)
Interest Paid		(231)	-	(319)
Interest Received		7,028	2,000	1,531
Net cash from/(to) Operating Activities		59,701	(48,295)	88,656
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(9,390)	(5,000)	(26,727)
Purchase of Investments		(5,293)	-	(100,353)
Net cash from/(to) Investing Activities		(14,683)	(5,000)	(127,080)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		7,229	-	4,744
Finance Lease Payments		(1,045)	(1,411)	(1,445)
Net cash from/(to) Financing Activities		6,184	(1,411)	3,299
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>51,202</b>	<b>(54,706)</b>	<b>(35,125)</b>
Cash and cash equivalents at the beginning of the year	8	64,224	99,349	99,349
<b>Cash and cash equivalents at the end of the year</b>	<b>8</b>	<b>115,426</b>	<b>44,643</b>	<b>64,224</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.

# Waatea School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### **a) Reporting Entity**

Waatea 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. .



*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 12.

**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 Proprietor. Grants for the use of land and buildings are also not received in cash by the school however they equate to the deemed expense for using the land and buildings. This expense is based on an assumed market rental yield on the 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 Proprietor are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements to buildings owned by the Proprietor 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	6 years
Furniture and Equipment	3 - 15 years
Information and Communication Technology	2.5 - 6 years
Textbooks	3 years
Library Resources	5 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 Proprietor. The Proprietor is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

**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	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Government Grants - Ministry of Education	464,898	272,581	449,222
Teachers' Salaries Grants	443,787	686,930	629,408
	<u>908,685</u>	<u>959,511</u>	<u>1,078,630</u>

The school has opted in to the donations scheme for this year. Total amount received was \$11,550.

## 3. Locally Raised Funds

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

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
<b>Revenue</b>			
Fees for Extra Curricular Activities	388	-	-
Trading	2,556	7,000	3,528
Fundraising & Community Grants	2,574	-	678
	<u>5,518</u>	<u>7,000</u>	<u>4,206</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	174	-	117
Trading	6,120	7,000	6,674
Fundraising & Community Grant Costs	-	-	678
	<u>6,294</u>	<u>7,000</u>	<u>7,469</u>
<i>Surplus/(Deficit) for the year Locally raised funds</i>	<u>(776)</u>	<u>-</u>	<u>(3,263)</u>

## 4. Learning Resources

	2022	2022 Budget	2021
	Actual	(Unaudited)	Actual
	\$	\$	\$
Curricular	47,872	25,000	46,331
Library Resources	2,813	1,000	635
Employee Benefits - Salaries	551,379	777,030	671,968
Staff Development	3,822	4,000	4,899
Depreciation	27,297	26,878	31,037
	<u>633,183</u>	<u>833,908</u>	<u>754,870</u>

**5. Administration**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Audit Fee	6,922	7,000	6,720
Board Fees	165	2,000	1,650
Board Expenses	5,559	1,500	1,397
Communication	594	400	349
Consumables	3,271	1,700	2,008
Legal Fees	11,500	10,000	6,193
Other	49,585	54,900	58,173
Employee Benefits - Salaries	25,261	30,000	26,330
Insurance	721	-	1,278
Service Providers, Contractors and Consultancy	14,700	18,500	9,063
Healthy School Lunch Programme	99,630	-	46,654
	<u>217,908</u>	<u>126,000</u>	<u>159,815</u>

**6. Property**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Caretaking and Cleaning Consumables	44,337	48,000	51,891
Heat, Light and Water	9,790	8,000	7,940
Repairs and Maintenance	3,395	5,000	4,148
Use of Land and Buildings	240,300	30,853	228,800
	<u>297,822</u>	<u>91,853</u>	<u>292,779</u>

The use of land and buildings figure represents 5% of the school's total property value. This is used as a 'proxy' for the market rental of the property.

