

ST THERESA'S PRIMARY SCHOOL

Annual Report - For the year ended 31 December 2022

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St Theresa's Primary 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.

Mike Tohill

Full Name of Presiding Member



Signature of Presiding Member

2/6/23

Date:

Donna McDonald

Full Name of Principal



Signature of Principal

2/6/23

Date:

St Theresa's Primary School
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	1,550,179	399,921	1,439,074
Locally Raised Funds	3	166,780	123,000	164,418
Use of Proprietor's Land and Buildings		140,511	-	140,511
Interest Income		2,762	1,500	1,407
Total Revenue		1,860,232	524,421	1,745,410
Expenses				
Locally Raised Funds	3	31,894	-	8,350
Learning Resources	4	1,367,931	332,910	1,359,792
Administration	5	126,138	124,580	114,985
Finance		292	300	344
Property	6	223,090	74,200	212,874
Loss on Disposal of Property, Plant and Equipment		3,355	2,000	12,908
		1,752,700	533,990	1,709,253
Net Surplus / (Deficit) for the year		107,532	(9,569)	36,157
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		107,532	(9,569)	36,157

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

St Theresa's Primary School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		313,723	313,723	272,017
Total comprehensive revenue and expense for the year		107,532	(9,569)	36,157
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		6,494	-	5,548
Equity at 31 December		427,749	304,154	313,723

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.

St Theresa's Primary School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	20,084	170,576	165,645
Accounts Receivable	8	118,527	106,526	106,526
Inventories	9	498	526	526
Investments	10	265,777	21,954	20,454
		404,886	299,582	293,151
Current Liabilities				
GST Payable		4,175	856	856
Accounts Payable	12	111,322	130,449	130,449
Revenue Received in Advance	13	695	-	-
Provision for Cyclical Maintenance	14	34,286	35,000	-
Finance Lease Liability	15	15,121	13,438	13,438
		165,599	179,743	144,743
Working Capital Surplus/(Deficit)		239,287	119,839	148,408
Non-current Assets				
Property, Plant and Equipment	11	231,534	219,596	237,596
		231,534	219,596	237,596
Non-current Liabilities				
Provision for Cyclical Maintenance	14	20,000	18,571	43,571
Finance Lease Liability	15	23,072	16,710	28,710
		43,072	35,281	72,281
Net Assets		427,749	304,154	313,723
Equity				
		427,749	304,154	313,723

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

St Theresa's Primary School

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		499,475	434,194	427,643
Locally Raised Funds		152,259	108,000	147,843
Goods and Services Tax (net)		3,317	5,856	3,235
Payments to Employees		(329,145)	(326,986)	(329,762)
Payments to Suppliers		(196,166)	(157,736)	(169,299)
Interest Paid		(292)	(300)	(344)
Interest Received		3,038	1,500	1,820
Net cash from/(to) Operating Activities		132,486	64,528	81,136
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	(2,000)	-
Purchase of Property Plant & Equipment (and Intangibles)		(24,846)	(35,146)	(66,903)
Purchase of Investments		(245,324)	68,046	-
Proceeds from Sale of Investments		-	-	139,802
Net cash from/(to) Investing Activities		(270,170)	30,900	72,899
Cash flows from Financing Activities				
Furniture and Equipment Grant		6,494	-	5,548
Finance Lease Payments		(14,371)	(24,852)	(9,210)
Net cash from/(to) Financing Activities		(7,877)	(24,852)	(3,662)
Net increase/(decrease) in cash and cash equivalents		(145,561)	70,576	150,373
Cash and cash equivalents at the beginning of the year	7	165,645	100,000	15,272
Cash and cash equivalents at the end of the year	7	20,084	170,576	165,645

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.

St Theresa's Primary School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 14.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 19b.

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.

