

# KAITAO INTERMEDIATE

## ANNUAL FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### School Directory

<b>Ministry Number:</b>	1761
<b>Principal:</b>	Philip Palfrey
<b>School Address:</b>	30 Bell Road, Western Heights
<b>School Postal Address:</b>	Bell Road, Western Heights, Rotorua, 3015
<b>School Phone:</b>	07 348 3687
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**Accountant / Service Provider:**

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

# KAITAO INTERMEDIATE

Annual Financial Statements - For the year ended 31 December 2023

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# Kaitao Intermediate

## Statement of Responsibility

For the year ended 31 December 2023

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 2023 fairly reflects the financial position and operations of the school.

The School's 2023 financial statements are authorised for issue by the Board.

Lucy Waimarie Epapara  
Full Name of Presiding Member

J. Epapara  
Signature of Presiding Member

4 September 2025  
Date:

Adrian Brian Firmin (Acting)  
Full Name of Principal

[Signature]  
Signature of Principal

4 September 2025  
Date:

## Kaitao Intermediate Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Revenue</b>				
Government Grants	2	4,024,071	3,348,451	3,842,890
Locally Raised Funds	3	429,043	317,630	235,261
Interest		14,194	1,000	3,002
<b>Total Revenue</b>		<b>4,467,308</b>	<b>3,667,081</b>	<b>4,081,153</b>
<b>Expense</b>				
Locally Raised Funds	3	133,894	61,994	151,370
Learning Resources	4	2,643,923	2,425,031	2,556,145
Administration	5	601,681	230,507	620,854
Interest		2,108	3,000	3,796
Property	6	926,412	743,701	745,341
Loss on Disposal of Property, Plant and Equipment		-	-	8,965
<b>Total Expense</b>		<b>4,308,018</b>	<b>3,464,233</b>	<b>4,086,471</b>
<b>Net Surplus / (Deficit) for the year</b>		<b>159,290</b>	<b>202,848</b>	<b>(5,318)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b>159,290</b>	<b>202,848</b>	<b>(5,318)</b>

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

**Kaitao Intermediate**  
**Statement of Changes in Net Assets/Equity**  
For the year ended 31 December 2023

	2023	2023	2022
Notes	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Equity at 1 January</b>	513,678	580,604	487,854
Total comprehensive revenue and expense for the year	159,290	202,848	(5,318)
Contributions from / (Distributions to) the Ministry of Education	30,368	-	-
Contribution - Furniture and Equipment Grant	30,124	-	31,142
<b>Equity at 31 December</b>	733,460	783,452	513,678
Accumulated comprehensive revenue and expense	733,460	783,452	513,678
<b>Equity at 31 December</b>	733,460	783,452	513,678

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.

## Kaitao Intermediate Statement of Financial Position

As at 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	493,824	447,937	373,938
Accounts Receivable	8	154,315	140,355	160,757
GST Receivable		26,964	22,137	44,902
Prepayments		31,639	15,125	148,288
Inventories	9	33,777	24,602	29,888
Funds Receivable for Capital Works Projects	17	12,521	-	39,396
		<u>753,040</u>	<u>650,156</u>	<u>797,169</u>
<b>Current Liabilities</b>				
Accounts Payable	11	384,875	201,869	256,533
Borrowings	12	-	6,786	10,989
Revenue Received in Advance	13	10,966	14,857	159,476
Provision for Cyclical Maintenance	14	96,218	44,342	-
Finance Lease Liability	15	62,464	76,849	92,551
Funds held in Trust	16	15,342	-	-
Funds held for Capital Works Projects	17	124,339	-	194,549
		<u>694,204</u>	<u>344,703</u>	<u>714,098</u>
<b>Working Capital Surplus/(Deficit)</b>		58,836	305,453	83,071
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	759,775	650,355	603,616
		<u>759,775</u>	<u>650,355</u>	<u>603,616</u>
<b>Non-current Liabilities</b>				
Borrowings - Due beyond one year	12	-	2,800	-
Provision for Cyclical Maintenance	14	49,052	58,058	108,578
Finance Lease Liability	15	36,099	111,498	64,431
		<u>85,151</u>	<u>172,356</u>	<u>173,009</u>
<b>Net Assets</b>		<u>733,460</u>	<u>783,452</u>	<u>513,678</u>
<b>Equity</b>		<u>733,460</u>	<u>783,452</u>	<u>513,678</u>

