

Kaikoura Suburban School

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023



School Directory

Ministry Number: 3392
Principal: Delwyn Riding
School Address: 425 School House Road, RD 1, Kaikoura 7371
School Postal Address: 425 School House Road, RD 1, Kaikoura 7371
School Phone: (03) 319 5064
School Email: office@ks.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Sarah Chan	Presiding Member	Selected	Jun 2025
Brendon Macphail	Presiding Member	Re-elected	May 2023
Delwyn Riding	Principal ex Officio	Appointed	
Margaret Croll	Member	Elected	Sept 2026
Tania Ross	Member	Elected	Nov 2023
Jo Wilson	Member	Elected	June 2023
Kerri O'Donnell	Member	Elected	June 2023
Rebecca Macer	Member of Staff	Elected	Jan 2024
Katerina Fee	Member	Selected	Jun 2025

Accountant / Service Provider: On Point Accounting Limited

Kaikoura Suburban School

Annual Financial Statements - For the year ended 31 December 2023

Index

Page	Statement
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Financial Statements

1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 19	Notes to the Financial Statements

Other Information

Kiwisport Report

Personnel Policy Compliance (s73 and s74 Public Service 2020)

Independent Auditor's Report

Kaikoura Suburban School

Statement of Responsibility

For the year ended 31 December 2023

The Board of Trustees accepts responsibility for the preparation of the annual financial statements and the judgements used in these statements.

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal control 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 reflect the financial position and operations of the School.

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



Presiding Member



Principal

15/5/24

Date

13/5/24

Date

Kaikoura Suburban School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	760,271	644,629	695,219
Locally Raised Funds	3	74,671	58,058	51,672
Interest		7,375	1,440	2,980
Total Revenue		842,317	704,127	749,871
Expense				
Locally Raised Funds	3	56,083	32,055	36,718
Learning Resources	4	460,240	409,579	483,300
Administration	5	83,736	80,159	88,811
Property	6	286,645	197,019	214,823
Loss on Disposal of Property, Plant and Equipment		1,325	-	(8)
Total Expense		888,029	718,812	823,644
Net Surplus / (Deficit) for the Year		(45,712)	(14,685)	(73,773)
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		(45,712)	(14,685)	(73,773)

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

Kaikoura Suburban School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		256,727	256,728	330,500
Total Comprehensive Revenue and Expense for the Year		(45,712)	(14,685)	(73,773)
Equity at 31 December		211,015	242,043	256,727
Accumulated Comprehensive Revenue and Expense Reserves		211,015	242,043	256,727
		-	-	-
Equity at 31 December		211,015	242,043	256,727

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.

Kaikoura Suburban School

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	23,327	25,262	18,827
Accounts Receivable	8	44,796	43,000	38,703
GST Receivable		1,169	2,000	1,967
Prepayments		24,249	6,500	8,410
Inventories	9	128	150	128
Investments	10	92,538	106,000	125,455
Funds Receivable for Capital Works Projects	16	7,071	5,000	5,047
		193,278	187,912	198,537
Current Liabilities				
Accounts Payable	12	71,689	55,000	54,149
Revenue Received in Advance	13	7,756	-	845
Provision for Cyclical Maintenance	14	-	500	502
Finance Lease Liability	15	4,857	3,069	5,391
		84,302	58,569	60,887
Working Capital Surplus/(Deficit)		108,976	129,343	137,650
Non-current Assets				
Property, Plant and Equipment	11	130,800	135,000	139,163
		130,800	135,000	139,163
Non-current Liabilities				
Provision for Cyclical Maintenance	14	26,211	20,000	17,209
Finance Lease Liability	15	2,550	2,300	2,877
		28,761	22,300	20,086
Net Assets		211,015	242,043	256,727
Equity		211,015	242,043	256,727

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

Kaikoura Suburban School

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash Flows from Operating Activities				
Government Grants		218,049	164,428	219,042
Locally Raised Funds		75,977	56,286	55,937
Goods and Services Tax (net)		796	(33)	(1,652)
Payments to Employees		(143,620)	(115,842)	(170,863)
Payments to Suppliers		(167,956)	(101,725)	(134,455)
Interest Paid		-	-	(335)
Interest Received		3,838	1,239	2,846
Net Cash from/(to) Operating Activities		(12,916)	4,353	(29,480)
Cash Flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	8
Purchase of Property Plant & Equipment (and Intangibles)		(7,709)	(14,521)	(1,891)
Purchase of Investments		32,917	19,455	(2,488)
Net Cash from/(to) Investing Activities		25,208	4,934	(4,371)
Cash Flows from Financing Activities				
Finance Lease Payments		(5,768)	(2,899)	(6,009)
Funds Administered on Behalf of Other Parties		(2,024)	47	(14,795)
Net Cash from/(to) Financing Activities		(7,792)	(2,852)	(20,804)
Net Increase/(Decrease) in Cash and Cash Equivalents		4,500	6,435	(54,655)
Cash and Cash Equivalents at the Beginning of the Year	7	18,827	18,827	73,482
Cash and Cash Equivalents at the End of the Year	7	23,327	25,262	18,827

The Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, 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.

