

# KAEO SCHOOL

## ANNUAL REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

#### School Directory

**Ministry Number:** 1019

**Principal:** Paul Barker

**School Address:** State Highway 10

**School Postal Address:** P O Box 9, Kaeo, 0448

**School Phone:** 09 405 0099

**School Email:** office@kaeo.school.nz

**Accountant / Service Provider:**

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

# KAEO SCHOOL

Annual Report - For the year ended 31 December 2022

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# Kaeo 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.

Marco Van  
Den Broek  
Full Name of Presiding Member

Paul Barker  
Full Name of Principal

Signed by:  
  
DD06430AA9AC91A1  
Signature of Presiding Member

Signed by:  
  
74F91C54434D752E  
Signature of Principal

Date: 13 June 2023

Date: 13 June 2023

## Kaeo 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	1,518,524	1,323,818	1,508,245
Locally Raised Funds	3	20,950	16,700	51,054
Interest Income		7,451	2,500	1,305
Gain on Sale of Property, Plant and Equipment		-	-	609
		<u>1,546,925</u>	<u>1,343,018</u>	<u>1,561,213</u>
<b>Expenses</b>				
Locally Raised Funds	3	3,292	200	4,278
Learning Resources	4	986,171	932,667	990,709
Administration	5	276,055	151,436	223,257
Finance		359	700	505
Property	6	224,593	245,081	186,465
Loss on Disposal of Property, Plant and Equipment	11	139	-	-
		<u>1,490,609</u>	<u>1,330,084</u>	<u>1,405,214</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>56,316</b>	<b>12,934</b>	<b>155,999</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<u><u>56,316</u></u>	<u><u>12,934</u></u>	<u><u>155,999</u></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.

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

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Equity at 1 January</b>		733,193	662,600	577,194
Total comprehensive revenue and expense for the year Contributions from the Ministry of Education		56,316	12,934	155,999
<b>Equity at 31 December</b>		789,509	675,534	733,193
Accumulated comprehensive revenue and expense		789,509	675,534	733,193
<b>Equity at 31 December</b>		789,509	675,534	733,193

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.

## Kaeo School Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	143,135	363,567	590,704
Accounts Receivable	8	70,137	81,594	113,571
GST Receivable		6,992	45,425	-
Prepayments		6,354	5,596	6,384
Inventories	9	1,226	532	1,435
Investments	10	527,430	-	222,734
		<u>755,274</u>	<u>496,714</u>	<u>934,828</u>
<b>Current Liabilities</b>				
GST Payable		-	-	38,933
Accounts Payable	12	118,923	88,239	109,808
Provision for Cyclical Maintenance		-	-	-
Finance Lease Liability	14	1,666	3,095	3,057
Funds held for Capital Works Projects	15	137,790	-	358,130
		<u>258,379</u>	<u>91,334</u>	<u>509,928</u>
<b>Working Capital Surplus/(Deficit)</b>		496,895	405,380	424,900
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	305,883	304,778	312,166
		<u>305,883</u>	<u>304,778</u>	<u>312,166</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	12,500	31,071	2,400
Finance Lease Liability	14	769	3,553	1,473
		<u>13,269</u>	<u>34,624</u>	<u>3,873</u>
<b>Net Assets</b>		<u>789,509</u>	<u>675,534</u>	<u>733,193</u>
<b>Equity</b>		<u>789,509</u>	<u>675,534</u>	<u>733,193</u>

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

# Kaeo 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		480,680	397,100	439,546
Locally Raised Funds		20,803	16,700	51,757
Goods and Services Tax (net)		(45,925)	-	84,358
Payments to Employees		(219,758)	(200,863)	(212,740)
Payments to Suppliers		(128,575)	(110,748)	(142,038)
Interest Paid		(359)	(700)	(505)
Interest Received		6,285	2,500	994
Net cash from/(to) Operating Activities		113,151	103,989	221,372
<b>Cash flows from Investing Activities</b>				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	500	609
Purchase of Property Plant & Equipment (and Intangibles)		(54,730)	(55,000)	(105,433)
Purchase of Investments		(304,696)	-	(222,734)
Net cash from/(to) Investing Activities		(359,426)	(54,500)	(327,558)
<b>Cash flows from Financing Activities</b>				
Finance Lease Payments		(1,477)	(3,057)	(1,573)
Funds Administered on Behalf of Third Parties		(199,817)	(9,000)	372,328
Net cash from/(to) Financing Activities		(201,294)	(12,057)	370,755
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(447,569)</b>	<b>37,432</b>	<b>264,569</b>
Cash and cash equivalents at the beginning of the year	7	590,704	326,135	326,135
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>143,135</b>	<b>363,567</b>	<b>590,704</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.

