

# UPPER MOUTERE SCHOOL

## ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



Principal:	Grant Watson
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Ministry Number:	3229
Accountant/Service Provider:	Accounting for Schools Limited

# UPPER MOUTERE SCHOOL

Annual Report - For the year ended 31 December 2022

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# UPPER MOUTERE SCHOOL

## Statement of Responsibility

### For the year ended 31 December 2022

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

The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2022 fairly reflects the financial position and operations of the school.

The School's 2022 financial statements are authorised for issue by the Board.

Andy Marr

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Full Name of Presiding Member

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*Andy Marr*  
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Signature of Presiding Member

31 May 2023

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Date:

Grant Watson

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Full Name of Principal

DocuSigned by:  
*Grant Watson*  
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Signature of Principal

31 May 2023

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Date:

# UPPER MOUTERE SCHOOL

## Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	1,109,612	1,141,082	1,182,991
Locally Raised Funds	3	66,798	62,015	64,509
Interest income		6,534	1,600	2,989
		<u>1,182,944</u>	<u>1,204,697</u>	<u>1,250,489</u>
<b>Expenses</b>				
Locally Raised Funds	3	29,996	42,224	39,816
Learning Resources	4	817,740	917,952	833,793
Administration	5	71,662	69,880	66,333
Finance		929	-	1,391
Property	6	322,379	278,250	283,748
		<u>1,242,706</u>	<u>1,308,306</u>	<u>1,225,081</u>
<b>Net Surplus / (Deficit)</b>		<b>(59,762)</b>	<b>(103,609)</b>	<b>25,408</b>
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>(59,762)</u></b>	<b><u>(103,609)</u></b>	<b><u>25,408</u></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.

**UPPER MOUTERE SCHOOL****Statement of Changes in Net Assets/Equity  
For the year ended 31 December 2022**

Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Balance at 1 January</b>	446,862	446,862	418,230
Total comprehensive revenue and expense for the year	(59,762)	(103,609)	25,408
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	3,224
<b>Equity at 31 December</b>	<b>387,100</b>	<b>343,253</b>	<b>446,862</b>
Accumulated comprehensive revenue and expense	387,100	343,253	446,862
Reserves	-	-	-
<b>Equity at 31 December</b>	<b>387,100</b>	<b>343,253</b>	<b>446,862</b>

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.

**UPPER MOUTERE SCHOOL**

## Statement of Financial Position

As at 31 December 2022

		2022	2022	2021
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
<b>Current Assets</b>				
Cash and Cash Equivalents	7	130,899	147,553	118,232
Accounts Receivable	8	60,188	63,500	61,471
GST Receivable		9,608	10,000	10,113
Prepayments		4,022	2,500	2,330
Inventories	9	197	200	197
Investments	10	266,835	260,000	313,831
Funds receivable for Capital Works Projects	16	-	-	28,133
		<u>471,749</u>	<u>483,753</u>	<u>534,307</u>
<b>Current Liabilities</b>				
Accounts Payable	12	91,184	77,000	76,170
Provision for Cyclical Maintenance	13	63,410	60,000	31,131
Painting Contract Liability	14	-	2,500	2,551
Finance Lease Liability	15	11,103	20,000	19,277
Funds held for Capital Works Projects	16	28,490	47,000	52,379
		<u>194,187</u>	<u>206,500</u>	<u>181,508</u>
<b>Working Capital Surplus</b>		277,562	277,253	352,799
<b>Non-current Assets</b>				
Property, Plant and Equipment	11	149,345	118,000	163,129
		<u>149,345</u>	<u>118,000</u>	<u>163,129</u>
<b>Non-current Liabilities</b>				
Provision for Cyclical Maintenance	13	37,005	40,000	56,101
Painting Contract Liability	14	-	2,000	1,984
Finance Lease Liability	15	2,802	10,000	10,981
		<u>39,807</u>	<u>52,000</u>	<u>69,066</u>
<b>Net Assets</b>		<u>387,100</u>	<u>343,253</u>	<u>446,862</u>
<b>Equity</b>		<u>387,100</u>	<u>343,253</u>	<u>446,862</u>