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10 years
Board Owned Buildings	10 years
Furniture and equipment	10–20 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

k) Impairment of property, plant, and equipment and intangible assets

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

Non cash generating assets

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

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

In determining fair value less costs to sell the school engages an independent valuer to assess market value based on the best available information. The valuation is based on [details of the valuer's approach to determining market value (i.e. what valuation techniques have been employed, comparison to recent market transaction etc.)].

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

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

l) Accounts Payable

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

m) Employee Entitlements***Short-term employee entitlements***

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

Long-term employee entitlements

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

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

n) Revenue Received in Advance

Revenue received in advance relates to 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.

o) Provision for Cyclical Maintenance

The property from which the school operates is owned by the Proprietor. 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.

p) Financial Instruments

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

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

q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Government Grants - Ministry of Education	516,844	399,921	436,956
Teachers' Salaries Grants	1,033,335	-	1,002,118
	<u>1,550,179</u>	<u>399,921</u>	<u>1,439,074</u>

3. Locally Raised Funds

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	47,117	41,000	44,898
Fees for Extra Curricular Activities	40,711	-	15,001
Trading	5,516	-	4,669
Fundraising & Community Grants	27,012	20,000	40,680
Other Revenue	46,424	62,000	59,170
	<u>166,780</u>	<u>123,000</u>	<u>164,418</u>
Expenses			
Extra Curricular Activities Costs	30,267	-	7,526
Trading	1,627	-	824
	<u>31,894</u>	<u>-</u>	<u>8,350</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>134,886</u>	<u>123,000</u>	<u>156,068</u>

4. Learning Resources

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Curricular	30,188	25,450	35,184
Information and Communication Technology	9,109	23,000	9,755
Library Resources	491	500	529
Employee Benefits - Salaries	1,279,987	240,960	1,265,001
Staff Development	8,185	10,000	8,892
Depreciation	39,971	33,000	40,431
	<u>1,367,931</u>	<u>332,910</u>	<u>1,359,792</u>

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	5,185	8,000	6,000
Board Fees	3,460	3,500	3,270
Board Expenses	3,091	2,000	109
Communication	911	1,080	2,459
Consumables	213	350	315
Operating Lease	3,417	2,550	3,114
Other	8,805	8,600	8,231
Employee Benefits - Salaries	83,239	84,500	84,150
Insurance	9,932	5,000	145
Service Providers, Contractors and Consultancy	7,885	9,000	7,192
	<u>126,138</u>	<u>124,580</u>	<u>114,985</u>

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	4,199	5,000	4,780
Consultancy and Contract Services	29,753	25,000	24,240
Cyclical Maintenance Provision	10,715	10,000	714
Heat, Light and Water	10,732	10,000	9,222
Rates	2,620	3,000	2,656
Repairs and Maintenance	23,285	20,000	29,226
Use of Land and Buildings	140,511	-	140,511
Security	1,275	1,200	1,525
	<u>223,090</u>	<u>74,200</u>	<u>212,874</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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	20,084	50,000	115,645
Short-term Bank Deposits	-	120,576	50,000
Cash and cash equivalents for Statement of Cash Flows	<u>20,084</u>	<u>170,576</u>	<u>165,645</u>

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

8. Accounts Receivable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Receivables	36,394	20,000	21,178
Interest Receivable	-	-	276
Teacher Salaries Grant Receivable	82,133	86,526	85,072
	<u>118,527</u>	<u>106,526</u>	<u>106,526</u>
Receivables from Exchange Transactions	36,394	20,000	21,454
Receivables from Non-Exchange Transactions	82,133	86,526	85,072
	<u>118,527</u>	<u>106,526</u>	<u>106,526</u>

9. Inventories

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Stationery	498	526	526
	<u>498</u>	<u>526</u>	<u>526</u>

10. Investments

The School's investment activities are classified as follows:

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	265,777	21,954	20,454
	<u>265,777</u>	<u>21,954</u>	<u>20,454</u>