# Kaeo School

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

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

##### b) Basis of Preparation

###### **Reporting Period**

The financial statements have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

###### **Basis of Preparation**

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

###### **Financial Reporting Standards Applied**

The Education and Training Act 2020 requires the School, as a Crown entity, to prepare financial statements in accordance with generally accepted accounting practice. The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, applying Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime as appropriate to public benefit entities that qualify for Tier 2 reporting. The school is considered a Public Benefit Entity as it meets the criteria specified as 'having a primary objective to provide goods and/or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for financial return to equity holders'.

###### **PBE Accounting Standards Reduced Disclosure Regime**

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expense threshold of \$30 million per year. All relevant reduced disclosure concessions have been taken.

###### **Measurement Base**

The financial statements are prepared on the historical cost basis unless otherwise noted in a specific accounting policy.

###### **Presentation Currency**

These financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

###### **Specific Accounting Policies**

The accounting policies used in the preparation of these financial statements are set out below.

###### **Critical Accounting Estimates And Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

###### **Cyclical maintenance**

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.



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

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 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 14. Future operating lease commitments are disclosed in note 20b.

##### *Recognition of grants*

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

### **c) Revenue Recognition**

#### **Government Grants**

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

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

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

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

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

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

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

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

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

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

### **Interest Revenue**

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

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

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

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

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

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

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

### **g) Accounts Receivable**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (uncollectable debts). The schools receivables are largely made up of funding from the Ministry of Education, therefore the level of uncollectable debts is not considered to be material. However, short-term receivables are written off when there is no reasonable expectation of recovery.

### **h) Inventories**

Inventories are consumable items held for sale and comprised of stationery and school uniforms. They are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the estimated selling price in the ordinary course of activities less the estimated costs necessary to make the sale. Any write down from cost to net realisable value is recorded as an expense in the Statement of Comprehensive Revenue and Expense in the period of the write down.

### **i) Investments**

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

### **j) Property, Plant and Equipment**

Land and buildings owned by the Crown are excluded from these financial statements. The Board's use of the land and buildings as 'occupant' is based on a property occupancy document.

Improvements (funded by the Board) to buildings owned by the Crown or directly by the board are recorded at cost, less accumulated depreciation and impairment losses.

Property, plant and equipment are recorded at cost or, in the case of donated assets, fair value at the date of receipt, less accumulated depreciation and impairment losses. Cost or fair value as the case may be, includes those costs that relate directly to bringing the asset to the location where it will be used and making sure it is in the appropriate condition for its intended use.

Gains and losses on disposals (i.e. sold or given away) are determined by comparing the proceeds received with the carrying amounts (i.e. the book value). The gain or loss arising from the disposal of an item of property, plant and equipment is recognised in the Statement of Comprehensive Revenue and Expense.

### **Finance Leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred. At the start of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty whether the school will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Depreciation**

Property, plant and equipment are depreciated over their estimated useful lives on a straight line basis. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building Improvements	40 years
Furniture and Equipment	5-18 years
Information and Communication Technology	4 years
Motor Vehicles	5 years
Library Resources	8 years
Leased assets held under a Finance Lease	Term of Lease

### **k) Intangible Assets**

#### *Software costs*

Computer software acquired by the School are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with subsequent maintenance and research expenditure are recognised as an expense in the Statement of Comprehensive Revenue and Expense when incurred.

The carrying value of software is amortised on a straight line basis over its useful life. The useful life of software is estimated as three years. The amortisation charge for each period and any impairment loss is recorded in the Statement of Comprehensive Revenue and Expense.

### **l) Impairment of property, plant, and equipment and intangible assets**

The school does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

#### *Non cash generating assets*

Property, plant, and equipment and intangible assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, the School estimates the asset's recoverable service amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on a comparison to recent market transactions.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable service amount since the last impairment loss was recognised.

### **m) Accounts Payable**

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

## **n) Employee Entitlements**

### *Short-term employee entitlements*

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

### *Long-term employee entitlements*

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis.

The calculations are based on the likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information, and the present value of the estimated future cash flows. Remeasurements are recognised in surplus or deficit in the period in which they arise.