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

## Kaitao Intermediate

# Statement of Cash Flows

For the year ended 31 December 2023

		2023	2023	2022
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Cash flows from Operating Activities</b>				
Government Grants		1,146,107	1,064,921	1,122,842
Locally Raised Funds		257,342	304,500	378,794
International Students		18,400	13,130	-
Goods and Services Tax (net)		17,938	-	(22,765)
Payments to Employees		(578,596)	(500,434)	(522,427)
Payments to Suppliers		(518,966)	(273,575)	(836,603)
Interest Paid		(2,108)	(3,000)	(3,796)
Interest Received		13,923	1,000	2,622
Net cash from/(to) Operating Activities		354,040	606,542	118,667
<b>Cash flows from Investing Activities</b>				
Purchase of Property Plant & Equipment (and Intangibles)		(264,394)	(248,971)	(51,072)
Net cash from/(to) Investing Activities		(264,394)	(248,971)	(51,072)
<b>Cash flows from Financing Activities</b>				
Furniture and Equipment Grant		30,124	-	31,142
Contributions from / (Distributions to) Ministry of Education		30,368	-	-
Finance Lease Payments		(109,611)	(111,379)	(103,893)
Loans Received		-	-	(2,393)
Repayment of Loans		10,989	-	13,186
Funds Administered on Behalf of Other Parties		68,370	-	166,556
Net cash from/(to) Financing Activities		30,240	(111,379)	104,598
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>119,886</b>	<b>246,192</b>	<b>172,193</b>
Cash and cash equivalents at the beginning of the year	7	373,938	201,745	201,745
<b>Cash and cash equivalents at the end of the year</b>	7	<b>493,824</b>	<b>447,937</b>	<b>373,938</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 and other notional items 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.

# Kaitao Intermediate

## Notes to the Financial Statements

### For the year ended 31 December 2023

#### 1. Statement of Accounting Policies

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

Kaitao Intermediate (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 2023 to 31 December 2023 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 10.

#### **Critical Judgements in applying accounting policies**

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

##### *Classification of leases*

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 22b.

##### *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 Trading and Uniform Trading. 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 material.

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

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

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

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

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

### **Finance Leases**

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

### **Depreciation**

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

The estimated useful lives of the assets are:

Building Improvements	16-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	3-5 years
Motor Vehicles	5 years
Library Resources	8 years DV
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 or grants are recorded as revenue as the obligations are fulfilled and the fees or grants are 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. The School holds sufficient funds to enable the funds to be used for their intended purpose.

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

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

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

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

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

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

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

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

#### **u) Borrowings**

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

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

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

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

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

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

**2. Government Grants** 47,469

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	1,566,907	1,070,484	1,466,052
Teachers' Salaries Grants	1,862,899	1,823,542	1,892,071
Use of Land and Buildings Grants	593,665	454,425	484,767
Other Government Grants	600	-	-
	4,024,071	3,348,451	3,842,890

The school has opted in to the donations scheme for this year. Total amount received was \$47,469.