Kaikoura Suburban School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Kaikoura Suburban 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 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.

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 21.

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) 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.

e) 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.

f) 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.

g) Inventories

Inventories are consumable items held for sale and comprised of stationery. 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.

h) 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.

i) 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:

Land & Building Improvements	10 - 20 years
Furniture & Equipment	5 - 10 years
Information & Communication Technology	5 years
Motor Vehicles	5 years
Leased Assets Held under a Finance Lease	Term of Lease
Library Resources	12.5% Diminishing value

j) 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 surplus or deficit.

The reversal of an impairment loss is recognised in 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.

k) 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.

l) 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 and annual leave earned, by non teaching staff, 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.

m) Revenue Received in Advance

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

n) 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.

o) 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.

p) Provision for Cyclical Maintenance

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

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

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

q) 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 and finance lease 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.

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is

r) 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.

s) Budget Figures

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

t) 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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	210,293	164,427	215,017
Teachers' Salaries Grants	351,108	330,477	330,477
Use of Land and Buildings Grants	198,870	149,725	149,725
	<u>760,271</u>	<u>644,629</u>	<u>695,219</u>

The school has opted in to the donations scheme for this year. Total amount received was \$8,785.

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	10,518	8,785	9,967
Fees for Extra Curricular Activities	1,625	-	70
Trading	2,393	-	1,199
Fundraising & Community Grants	33,215	33,055	26,055
Other Revenue	26,920	16,218	14,381
	<u>74,671</u>	<u>58,058</u>	<u>51,672</u>
Extra Curricular Activities Costs	-	-	538
Trading	809	-	695
Fundraising and Community Grant Costs	27,834	11,712	14,229
Other Locally Raised Funds Expenditure	27,440	20,343	21,256
	<u>56,083</u>	<u>32,055</u>	<u>36,718</u>
<i>Surplus/ (Deficit) for the Year Locally Raised Funds</i>	<u>18,588</u>	<u>26,003</u>	<u>14,954</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	18,204	5,858	15,532
Library Resources	352	-	(496)
Employee Benefits - Salaries	415,581	376,587	431,258
Staff Development	6,448	8,450	9,322
Depreciation	19,655	18,684	27,684
	<u>460,240</u>	<u>409,579</u>	<u>483,300</u>

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	3,396	3,400	3,400
Board Fees	3,260	3,500	2,980
Board Expenses	1,339	5,300	4,271
Communication	1,129	1,050	1,183
Consumables	2,468	3,450	2,357
Other	19,747	13,851	17,138
Employee Benefits - Salaries	40,729	35,000	45,326
Insurance	5,062	8,938	4,734
Service Providers, Contractors and Consultancy	6,606	5,670	7,422
	<u>83,736</u>	<u>80,159</u>	<u>88,811</u>

6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	1,638	600	3,981
Cyclical Maintenance	8,500	4,024	5,201
Heat, Light and Water Rates	6,008	4,000	5,123
Repairs and Maintenance	442	820	492
Use of Land and Buildings	29,607	5,300	16,879
Employee Benefits - Salaries	198,870	149,725	149,725
	41,580	32,550	33,422
	<u>286,645</u>	<u>197,019</u>	<u>214,823</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 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	23,327	25,262	18,827
Cash and Cash Equivalents for Statement of Cash Flows	<u>23,327</u>	<u>25,262</u>	<u>18,827</u>

Of the \$23,327 Cash and Cash Equivalents, \$6,000 of unspent grant funding is held by the School. This funding is subject to conditions which specify how the grant is required to be spent. If these conditions are not met, the funds will need to be returned.

8. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	3,922	7,000	6,073
Interest Receivable	3,836	500	299
Banking Staffing Underuse	9,500	-	-
Teacher Salaries Grant Receivable	27,538	35,500	32,331
	<u>44,796</u>	<u>43,000</u>	<u>38,703</u>
Receivables from Exchange Transactions	7,758	7,500	6,372
Receivables from Non-Exchange Transactions	37,038	35,500	32,331
	<u>44,796</u>	<u>43,000</u>	<u>38,703</u>

9. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Stationery	128	150	128
	<u>128</u>	<u>150</u>	<u>128</u>

10. Investments

The School's investment activities are classified as follows:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Asset			
Short-term Bank Deposits	92,538	106,000	125,455
	<u>92,538</u>	<u>106,000</u>	<u>125,455</u>
Total Investments	<u>92,538</u>	<u>106,000</u>	<u>125,455</u>