11. Property, Plant and Equipment

2022	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Buildings	9,310				(1,494)	7,817
Furniture and Equipment	155,307	16,862	(3,685)		(14,285)	154,199
Information and Communication Technology	11,649	5,566	1,507		(6,193)	12,529
Leased Assets	41,125	10,416			(15,068)	36,473
Library Resources	20,205	4,327	(1,085)		(2,931)	20,516
Balance at 31 December 2022	<u>237,596</u>	<u>37,171</u>	<u>(3,263)</u>	<u>-</u>	<u>(39,971)</u>	<u>231,534</u>

The net carrying value of furniture and equipment held under a finance lease is \$36,473 (2021: \$41,125)

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	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Buildings	14,932	(7,115)	7,817	17,448	(8,138)	9,310
Furniture and Equipment	297,524	(143,325)	154,199	307,606	(152,300)	155,306
Information and Communication T.	105,280	(92,751)	12,529	111,445	(99,795)	11,650
Leased Assets	94,594	(58,121)	36,473	84,178	(43,053)	41,125
Library Resources	65,074	(44,558)	20,516	64,406	(44,201)	20,205
Balance at 31 December	577,404	(345,870)	231,534	585,083	(347,487)	237,596

12. Accounts Payable

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	24,442	31,449	24,006
Accruals	-	-	-
Banking Staffing Overuse	-	10,000	17,369
Employee Entitlements - Salaries	82,132	85,000	85,072
Employee Entitlements - Leave Accrual	4,748	4,000	4,002
	111,322	130,449	130,449
Payables for Exchange Transactions	111,322	130,449	130,449
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)			
Payables for Non-exchange Transactions - Other			
	111,322	130,449	130,449

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Other revenue in Advance	695	-	-
	695	-	-

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	43,571	43,571	42,857
Increase to the Provision During the Year	10,715	10,000	714
Provision at the End of the Year	<u>54,286</u>	<u>53,571</u>	<u>43,571</u>
Cyclical Maintenance - Current	34,286	35,000	-
Cyclical Maintenance - Non-current	20,000	18,571	43,571
	<u>54,286</u>	<u>53,571</u>	<u>43,571</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan.

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	15,120	-	13,438
Later than One Year and no Later than Five Years	23,073	-	28,710
	<u>38,193</u>	<u>-</u>	<u>42,148</u>
Represented by			
Finance lease liability - Current	15,120	-	13,438
Finance lease liability - Non-current	23,073	-	28,710
	<u>38,193</u>	<u>-</u>	<u>42,148</u>

16. Related Party Transactions

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

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

The Proprietor of the School 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'.

17. Remuneration

Key management personnel compensation

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i>		
Remuneration	3,460	3,270
<i>Leadership Team</i>		
Remuneration	358,766	429,296
Full-time equivalent members	3	4
Total key management personnel remuneration	362,226	432,566

There are 7 members of the Board excluding the Principal. The Board had held 7 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal 1

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

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	130 - 140	130 - 140
Benefits and Other Emoluments	4 - 5	3 - 4
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	1.00	3.00
110 - 120	1.00	-
	2.00	3.00

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

18. Contingencies

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

Contingent Asset - TAPSE

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.

19. Commitments

(a) Capital Commitments

As at 31 December 2022 the Board has entered into no contracts for capital works.

(Capital commitments at 31 December 2021: nil)

(b) Operating Commitments

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

(a) operating lease of an EFTPOS Machine and Photocopier;

	2022 Actual \$	2021 Actual \$
No later than One Year	3,717	3,717
Later than One Year and No Later than Five Years	8,933	12,650
Later than Five Years	-	-
	<u>12,650</u>	<u>16,367</u>

The total lease payments incurred during the period were \$3,692 (2021: \$3,410).