**3. Locally Raised Funds**

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
<b>Revenue</b>			
Donations & Bequests	1,006	1,500	2,854
Fees for Extra Curricular Activities	128,795	58,000	133,607
Trading	25,903	-	47,141
Fundraising & Community Grants	248,852	237,000	41,485
Other Revenue	6,087	8,000	10,174
International Students	18,400	13,130	-
	429,043	317,630	235,261
<b>Expense</b>			
Extra Curricular Activities Costs	76,635	26,350	131,510
Trading	52,271	30,644	18,037
Fundraising & Community Grant Costs	3,522	-	1,823
International Student - Other Expenses	1,466	5,000	-
	133,894	61,994	151,370
	295,149	255,636	83,891

*Surplus for the year Locally raised funds*

During the year the School hosted 0 International students (2022:0)

**4. Learning Resources**

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	100,658	93,120	140,000
Library Resources	1,638	2,300	1,996
Employee Benefits - Salaries	2,326,167	2,155,666	2,201,516
Staff Development	21,926	18,500	31,613
Depreciation	193,317	155,445	181,020
Equipment Repairs	217	-	-
	2,643,923	2,425,031	2,556,145

## 5. Administration

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fees	7,981	6,297	6,486
Board Fees	3,170	3,200	3,570
Board Expenses	1,416	3,700	6,436
Communication	10,096	5,450	11,352
Consumables	14,118	13,000	17,329
Other	52,425	64,350	57,655
Employee Benefits - Salaries	140,617	112,150	152,679
Insurance	12,018	10,000	11,130
Service Providers, Contractors and Consultancy	13,956	12,360	13,020
Healthy School Lunch Programme	345,884	-	340,820
Urf Transport	-	-	377
	<u>601,681</u>	<u>230,507</u>	<u>620,854</u>

## 6. Property

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Caretaking and Cleaning Consumables	18,589	19,000	19,759
Consultancy and Contract Services	62,751	57,000	67,270
Cyclical Maintenance Provision	36,692	18,866	(27,699)
Grounds	33,556	34,100	25,323
Heat, Light and Water	43,694	47,000	46,430
Rates	9,806	9,650	10,504
Repairs and Maintenance	58,799	32,500	45,455
Use of Land and Buildings	593,665	454,425	484,767
Security	20,390	15,000	21,103
Employee Benefits - Salaries	48,470	56,160	52,429
	<u>926,412</u>	<u>743,701</u>	<u>745,341</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

	2023	2023	2022
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Accounts	493,824	447,937	373,938
Cash and cash equivalents for Statement of Cash Flows	<u>493,824</u>	<u>447,937</u>	<u>373,938</u>

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

Of the \$493,824 Cash and Cash Equivalents \$124,339 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 2025 on Crown owned school buildings.

## 8. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	243	14	1,100
Interest Receivable	675	24	404
Teacher Salaries Grant Receivable	153,397	140,317	159,253
	<u>154,315</u>	<u>140,355</u>	<u>160,757</u>
Receivables from Exchange Transactions	918	38	1,504
Receivables from Non-Exchange Transactions	153,397	140,317	159,253
	<u>154,315</u>	<u>140,355</u>	<u>160,757</u>

## 9. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Uniform Trading	33,777	24,602	29,888
	<u>33,777</u>	<u>24,602</u>	<u>29,888</u>

## 10. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2023</b>						
Building Improvements	224,098	155,586	-	-	(19,950)	<b>359,734</b>
Furniture and Equipment	128,576	41,107	-	-	(38,435)	<b>131,248</b>
Information and Communication Technology	39,804	97,708	-	-	(22,025)	<b>115,487</b>
Motor Vehicles	13,140	-	-	-	(10,611)	<b>2,529</b>
Leased Assets	184,250	54,713	-	-	(100,533)	<b>138,430</b>
Library Resources	13,748	362	-	-	(1,763)	<b>12,347</b>
<b>Balance at 31 December 2023</b>	<b>603,616</b>	<b>349,476</b>	<b>-</b>	<b>-</b>	<b>(193,317)</b>	<b>759,775</b>

The net carrying value of equipment held under a finance lease is \$138,430 (2022: \$184,250)

### Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, 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.