## **o) Revenue Received in Advance**

Revenue received in advance relates to fees received from students and grants received where there are unfulfilled obligations for the School to provide services in the future. The fees are recorded as revenue as the obligations are fulfilled and the fees earned.

The School holds sufficient funds to enable the refund of unearned fees in relation to students, should the School be unable to provide the services to which they relate.

## **p) Funds Held in Trust**

Funds are held in trust where they have been received by the School for a specified purpose, or are being held on behalf of a third party and these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

## **q) Funds held for Capital works**

The school directly receives funding from the Ministry of Education for capital works projects that are included in the School five year capital works agreement. These funds are held on behalf and for a specified purpose as such these transactions are not recorded in the Statement of Comprehensive Revenue and Expense.

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

## **r) Shared Funds**

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTLB programme), all income and expenditure related to the provision of the service is recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

#### **s) Provision for Cyclical Maintenance**

The property from which the School operates is owned by the Crown, and is vested in the Ministry. The Ministry has gazetted a property occupancy document that sets out the Board's property maintenance responsibilities. The Board is responsible for maintaining the land, buildings and other facilities on the School site in a state of good order and repair.

Cyclical maintenance, which involves painting the interior and exterior of the School, makes up the most significant part of the Board's responsibilities outside day-to-day maintenance. The provision is a reasonable estimate, based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition.

The school carries out painting maintenance of the whole school over a 7 to 10 year period, the economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

#### **t) Financial Instruments**

The School's financial assets comprise cash and cash equivalents, accounts receivable, and investments. All of these financial assets, except for investments that are shares, are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards. On initial recognition of an equity investment that is not held for trading, the School may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive revenue and expense. This election has been made for investments that are shares. Subsequent to initial recognition, these assets are measured at fair value. Dividends are recognised as income in surplus or deficit unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive revenue and expense and are never reclassified to surplus or deficit.

The School's financial liabilities comprise accounts payable, borrowings, finance lease liability, and painting contract liability. Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and any gain or loss on derecognition are recognised in surplus or deficit.

#### **u) Borrowings**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the school has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

#### **v) Goods and Services Tax (GST)**

The financial statements have been prepared on a GST exclusive basis, with the exception of accounts receivable and accounts payable which are stated as GST inclusive.

The net amount of GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statements of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **w) Budget Figures**

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

#### **x) Services received in-kind**

From time to time the School receives services in-kind, including the time of volunteers. The School has elected not to recognise services received in kind in the Statement of Comprehensive Revenue and Expense.

## 2. Government Grants

	<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>
Government Grants - Ministry of Education	574,839	360,100	527,231
Teachers' Salaries Grants	780,431	777,587	827,266
Use of Land and Buildings Grants	163,254	186,131	153,748
	<b>1,518,524</b>	<b>1,323,818</b>	<b>1,508,245</b>

The school has opted in to the donations scheme for this year. Total amount received was \$22,800.

## 3. Locally Raised Funds

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

	<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>
<b>Revenue</b>			
Donations & Bequests	1,743	4,500	19,536
Fees for Extra Curricular Activities	7,872	7,000	6,467
Trading	655	200	3,051
Fundraising & Community Grants	10,680	5,000	22,000
	<b>20,950</b>	<b>16,700</b>	<b>51,054</b>
<b>Expenses</b>			
Extra Curricular Activities Costs	1,076	-	1,443
Trading	662	200	2,835
Fundraising & Community Grant Costs	1,554	-	-
	<b>3,292</b>	<b>200</b>	<b>4,278</b>
<i>Surplus for the year Locally raised funds</i>	<b>17,658</b>	<b>16,500</b>	<b>46,776</b>

## 4. Learning Resources

	<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>
Curricular	26,880	38,300	38,877
Equipment Repairs	723	-	868
Information and Communication Technology	2,081	1,500	600
Library Resources	579	1,600	1,499
Employee Benefits - Salaries	917,113	848,483	915,357
Staff Development	1,737	10,500	2,633
Depreciation	37,058	32,284	30,875
	<b>986,171</b>	<b>932,667</b>	<b>990,709</b>