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2023	\$	\$	\$	\$	\$	\$
Land	20,000	-	-	-	-	20,000
Buildings	68,919	-	-	-	(3,275)	65,644
Land & Building Improvements	664	2,700	-	-	(823)	2,541
Furniture & Equipment	33,979	2,637	(1,325)	-	(7,326)	27,965
Information & Communication Technology	5,723	2,390	-	-	(1,920)	6,193
Motor Vehicles	-	-	-	-	-	-
Leased Assets	8,100	4,890	-	-	(6,089)	6,901
Library Resources	1,778	-	-	-	(222)	1,556
Balance at 31 December 2023	<u>139,163</u>	<u>12,617</u>	<u>(1,325)</u>	<u>-</u>	<u>(19,655)</u>	<u>130,800</u>

The net carrying value of furniture and equipment held under a finance lease is \$6,901 (2022: \$8,100)

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	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	20,000	-	20,000	20,000	-	20,000
Buildings	130,984	(65,340)	65,644	130,984	(62,065)	68,919
Land & Building Improvements	21,648	(19,106)	2,542	18,956	(18,292)	664
Furniture & Equipment	85,826	(57,861)	27,965	87,370	(53,391)	33,979
Information & Communication Technology	63,500	(57,307)	6,193	62,477	(56,754)	5,723
Motor Vehicles	20,208	(20,208)	-	20,208	(20,208)	-
Leased Assets	17,624	(10,724)	6,900	29,538	(21,438)	8,100
Library Resources	2,032	(476)	1,556	2,311	(533)	1,778
Balance at 31 December 2023	361,822	(231,022)	130,800	371,844	(232,681)	139,163

12. Accounts Payable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Creditors	29,238	11,000	9,636
Accruals	5,319	7,000	5,750
Employee Entitlements - Salaries	35,275	35,500	37,081
Employee Entitlements - Leave Accrual	1,857	1,500	1,682
	71,689	55,000	54,149
Payables for Exchange Transactions	71,689	55,000	54,149
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	71,689	55,000	54,149

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Grants in Advance - Ministry of Education	7,756	-	-
Other Revenue in Advance	-	-	845
	7,756	-	845

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	17,711	17,711	12,510
Increase to the Provision During the Year	8,500	4,024	5,201
Other Adjustments	-	(1,235)	-
Provision at the End of the Year	<u>26,211</u>	<u>20,500</u>	<u>17,711</u>
Cyclical Maintenance - Current	-	500	502
Cyclical Maintenance - Non current	26,211	20,000	17,209
	<u>26,211</u>	<u>20,500</u>	<u>17,711</u>

The schools cyclical maintenance schedule details annual painting to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year. This plan is based on the schools 10 Year property plan / property consultant review / quote.

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:

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	4,880	3,069	5,581
Later than One Year and no Later than Five Years	3,138	3,300	2,950
Future Finance Charges	(611)	(1,000)	(263)
	<u>7,407</u>	<u>5,369</u>	<u>8,268</u>
Finance Lease Liability - Current	4,857	3,069	5,391
Finance Lease Liability - Non current	2,550	2,300	2,877
	<u>7,407</u>	<u>5,369</u>	<u>8,268</u>

Represented by

Finance Lease Liability - Current
Finance Lease Liability - Non current

16. 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 project is included under cash and cash equivalents in note 7.

2023	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
233053 - A, F: Toilet Refurbishment	(5,047)	10,139	(9,190)	-	(4,098)
233054 - AMS Combined: Refurbishment of Piwakawak and Kea Classrooms	-	-	(2,973)	-	(2,973)
A,B, C, D, F: Essential Plumbing, Electrical, Drainlaying, Roofing Repairs	-	31,402	(31,402)	-	-
Totals	<u>(5,047)</u>	<u>41,541</u>	<u>(43,565)</u>	<u>-</u>	<u>(7,071)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education -
Funds Receivable from the Ministry of Education (7,071)

2022	Opening Balances \$	Receipts from MOE \$	Payments \$	Board Contributions \$	Closing Balances \$
MOE Tiger Turf Project	932	-	(3,790)	2,858	-
233053 - A, F: Toilet Refurbishment	8,816	-	(13,863)	-	(5,047)
Totals	<u>9,748</u>	<u>-</u>	<u>(17,653)</u>	<u>2,858</u>	<u>(5,047)</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	-
Funds Receivable from the Ministry of Education	(5,047)

17. 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.