	2023 Cost or Valuation \$	2023 Accumulated Depreciation \$	2023 Net Book Value \$	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$
Building Improvements	653,672	(293,938)	<b>359,734</b>	498,087	(273,989)	<b>224,098</b>
Furniture and Equipment	569,902	(438,654)	<b>131,248</b>	528,795	(400,219)	<b>128,576</b>
Information and Communication Technology	309,298	(193,811)	<b>115,487</b>	211,589	(171,785)	<b>39,804</b>
Motor Vehicles	75,666	(73,137)	<b>2,529</b>	75,666	(62,526)	<b>13,140</b>
Leased Assets	339,882	(201,452)	<b>138,430</b>	315,176	(130,926)	<b>184,250</b>
Library Resources	142,189	(129,842)	<b>12,347</b>	141,827	(128,079)	<b>13,748</b>
<b>Balance at 31 December</b>	<b>2,090,609</b>	<b>(1,330,834)</b>	<b>759,775</b>	<b>1,771,140</b>	<b>(1,167,524)</b>	<b>603,616</b>

**11. Accounts Payable**

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Creditors	220,597	46,781	88,537
Accruals	6,681	9,031	4,538
Employee Entitlements - Salaries	153,397	140,317	159,253
Employee Entitlements - Leave Accrual	4,200	5,740	4,205
	<b>384,875</b>	<b>201,869</b>	<b>256,533</b>
Payables for Exchange Transactions	384,875	201,869	256,533
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	<b>384,875</b>	<b>201,869</b>	<b>256,533</b>

The carrying value of payables approximates their fair value.

**12. Borrowings**

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Loans due in one year	-	6,786	10,989
Loans due after one year	-	2,800	-
	<b>-</b>	<b>9,586</b>	<b>10,989</b>

**13. Revenue Received in Advance**

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Income in Advance	5,318	9,671	11,346
Uniform in advance	-	1,886	-
China/Japan/Vietnam Trip 2024	-	3,300	-
Charitable Trust Grants	-	-	135,000
Grants in Advance MOE	5,648	-	-
International Student In Advance	-	-	13,130
	<b>10,966</b>	<b>14,857</b>	<b>159,476</b>

**14. Provision for Cyclical Maintenance**

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Provision at the Start of the Year	108,578	83,534	153,566
Increase to the Provision During the Year	20,311	18,866	18,866
Use of the Provision During the Year	-	-	(17,289)
Other Adjustments	16,381	-	(46,565)
<b>Provision at the End of the Year</b>	<b>145,270</b>	<b>102,400</b>	<b>108,578</b>
Cyclical Maintenance - Current	96,218	44,342	-
Cyclical Maintenance - Non current	49,052	58,058	108,578
	<b>145,270</b>	<b>102,400</b>	<b>108,578</b>

Per the cyclical maintenance schedule, the school is next expected to undertake painting works during 2025. This plan is based on the schools 10 Year Property plan / painting quotes.

**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:

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
No Later than One Year	63,219	76,849	94,494
Later than One Year and no Later than Five Years	36,268	111,498	65,037
Future Finance Charges	(924)	-	(2,549)
	<b>98,563</b>	<b>188,347</b>	<b>156,982</b>
<b>Represented by</b>			
Finance lease liability - Current	62,464	76,849	92,551
Finance lease liability - Non current	36,099	111,498	64,431
	<b>98,563</b>	<b>188,347</b>	<b>156,982</b>

**16. Funds held in Trust**

	<b>2023</b>	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
Funds Held in Trust on Behalf of Third Parties - Current	15,342	-	-
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	<b>15,342</b>	<b>-</b>	<b>-</b>

These funds relate to arrangements where the school is acting as an agent. These amounts are not revenue or expenditure of the school and therefore are not included in the Statement of Comprehensive Revenue and Expense.