## 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>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Audit Fee	4,519	4,519	4,387
Board Fees	2,010	2,000	1,915
Board Expenses	1,679	5,000	1,694
Communication	2,672	4,350	2,786
Consumables	9,191	12,000	10,834
Other	14,495	18,100	15,592
Employee Benefits - Salaries	100,322	92,967	83,958
Insurance	3,431	4,000	3,423
Service Providers, Contractors and Consultancy	8,940	8,500	8,520
Healthy School Lunch Programme	128,796	-	90,148
	✓		
	<u>276,055</u>	<u>151,436</u>	<u>223,257</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>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Caretaking and Cleaning Consumables	7,699	5,000	5,444
Cyclical Maintenance Provision	10,100	10,100	(10,498)
Grounds	8,013	8,550	14,191
Heat, Light and Water	21,760	14,600	16,107
Rates	4,691	5,500	5,129
Repairs and Maintenance	8,752	14,200	1,609
Use of Land and Buildings	163,254	186,131	153,748
Security	324	1,000	735
	<u>224,593</u>	<u>245,081</u>	<u>186,465</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</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Bank Accounts	143,135	141,027	590,704
Short-term Bank Deposits	-	222,540	-
Cash and cash equivalents for Statement of Cash Flows	<u>143,135</u>	<u>363,567</u>	<u>590,704</u>

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

Of the \$143,135 Cash and Cash Equivalents \$137,790 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2023 on Crown owned school buildings.

## 8. Accounts Receivable

	<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>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivables	402	1,785	1,082
Receivables from the Ministry of Education	7,902	-	6,958
Banking Staffing Underuse	-	18,383	40,400
Interest Receivable	1,605	128	439
Teacher Salaries Grant Receivable	60,228	61,298	64,692
	<u>70,137</u>	<u>81,594</u>	<u>113,571</u>
Receivables from Exchange Transactions	2,007	1,913	1,521
Receivables from Non-Exchange Transactions	68,130	79,681	112,050
	<u>70,137</u>	<u>81,594</u>	<u>113,571</u>

## 9. 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>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Uniform	1,226	532	1,435
	<u>1,226</u>	<u>532</u>	<u>1,435</u>

## 10. 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>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current Asset			
Short-term Bank Deposits	527,430	-	222,734
Total Investments	<u>527,430</u>	<u>-</u>	<u>222,734</u>



## 11. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	110,343	-	-	-	(4,576)	<b>105,767</b>
Furniture and Equipment	178,039	19,030	(139)	-	(19,124)	<b>177,806</b>
Information and Communication Technology	18,038	10,460	-	-	(9,779)	<b>18,719</b>
Leased Assets	4,131	1,244	-	-	(3,198)	<b>2,177</b>
Library Resources	1,615	180	-	-	(381)	<b>1,414</b>
<b>Balance at 31 December 2022</b>	<b>312,166</b>	<b>30,914</b>	<b>(139)</b>	<b>-</b>	<b>(37,058)</b>	<b>305,883</b>

The net carrying value of equipment held under a finance lease is \$2,177 (2021: \$4,131)

### 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	155,001	(49,234)	<b>105,767</b>	155,001	(44,658)	<b>110,343</b>
Furniture and Equipment	401,308	(223,502)	<b>177,806</b>	391,554	(213,515)	<b>178,039</b>
Information and Communication Technology	167,170	(148,451)	<b>18,719</b>	156,710	(138,672)	<b>18,038</b>
Motor Vehicles	1,725	(1,725)	-	5,202	(5,202)	-
Leased Assets	9,167	(6,990)	<b>2,177</b>	9,054	(4,923)	<b>4,131</b>
Library Resources	51,445	(50,031)	<b>1,414</b>	51,265	(49,650)	<b>1,615</b>
<b>Balance at 31 December</b>	<b>785,816</b>	<b>(479,933)</b>	<b>305,883</b>	<b>768,786</b>	<b>(456,620)</b>	<b>312,166</b>

## 12. Accounts Payable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	37,989	9,480	33,992
Accruals	4,519	3,100	4,387
Banking Staffing Overuse	12,493	5,549	-
Employee Entitlements - Salaries	60,228	61,298	64,692
Employee Entitlements - Leave Accrual	3,694	8,812	6,737
	<b>118,923</b>	<b>88,239</b>	<b>109,808</b>
Payables for Exchange Transactions	118,923	88,239	109,808
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>118,923</b>	<b>88,239</b>	<b>109,808</b>

The carrying value of payables approximates their fair value.