**7. Other Expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Transport	15,388	14,000	17,250
	<u>15,388</u>	<u>14,000</u>	<u>17,250</u>

**8. Cash and Cash Equivalents**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Bank Accounts	115,426	44,643	64,224
Cash and cash equivalents for Statement of Cash Flows	<u>115,426</u>	<u>44,643</u>	<u>64,224</u>

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

**9. Accounts Receivable**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Receivables	51,007	3,225	53,215
Receivables from the Ministry of Education	5,038	-	-
Banking Staffing Underuse	-	24,572	47,700
Interest Receivable	6,551	325	2,033
Teacher Salaries Grant Receivable	39,764	40,717	40,935
	<u>102,360</u>	<u>68,839</u>	<u>143,883</u>
Receivables from Exchange Transactions	57,558	3,550	55,248
Receivables from Non-Exchange Transactions	44,802	65,289	88,635
	<u>102,360</u>	<u>68,839</u>	<u>143,883</u>

**10. Inventories**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Uniforms	3,019	5,329	5,174
Stationery	-	891	606
	<u>3,019</u>	<u>6,220</u>	<u>5,780</u>

**11. Investments**

The School's investment activities are classified as follows:

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Current Asset			
Short-term Bank Deposits	555,645	350,000	550,353
Total Investments	<u>555,645</u>	<u>350,000</u>	<u>550,353</u>



## 12. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	4,177	-	-	-	(1,223)	2,954
Furniture and Equipment	73,053	7,700	(900)	-	(10,364)	69,489
Information and Communication Technology	38,300	2,940	(739)	-	(13,126)	27,375
Leased Assets	3,447	-	-	-	(1,960)	1,487
Library Resources	1,557	555	-	-	(624)	1,488
<b>Balance at 31 December 2022</b>	<b>120,534</b>	<b>11,195</b>	<b>(1,639)</b>	<b>-</b>	<b>(27,297)</b>	<b>102,793</b>

The net carrying value of equipment held under a finance lease is \$1,487 (2021: \$3,447)

### Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	7,721	(4,767)	2,954	7,721	(3,544)	4,177
Furniture and Equipment	107,914	(38,425)	69,489	101,317	(28,264)	73,053
Information and Communication Technology	68,142	(40,767)	27,375	69,586	(31,286)	38,300
Textbooks	103	(103)	-	103	(103)	-
Leased Assets	5,938	(4,451)	1,487	5,938	(2,491)	3,447
Library Resources	3,509	(2,021)	1,488	2,954	(1,397)	1,557
<b>Balance at 31 December</b>	<b>193,327</b>	<b>(90,534)</b>	<b>102,793</b>	<b>187,619</b>	<b>(67,085)</b>	<b>120,534</b>

## 13. Accounts Payable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	59,900	10,697	69,746
Accruals	4,922	15,000	4,720
Employee Entitlements - Salaries	39,764	40,717	40,935
Employee Entitlements - Leave Accrual	-	785	387
	<b>104,586</b>	<b>67,199</b>	<b>115,788</b>
Payables for Exchange Transactions	104,586	67,199	115,788
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>104,586</b>	<b>67,199</b>	<b>115,788</b>

The carrying value of payables approximates their fair value.

**14. Revenue Received in Advance**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Other Revenue In Advance	5,000	-	-
	5,000	-	-
	5,000	-	-

**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	1,411	1,092	1,411
Later than One Year and no Later than Five Years	2,469	4,862	3,880
Future Finance Charges	(199)	-	(429)
	3,681	5,954	4,862
	3,681	5,954	4,862
<b>Represented by</b>			
Finance lease liability - Current	1,268	1,092	1,180
Finance lease liability - Non current	2,413	4,862	3,682
	3,681	5,954	4,862
	3,681	5,954	4,862

**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.

The Proprietor of the School (Te Whare Wananga o Muma Limited) is a related party of the School Board because the proprietor appoints representatives to the School Board, giving the proprietor significant influence over the School Board. Any services or contributions between the School Board and Proprietor have been disclosed appropriately, if the proprietor collects fund on behalf of the school (or vice versa) the amounts are disclosed.

The Proprietor provides land and buildings free of charge for use by the School Board as noted in Note 1(c). The estimated value of this use during the current period is included in the Statement of Comprehensive Revenue and Expense as "Use of Land and Buildings".

Under an agency agreement, the School collects funds on behalf of the Proprietor. These include attendance dues, building levy and special character donations payable to the Proprietor. The amounts collected in total were \$0 (2021: \$0). These do not represent revenue in the financial statements of the school. Any balance not transferred at the year end is treated as a liability. The total funds held by the school on behalf of the proprietor are \$0 (2021: \$0).

## 17. Remuneration

### Key management personnel compensation

Key management personnel of the School include all Board members and Principals.