18. Remuneration

Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	3,260	2,980
<i>Leadership Team</i>		
Remuneration	215,374	173,278
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	<u>218,634</u>	<u>176,258</u>

There are 8 members of the Board excluding the Principal. The Board has held 9 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:

	2023	2022
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	110 - 120	100 - 110
Benefits and Other Emoluments	3 - 4	0 - 5
Termination Benefits	-	-

Other Employees

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

Remuneration	2023	2022
\$000	FTE Number	FTE Number
100 - 110	0.00	0.00
	<hr/>	<hr/>
	0.00	0.00
	<hr/>	<hr/>

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

19. 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	2022
	Actual	Actual
Total	\$0.00	\$0.00
Number of People	-	-

20. Contingencies

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

There is a contingent asset for the possible repayment from the Ministry of Education for under spending the School's banking staffing entitlement during 2023. The Ministry has yet to decide how much it will pay to the School. We cannot reliably measure the cash repayment, but the amount we have underspent as at 31 December is approximately \$9,438. We will record the amount we receive as revenue in the 2024 financial year.

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.

21. Commitments

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$167,878 (2022: \$nil) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
233053 - A, F: Toilet Refurbishment	101,388	14,237	87,151
233054 - AMS Combined: Refurbishment of Piwakawak and Kea Classrooms	83,700	2,973	80,727
A,B, C, D, F: Essential Plumbing, Electrical, Drainlaying, Roofing Repairs	31,402	31,402	-
Total	216,490	48,612	167,878

(b) Operating Commitments

As at 31 December 2023, the Board entered into an operating commitment with PC Media for the lease of 15 Chromebooks and 4 iPads.

(a) operating lease of IT equipment;

	2023 Actual \$	2022 Actual \$
No later than One Year	2,520	-
Later than One Year and No Later than Five Years	4,200	-
Later than Five Years	-	-
	<u>6,720</u>	<u>-</u>

The total lease payments incurred during the period were \$630.00 (2022: \$Nil).

(Operating commitments at 31 December 2022: \$nil)

22. 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	23,327	25,262	18,827
Receivables	44,796	43,000	38,703
Investments - Term Deposits	92,538	106,000	125,455
Total Financial Assets Measured at Amortised Cost	<u>160,661</u>	<u>174,262</u>	<u>182,985</u>

Financial Liabilities Measured at Amortised Cost

Payables	71,689	55,000	54,149
Finance Leases	7,407	5,369	8,268
Total Financial Liabilities Measured at Amortised Cost	<u>79,096</u>	<u>60,369</u>	<u>62,417</u>

23. Events After Balance Date

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

24. Comparatives

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

Kaikoura Suburban School

Kiwisport Report

For the year ended 31 December 2023

During the year the Board was the recipient of additional Government funding for specific purposes:

Kiwisport is a Government funded initiative to support students' participation in organised sport. In 2023 the school received total Kiwisport funding of \$806 (excluding GST). The funding was put towards a range of sports equipment to resource the school to support and initiate student participation in a variety of sports.

The number of students participating in organised sport continues to be at excellent levels.

Personnel Policy Compliance (s73 and s74 Public Service Act 2020)

For the year ended 31 December 2023

- 1 Has developed and implemented personnel and industrial policies, within policy and procedural frameworks set by the Government from time to time, which promote high levels of staff performance, use educational resources effectively and recognise the needs of students;
- 2 Has reviewed its compliance against both its personnel policy and procedures and Education Review Office Board assurance Statement Personnel (Section 4) and can report that it meets all requirements and identified best practice;
- 3 Is a good employer as defined by the Public Service Act 2020 and complies with the conditions contained in the employment contracts applying to teaching and non-teaching staff;
- 4 Ensures all employees and applicants for employment are treated according to their skills, qualifications, abilities and aptitudes, without bias or discrimination;
- 5 Meets all EEO requirements.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF KAIKOURA SUBURBAN SCHOOL'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Auditor-General is the auditor of Kaikoura Suburban School (the School). The Auditor-General has appointed me, John Hooper, using the staff and resources of John Hooper & Co, 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 19, that comprise the statement of financial position as at 31 December 2023, the statements of comprehensive revenue and expense, changes in net assets / equity and 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 Public Sector - Public Benefit Entity Standards, Reduced Disclosure Regime.

Our audit was completed on 15 May 2024. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Trustees and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

Basis of 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 of Trustees

The Board of Trustees is responsible on behalf of the School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Trustees is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board of Trustees 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 of Trustees' 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 of Trustees.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Trustees 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 of Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for other information. The other information obtained at the date of our report is the list of board of trustee members, Kiwisport report and the statement of variance report.

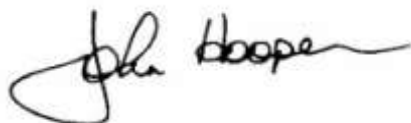
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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)* issued by the New Zealand Auditing and Assurance Standards Board.

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



JOHN HOOPER

John Hooper & Co

On behalf of the Auditor-General

Nelson, New Zealand