### 13. Provision for Cyclical Maintenance

	<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>
Provision at the Start of the Year	2,400	20,971	12,898
Increase to the Provision During the Year	10,100	10,100	10,100
Other Adjustments	-	-	(20,598)
<b>Provision at the End of the Year</b>	<b>12,500</b>	<b>31,071</b>	<b>2,400</b>
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Non current	12,500	31,071	2,400
	<b>12,500</b>	<b>31,071</b>	<b>2,400</b>

Per the cyclical maintenance schedule the school is next expected to undertake painting works during 2024. This plan is based on the schools 10 Year Property plan / painting quotes. The provision is based on a cyclical maintenance plan prepared by a ministry engaged consultant.

### 14. Finance Lease Liability

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

	<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>
No Later than One Year	1,798	3,095	3,343
Later than One Year and no Later than Five Years	812	3,553	1,543
Future Finance Charges	(175)	-	(356)
	<b>2,435</b>	<b>6,648</b>	<b>4,530</b>
<b>Represented by</b>			
Finance lease liability - Current	1,666	3,095	3,057
Finance lease liability - Non current	769	3,553	1,473
	<b>2,435</b>	<b>6,648</b>	<b>4,530</b>

## 15. Funds Held (Owed) for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works projects is included under cash and cash equivalents in note 7.

	2022	Project No.	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
			\$	\$	\$		\$
Drainage Works		231678	5,510	2,500	(8,010)	-	-
5YA and AMS Combined: 1,8		231679	230,812	-	(204,434)	-	26,378
Floor Coverings and Roofing Works		231676	121,808	-	(106,201)	-	15,607
2x Teaching Spaces, Resource & Rationalisation		232539	-	170,544	(74,739)	-	95,805
Totals			358,130	173,044	(393,384)	-	137,790

### Represented by:

Funds Held on Behalf of the Ministry of Education	137,790
Funds Receivable from the Ministry of Education	-

	2021	Project No.	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
			\$	\$	\$		\$
Water Leak Income			3,365	-	(3,365)	-	-
Playground Relocation		220322	(10,559)	11,162	(603)	-	-
Emergency Water Tank		219947	(4,322)	4,583	(261)	-	-
Pool Reline		220532	(805)	6,964	(6,159)	-	-
ILE Upgrade to Classrooms		228531	(4,432)	138,414	(133,982)	-	-
Drainage Works		231678	-	22,500	(16,990)	-	5,510
5YA and AMS Combined: 1,8		231679	-	246,997	(16,185)	-	230,812
Floor Coverings and Roofing Works		231676	-	133,200	(11,392)	-	121,808
Totals			(16,753)	563,820	(188,937)	-	358,130

### Represented by:

Funds Held on Behalf of the Ministry of Education	358,130
Funds Receivable from the Ministry of Education	-

## 16. Related Party Transactions

The School is a controlled entity of the Crown, and the Crown provides the major source of revenue to the school. The school enters into transactions with other entities also controlled by the Crown, such as government departments, state-owned enterprises and other Crown entities. Transactions with these entities are not disclosed as they occur on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted if dealing with that entity at arm's length.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the school would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

## 17. Remuneration

### *Key management personnel compensation*

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

	<b>2022 Actual \$</b>	<b>2021 Actual \$</b>
<i>Board Members</i> Remuneration	2,010	1,915
<i>Leadership Team</i> Remuneration	339,122	338,650
Full-time equivalent members	3.00	3.00
<b>Total key management personnel remuneration</b>	<b>341,132</b>	<b>340,565</b>

There are 4 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance (4 members) and Property (4 members) that met 8 and 8 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

### *Principal 1*

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

	<b>2022 Actual \$000</b>	<b>2021 Actual \$000</b>
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	140 - 150
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

### *Other Employees*

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

	<b>2022</b>	<b>2021</b>
<b>Remuneration \$000</b>	<b>FTE Number</b>	<b>FTE Number</b>
100 - 110	1.00	-
	1.00	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	-	-
Number of People	-	-

## 19. Contingencies

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

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

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

### Holidays Act Compliance – schools payroll

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

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

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

## 20. Commitments

### (a) Capital Commitments

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

\$274,452 contract for the 5YA and AMS Combined: 1,8 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$246,997 has been received of which \$220,619 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$148,000 contract for the Floor Coverings and Roofing Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$133,200 has been received of which \$117,593 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$1,067,844 contract for the 2x Teaching Spaces, Resource & Rationalisation as agent for the Ministry of Education. This project is fully funded by the Ministry and \$170,544 has been received of which \$74,739 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments as at 31 December 2021:

\$25,000 contract for the Drainage Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$22,500 has been received of which \$16,990 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$274,452 contract for the 5YA and AMS Combined: 1,8 as agent for the Ministry of Education. This project is fully funded by the Ministry and \$246,997 has been received of which \$16,185 has been spent on the project to balance date. This project has been approved by the Ministry; and

\$148,000 contract for the Floor Coverings and Roofing Works as agent for the Ministry of Education. This project is fully funded by the Ministry and \$133,200 has been received of which \$11,392 has been spent on the project to balance date. This project has been approved by the Ministry.)

### (b) Operating Commitments

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

## 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	143,135	363,567	590,704
Receivables	70,137	81,594	113,571
Investments - Term Deposits	527,430	-	222,734
Total Financial assets measured at amortised cost	<u>740,702</u>	<u>445,161</u>	<u>927,009</u>

### Financial liabilities measured at amortised cost

Payables	118,923	88,239	109,808
Finance Leases	2,435	6,648	4,530
Total Financial Liabilities Measured at Amortised Cost	<u>121,358</u>	<u>94,887</u>	<u>114,338</u>

## 22. Events After Balance Date

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

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

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

## 23. Comparatives

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

## Kaeo School

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Marco Van Den Broek	Presiding Member	Elected	Jun 2025
Paul Barker	Principal	ex Officio	
Gareth Megginson	Parent Representative	Elected	Jun 2025
Glenys Grace	Parent Representative	Elected	Jun 2025
Wiki Todd	Parent Representative	Elected	Jun 2025
Stephanie Campbell	Staff Representative	Elected	Jun 2025

## **Kaeo School**

## **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2022, the school received total Kiwisport funding of \$1,854 (excluding GST). The funding was spent on sporting endeavours.

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

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

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





## Statement of Variance – Spelling 2022

Goal: To raise the levels of Spelling.

Achievement Target for 2022:

*That 80% of all children will be spelling at or above the expected level for their age at 30 November 2022.*

<p><u>Position at the end of 2021</u> 71.20% of all students were spelling at or above the level expected for their age.</p> <p>10.40% of all students were spelling less than 6 months below the level expected for their age.</p> <p>18.4% of all students were spelling in excess of 6 months below the level expected at their age.</p> <p>70.29% of all Maori students were spelling at or above the level expected for their age.</p> <p>8.91% of all Maori students were spelling less than 6 months below the level expected for their age.</p> <p>20.79% of all Maori students were spelling in excess of 6 months below the level expected at their age</p>	<p><u>Result for 2022</u> 63.20% of all students were spelling at or above the level expected for their age.</p> <p>16.80% of all students were spelling less than 6 months below the level expected for their age.</p> <p>20% of all students were spelling in excess of 6 months below the level expected at their age.</p> <p>60.95% of all Maori students were spelling at or above the level expected for their age.</p> <p>18.10% of all Maori students were spelling less than 6 months below the level expected for their age.</p> <p>20.95% of all Maori students were spelling in excess of 6 months below the level expected at their age</p>
<p><u>Discussion of Variance</u></p> <p>Covid 19 has caused disruption to our Spelling programme this year.</p>	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> <li>• Manage Covid 19 disruptions effectively to allow maximum opportunity for teaching and learning.</li> <li>• Continue to set clear, agreed achievable goals.</li> <li>• Continue 'You Can Spell' programme across Rooms 1, 2, 3, 4 (including completing Professional Development for new staff).</li> <li>• Continue Quick 60 for all children in Room 6/7.</li> <li>• Continue STEPS programme for identified children.</li> <li>• Undertake inquiry into spelling teaching/learning.</li> <li>• Spelling Bee to continue spelling development.</li> </ul>

Auditor has reviewed the Analysis of Variance report and have checked that the figures are materially consistent with the financial statements, and that the written information is not inconsistent with my understanding of the School. As per OAG.06, OAG.09, OAG.11



## Statement of Variance – Reading 2022

Goal: To raise the levels of Reading.