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	165	1,650
<i>Leadership Team</i>		
Remuneration	127,473	333,402
Full-time equivalent members	1.07	3.00
<b>Total key management personnel remuneration</b>	<b>127,638</b>	<b>335,052</b>

There are 8 members of the Board excluding the Principal. The Board had held 5 full meetings of the Board in the year. The Board also has Finance (3 members) that met 6 times. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings.

### Principal 1

The total value of remuneration paid or payable to the Principal was in the following bands:

	2022 Actual \$000	2021 Actual \$000
<b>Salaries and Other Short-term Employee Benefits:</b>		
Salary and Other Payments	0 - 10	120 - 130
Benefits and Other Emoluments	0 - 1	3 - 4
Termination Benefits	-	-

### Principal 2

The total value of remuneration paid or payable to the Principal was in the following bands:

Salary and Other Payments	70 - 80	-
Benefits and Other Emoluments	0 - 3	-
Termination Benefits	-	-

### Other Employees

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

	2022 FTE Number	2021 FTE Number
<b>Remuneration \$000</b>		
110 - 120	-	1.00
	0.00	1.00

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	\$50,000	\$50,000
Number of People	1	1

## 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).

The Board is currently party to an ongoing employment relationship issue. The matter is being mediated through Solicitors. The quantum of the settlement could not be determined as at 31 December 2021, however due to delay in signing off the financial statements, the settlement occurred in 2023 at an amount of \$50,000. This was covered by insurance. A payable and receivable was raised for this at year end.

### 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

There are no capital commitments as at 31 December 2022 (Capital commitments at 31 December 2021: nil).

### (b) Operating Commitments

There are no operating commitments as at 31 December 2022 (Operating commitments at 31 December 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	115,426	44,643	64,224
Receivables	102,360	68,839	143,883
Investments - Term Deposits	555,645	350,000	550,353
Total Financial assets measured at amortised cost	773,431	463,482	758,460

### Financial liabilities measured at amortised cost

Payables	104,586	67,199	115,788
Finance Leases	3,681	5,954	4,862
Total Financial Liabilities Measured at Amortised Cost	108,267	73,153	120,650

## 22. Events After Balance Date

There were no significant events after the balance date that impact these financial statements, other than the settlement of the employment issue noted in Note 19.

## 23. Comparatives

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

## Waatea School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Bernie O'Donnell	Presiding Member	Appointed	Sep 2022
Tania Rangiheuea	Principal	ex Officio	Feb 2022
Zara Buckman	Principal	ex Officio	
Rauhina Jones	Parent Representative	Co-opted	Dec 2023
Chrissie Paul	Parent Representative	Elected	Sep 2025
Nikita Flutey	Parent Representative	Elected	Sep 2025
Jessica Bell	Staff Representative	Elected	Sep 2025
Dr Pauline Kingi	Proprietors Representative	Appointed	Sep 2022
Rangi McLean	Proprietors Representative	Appointed	Sep 2022
Shephanie Tawha	Proprietors Representative	Appointed	Sep 2022
Wyn Osborne	Proprietors Representative	Appointed	Sep 2022
Donna Carr	Other	Elected	Sep 2025

## **Waatea School**

### **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$1,127 (excluding GST). The funding was spent on sporting endeavours.

## **Statement of Compliance with Employment Policy**

For the year ended 31st December 2022 the Waatea 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.

## Independent Auditor's Report

### To the Readers of Waatea School's Financial Statements

For the Year Ended 31 December 2022

The Auditor-General is the auditor of Waatea School (the School). The Auditor-General has appointed me, Darren Wright, using the staff and resources of William Buck Audit (NZ) Limited, to carry out the audit of the financial statements of the School on his behalf.

#### Opinion

We have audited the financial statements of the School on pages 2 to 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 PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 1 November 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.

#### Failure to meet statutory reporting deadline

Without modifying our opinion, we draw attention to the fact that the Board did not comply with section 137(1) of the Education and Training Act 2020, which requires the Board to provide its audited financial statements to the Ministry of Education by 31 May 2023.

#### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report. We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Our responsibilities arise from the Public Audit Act 2001.

#### **Other information**

The Board of Trustees is responsible for the other information. The other information comprises the information included in the annual report being the Kiwisport Report, Statement of Compliance with Employment Policy, Members of the Board of Trustees and Analyses of Variance, 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.



**Darren Wright**  
**William Buck Audit (NZ) Limited**  
On behalf of the Auditor-General  
Auckland, New Zealand