## 17. Funds Held 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.

	2023	Project No.	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
			\$	\$	\$		\$
Toilet Block Alteration		226133	(1,383)	1,384	(1)	-	-
School Door Hardware Replacement		240533	(1,707)	16,441	-	-	14,734
Lighting and Electrical		240534	(5,068)	43,786	(38,718)	-	-
Roofing Works		218857	127,842	247,676	(357,579)	-	17,939
LSC Works		219106	66,707	(56,197)	(995)	-	9,515
T Block Toilet Alterations		220742	(12,625)	-	-	12,625	-
Hardware Software		226919	(17,691)	-	-	17,691	-
Heat Pump Replacement		240535	(922)	95,909	(100,157)	-	(5,170)
Roof Remediation, Top and Skylights		240539	-	453,763	(403,963)	-	49,800
Block R Works		240538	-	-	(4,623)	-	(4,623)
AMS		240542	-	20,000	(21,665)	-	(1,665)
PA SYSTEM		240537	-	35,851	(3,500)	-	32,351
Hall ceiling Tile Remediation		242349	-	-	(1,063)	-	(1,063)
Totals			155,153	858,613	(932,264)	30,316	111,818

### Represented by:

Funds Held on Behalf of the Ministry of Education	124,339
Funds Receivable from the Ministry of Education	(12,521)

	2022	Project No.	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
			\$	\$	\$		\$
Block B & E Project		209534	(91,593)	84,435	7,158	-	-
Toilet Block Alteration		226133	8,328	-	(9,711)	-	(1,383)
School Door Hardware Replacement		240533	(1,707)	-	-	-	(1,707)
Lighting and Electrical		240534	(4,801)	-	(267)	-	(5,068)
Roofing Works		218857	(13,212)	175,000	(33,946)	-	127,842
LSC Works		219106	66,707	-	-	-	66,707
Replace Staffroom Kitchen		226132	4,529	-	(4,529)	-	-
T Block Toilet Alterations		220742	(11,042)	-	(1,583)	-	(12,625)
Hardware Software & Security System Repair:		226919	48,837	52,730	(119,258)	-	(17,691)
Heat Pump Replacement		240535	-	-	(922)	-	(922)
Totals			6,046	312,165	(163,058)	-	155,153

### Represented by:

Funds Held on Behalf of the Ministry of Education	194,549
Funds Receivable from the Ministry of Education	(39,396)

## 18. 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.

## 19. Remuneration

### Key management personnel compensation

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

				<b>2023</b>	<b>2022</b>
				<b>Actual</b>	<b>Actual</b>
				<b>\$</b>	<b>\$</b>
<i>Board Members</i>	5	0	0		
Remuneration	8	0	0	3,170	3,570
<i>Leadership Team</i>					
Remuneration				703,446	751,481
Full-time equivalent members				6.00	7.04
<b>Total key management personnel remuneration</b>				<b>706,616</b>	<b>755,051</b>

There are 5 members of the Board excluding the Principal. The Board has held 8 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

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

				<b>2023</b>	<b>2022</b>
				<b>Actual</b>	<b>Actual</b>
				<b>\$000</b>	<b>\$000</b>
Salaries and Other Short-term Employee Benefits:					
Salary and Other Payments				160 - 170	150 - 160
Benefits and Other Emoluments				4 - 5	4 - 5
Termination Benefits				-	-

### Other Employees

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

<b>Remuneration</b>				
<b>\$000</b>				
100 - 110		<b>2023</b>	<b>2022</b>	
120 - 130		<b>FTE Number</b>	<b>FTE Number</b>	
		7.00	3.00	
		1.00	-	
		<b>8.00</b>	<b>3.00</b>	

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

## 20. 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:

	2023 Actual	2022 Actual
Total	-	-
Number of People	-	-

## 21. Contingencies

There are no contingent liabilities and no contingent assets (except as noted below) as at 31 December 2023 (Contingent liabilities and assets at 31 December 2022: the same).

In 2023 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 2023.

The Ministry is in the process of determining the amount of the final wash up payment for the year ended 31 December 2023. 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 2024.

### 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 continues to review the Schools Sector Payroll to ensure compliance with the Holidays Act 2003. An initial remediation payment has been made to some current school employees. The Ministry is continuing to perform detailed analysis to finalise calculations and the potential impacts of specific individuals. As such, this is expected to resolve the liability for school boards.