19. 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	20,084	170,576	165,645
Receivables	118,527	106,526	106,526
Investments - Term Deposits	265,777	21,954	20,454
Total Financial assets measured at amortised cost	<u>404,388</u>	<u>299,056</u>	<u>292,625</u>

Financial liabilities measured at amortised cost

Payables	111,322	130,449	130,449
Finance Leases	38,193	30,148	42,148
Total Financial Liabilities Measured at Amortised Cost	<u>149,515</u>	<u>160,597</u>	<u>172,597</u>

20. Events After Balance Date

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

Compliance with Employment Policy

St Theresa's Primary School has the stated intention of being a good employer consistent with Section 597 of the Education and Training Act 2020. The school employed 23 staff in 2022. The majority of our staff are covered by collective agreements. This ensures that all employees, regardless of gender or other areas of potential inequity are remunerated at the same level for equivalent work. Human Resources policies are reviewed regularly in line with the school's commitment to good employer practices and the school's values. Our objective is to make the school an even better place to work. By building on existing practice, higher staff engagement will drive higher quality student outcomes. There is a clear relationship between the wellbeing of staff and student wellbeing.

Kiwisport Funding

In 2022, the school again utilised the Kiwisport funding to help subsidise the cost of expert Swim Skills Instructors, through 2021/22. The decision was made to continue to use the Kiwisport funding in this area of Physical Education, because of the location of our school on the coast and because of the school's commitment to helping our students grow into adults who are safe in and around water. We also continued to use Kiwisport funding to cover costs associated with our outdoor education program Bush Sprouts. This program offers our children a unique opportunity to explore local bush areas, develop risk taking and safe assessment skills and fits with our strategic aim 2, to develop our children as holistic learners.

Subsequent Events

- Are you aware of any subsequent events the school has entered into after 31 December 2022, that isn't already disclosed in the financial statements? Examples being Commitments (including MOE Capital Work projects), Borrowings, Sale or Purchase of large asset etc. No

Going Concern

- The Financial statements are prepared on a going concern basis, are you aware of any events or conditions that may affect the schools ability to continue as a going concern No

Commitments and Contingencies

- Are you aware of any of the following:
Any possible commitments and contingent liabilities other than those already disclosed in the financial statements? No

Any breaches in laws and regulations by the School which are central to the School's ability to continue to operate? No

Related Parties

Are you aware of any related party transactions that have not already been disclosed? No

Have any related party transactions (if any) NOT been made on an arm's length basis (i.e. on favourable terms) during the year? No

Fraud

Are you aware of any actual, alleged or suspected fraud in the school during the year ending 31 December 2022? No

Cyclical Maintenance plan

We note the cyclical maintenance plan provided at the interim audit had a date of 2021, have there been any updates since? If so please attach the most up to date copy. No – this plan covers 5 years 2022-2027

- Can you please confirm the cyclical maintenance plan has been reviewed by the board? Yes

Other

Since our discussion in October, is there anything else we should be aware of in connection with our audit of the 31 December 2022 results? No

Has there been any of the following during the year: Cyber-attacks, loss of data, issues with migrating data. No

Are there any open/unprocessed, or in dispute invoices as at year end or currently which related to the 2022 financial year? No

Has all leave taken in FY2022 been processed? Yes

Has there been any termination payments paid in the last 12 months? No

Is the school part of the ministry's risk management scheme? No

Has the school written off the cost of lost or damaged library books during the year? No

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF ST. THERESA'S CATHOLIC SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Auditor-General is the auditor of St. Theresa's Catholic School (the School). The Auditor-General has appointed me, Henry McClintock, using the staff and resources of BDO Wellington Audit 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 Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime.

Our audit was completed on 2 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 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 the Statement of Responsibility, Analysis of Variance, Kiwisport Report, Statement of Compliance with Employment Policy and Board of Trustees Listing, but does not include the financial statements, and our auditor's report thereon.

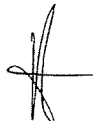
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Henry McClintock
BDO WELLINGTON AUDIT LIMITED
On behalf of the Auditor-General
Wellington, New Zealand