Achievement Target for 2022:

*That 83% of all children will be reading at or above their chronological reading age at 30 November 2022. 50% of all children Years 4-6 will be reading in excess of 12 months above the level expected at their age, and less than 8% of our children will be reading greater than 6 months below their chronological age.*

<p><u>Position at the end of 2021</u></p> <p>71.61% of all students were reading at or above their chronological reading age.</p> <p>12.05% of all students were reading less than 6 months below their chronological age.</p> <p>16.26% of all students were reading in excess of 6 months below their chronological age.</p> <p>68.56% of Maori students were reading at or above their chronological reading age.</p> <p>12.86% of all Maori students were reading less than 6 months below their chronological age.</p> <p>18.57% of all Maori students were reading in excess of 6 months below their chronological age.</p>	<p><u>Result for 2022</u></p> <p>61.60% of all students were reading at or above their chronological reading age.</p> <p>16.00% of all students were reading less than 6 months below their chronological age.</p> <p>22.40% of all students were reading in excess of 6 months below their chronological age.</p> <p>60.19% of Maori students were reading at or above their chronological reading age.</p> <p>15.53% of all Maori students were reading less than 6 months below their chronological age.</p> <p>24.27% of all Maori students were reading in excess of 6 months below their chronological age.</p>
<p><u>Discussion of Variance</u></p> <p>The affect of transiency and stressful situations is highlighted with most of the children new to our school requiring a long term concerted effort to reach the reading levels expected at their age. It is pleasing that many of the children new to our school have made rapid and sustained progress this year and are now nearing expected levels.</p> <p>Covid 19 has had an affect on our progress this year.</p>	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> <li>• Manage the affect of Covid 19 to maximise the opportunity for teaching and learning.</li> <li>• Continue to set clear, agreed achievable goals.</li> <li>• Continue extra assistance programmes – Rainbow Reading/STEPS.</li> <li>• Continue Quick 60 programme for use for all children in Room 7.</li> <li>• Further improve book stock.</li> <li>• Continue to embrace the Duffy Book programme.</li> <li>• Teachers to target key children and report on same on a termly basis.</li> </ul>



## Statement of Variance – Mathematics 2022

Goal: To raise the levels of mathematics.

Achievement Target for 2022:

*That 83% of all children will be working at or above their appropriate mathematics curriculum level with 15% working at least one level above the level expected at 30 November 2022.*

<p><u>Position at the end of 2021</u> 84.00% of all children working at or above the expected level.</p> <p>9.63% of all children working one level below the level expected.</p> <p>5.92% of all children working two or more levels below that expected.</p> <p>84% of all Maori children working at or above the expected level.</p> <p>10.00% of all Maori children working one level below the level expected (Near expectation).</p> <p>5.26% of all Maori children working two or more levels below that expected (At Risk).</p>	<p><u>Result for 2022</u> <b>79.68% of all children working at or above the expected level.</b></p> <p><b>15.67% of all children working one level below the level expected.</b></p> <p><b>8.82% of all children working two or more levels below that expected.</b></p> <p><b>75.49% of all Maori children working at or above the expected level.</b></p> <p><b>15.67% of all Maori children working one level below the level expected (Near expectation).</b></p> <p><b>8.82% of all Maori children working two or more levels below that expected (At Risk).</b></p>
<p><u>Discussion of Variance</u> The target was almost achieved this year with almost all children working at or close to the expected levels.</p> <p>It should be noted that we have changed our assessment plan and are now completing judgements against mathematics curriculum levels rather than numeracy project levels and this will take some time to embed across the school.</p> <p>Covid 19 has affected these results.</p>	<p><u>Future Direction</u></p> <ul style="list-style-type: none"> <li>• Manage Covid 19 disruptions to allow for learning time to be maximised.</li> <li>• Set clear, agreed achievable goals.</li> <li>• Provide a balanced mathematics program (across all mathematics strands).</li> <li>• Continue to identify Junior School children requiring extra assistance at mathematics time.</li> <li>• Continue to undertake mathematics professional development including a review of how we teach mathematics in 2019/20/21/22 – Term 1 2023.</li> </ul>

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

The Auditor-General is the auditor of Kaeo School (the School). The Auditor-General has appointed me, Angela Edwards, using the staff and resources of BDO Northland, 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 4 to 20, 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 Public Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as tier 2.

Our audit was completed on 13 June 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 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 is responsible for the other information. The other information comprises of the Statement of Responsibility, Members of the Board, Kiwisport, Statement of Compliance with Employment Policy and Analysis 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.

Signed by:  
  
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Angela Edwards  
BDO Northland  
On behalf of the Auditor-General  
Kerikeri, New Zealand