## 22. Commitments

### (a) Capital Commitments

As at 31 December 2023, the Board had capital commitments of \$462,821 (2022:\$509,833) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
School Door Hardware Replacement	16,482	1,707	14,775
Roofing Works	422,676	404,737	17,939
LSC Works	85,610	64,735	20,875
Heat Pump Replacement	117,345	101,079	16,266
Roof Remediation	533,577	403,963	129,614
AMS	200,000	21,665	178,335
PA SYSTEM	51,605	3,500	48,105
Hall ceiling Tile Remediation	37,975	1,063	36,912
<b>Total</b>	<b>1,465,270</b>	<b>1,002,449</b>	<b>462,821</b>

### (b) Operating Commitments

There are no operating commitments as at 31 December 2023 (Operating commitments at 31 December 2022: nil).

### 23. 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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	493,824	447,937	373,938
Receivables	154,315	140,355	160,757
Investments - Term Deposits	-	-	-
Total financial assets measured at amortised cost	<u>648,139</u>	<u>588,292</u>	<u>534,695</u>

#### Financial liabilities measured at amortised cost

Payables	384,875	201,869	256,533
Borrowings - Loans	-	9,586	10,989
Finance Leases	98,563	188,347	156,982
Total financial liabilities measured at amortised cost	<u>483,438</u>	<u>399,802</u>	<u>424,504</u>

### 24. Events After Balance Date

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

### 25. Comparatives

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

## Kaitao Intermediate

### Members of the Board

<b>Name</b>	<b>Position</b>	<b>How Position Gained</b>	<b>Term Expired/ Expires</b>
Phil Palfrey	Principal	ex Officio	
Lucy Epapara	Parent Representative	Elected	Jun 2025
Heeni Brown	Parent Representative	Elected	Jul 2024
Pirihira Whata	Parent Representative	Elected	Jun 2025
Tawi Roberts	Parent Representative	Elected	Jun 2025
Harata Calson	Parent Representative	Co-opted	Aug 2024
Stephen Eunson	Staff Representative	Elected	Jun 2025
Hali Osborne	Parent Representative	Co-opted	Jun 2025
Ropati Suemai	Parent Representative	Co-opted	Jun 2025
Frances Wharerahi	Parent Representative	Co-opted	Jan 2025

## **Kaitao Intermediate**

## **Kiwisport**

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2023, the school received total Kiwisport funding of \$4,205 (excluding GST). The funding was spent on sporting endeavours.

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

For the year ended 31st December 2023 the Kaitao Intermediate Board:

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE READERS OF AORANGI SCHOOL (ROTORUA)'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Aorangi School (Rotorua) (the School). The Auditor-General has appointed me, Stephen Graham, using the staff and resources of BDO Rotorua 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 20, that comprise the statement of financial position as at 31 December 2023, 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 2023; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with PBE Accounting Standards (PBE IPSAS) Reduced Disclosure Regime.

Our audit was completed on 2 September 2025. 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.

#### Emphasis of Matter

In forming our unmodified opinion we draw attention to the statement of financial position and the School's working capital deficit of \$159,727.

These financial statements are prepared on a going concern basis. The going concern assumption is dependent on the continuing support from the Ministry of Education. The Ministry of Education has confirmed the School is essential to the network and will continue to provide financial support if required for at least 12 months from the issue of this auditor's report.

We also draw attention to note 25 and the appointment of the Limited Statutory Manager during the 2023 financial year, in which all the functions, powers, and duties of the Board for financial management have been vested. In the course of the Limited Statutory Manager's review of the School's finances, it was identified that some of the expenditure incurred using the credit card during 2023 did not have a clear business purpose.

### **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 arise from section 134 of the Education and Training Act 2020.

### **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, Members of the Board Listing, Statement of Variance, Kiwisport Report, Report on how the school has given effect to Te Tiriti o Waitangi, Evaluation of the School's Students' Progress and Achievement and the Statement of Compliance with Employment Policy, 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 (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

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



**Stephen Graham**  
**BDO Rotorua Limited**  
**On behalf of the Auditor-General**  
**Rotorua, New Zealand**