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

# UPPER MOUTERE SCHOOL

## Statement of Cash Flows

For the year ended 31 December 2022

	2022	2022	2021
Note	Actual	Budget	Actual
	\$	(Unaudited)	\$
		\$	
<b>Cash flows from Operating Activities</b>			
Government Grants	268,905	241,082	294,258
Locally Raised Funds	65,056	62,486	57,458
Goods and Services Tax (net)	505	109	22,707
Payments to Employees	(175,981)	(176,316)	(104,696)
Payments to Suppliers	(155,519)	(181,137)	(319,767)
Interest Paid	(929)	-	(1,391)
Interest Received	5,853	1,677	2,970
Net cash from / (to) the Operating Activities	7,889	(52,099)	(48,462)
<b>Cash flows from Investing Activities</b>			
Purchase of PPE (and Intangibles)	(29,879)	5,128	-
Purchase of Investments	46,996	53,831	(16,517)
Net cash from / (to) the Investing Activities	17,116	58,959	(16,517)
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	3,224
Finance Lease Payments	(12,047)	(258)	(21,279)
Painting contract payments	(4,535)	(35)	(4,534)
Financing Activities	4,244	22,754	138,840
Net cash from Financing Activities	(12,338)	22,461	116,251
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,667</b>	<b>29,321</b>	<b>51,272</b>
Cash and cash equivalents at the beginning of the year	7	118,232	118,232
<b>Cash and cash equivalents at the end of the year</b>	<b>7</b>	<b>130,899</b>	<b>147,553</b>

The statement of cash flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries and the use of land and buildings grant and expense have been excluded.

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

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### a) Reporting Entity

Upper Moutere 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 of Trustees (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 reports have been prepared for the period 1 January 2022 to 31 December 2022 and in accordance with the requirements of the Education and Training Act 2020.

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

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

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

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

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

The School qualifies for Tier 2 as the school is not publicly accountable and is not considered large as it falls below the expenditure 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 long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 12.



# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### *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 14. Future operating lease commitments are disclosed in note 20b.

##### *Recognition of grants*

The School reviews the grants monies received at the end of each reporting period and whether any require a provision to carryforward 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

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

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

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### **i) Investments**

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

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

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

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

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

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

##### **Finance Leases**

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

##### **Depreciation**

Property, plant and equipment 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 to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	4 years
Library resources	12.5% Diminishing value

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

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

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

###### *Non cash generating assets*

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

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

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

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

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

##### m) Employee Entitlements

###### *Short-term employee entitlements*

Employee benefits that are due to be settled within 12 months after the end of the period in which the employee renders 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 also annual leave earned, by non teaching staff, to but not yet taken at balance date.

##### n) Revenue Received in Advance

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

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

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### 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 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 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.

##### 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.

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.

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### 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 at the start of the year.

#### 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.

#### u) 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 Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTL programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants – Ministry of Education	261,745	241,082	279,360
Teachers' Salaries Grants	612,146	700,000	687,370
Use of Land and Buildings Grants	228,561	200,000	201,363
Other Government Grants	7,160	-	14,898
	<b>1,109,612</b>	<b>1,141,082</b>	<b>1,182,991</b>

#### 3. Locally Raised Funds

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>			
Donations & Bequests	17,228	8,000	11,944
Fees for Extra Curricular Activities	14,348	26,535	19,450
Trading	2,422	1,400	1,343
Fundraising & Community Grants	11,260	4,500	11,247
Other Revenue	21,540	21,580	20,525
	<b>66,798</b>	<b>62,015</b>	<b>64,509</b>
<b>Expenses</b>			
Extra Curricular Activities Costs	14,068	28,850	28,540
Trading	1,935	2,040	1,285
Fundraising and Community Grant Costs	168	900	-
Other Locally Raised Funds Expenditure	13,825	10,434	9,991
	<b>29,996</b>	<b>42,224</b>	<b>39,816</b>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<b>36,802</b>	<b>19,791</b>	<b>24,693</b>

#### 4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	21,423	27,127	27,943
Depreciation	39,362	40,000	44,720
Equipment Repairs	42	720	1,028
Information and Communication Technology	266	2,400	2,327
Library Resources	1,514	2,050	1,892
Employee Benefits - Salaries	744,636	836,155	752,664
Staff Development	10,497	9,500	3,219
	<b>817,740</b>	<b>917,952</b>	<b>833,793</b>

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 5. Administration

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Audit Fee	5,516	6,300	5,250
Board of Trustees Fees	3,020	3,600	3,415
Board of Trustees Expenses	754	1,900	1,299
Communication	3,827	4,350	4,859
Consumables	(1,539)	1,060	889
Operating Lease	-	-	(2,109)
Other	5,770	6,520	6,221
Employee Benefits - Salaries	49,268	40,050	39,232
Insurance	262	1,400	2,702
Service Providers, Contractors and Consultancy	4,784	4,700	4,575
	<u>71,662</u>	<u>69,880</u>	<u>66,333</u>

#### 6. Property

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Consultancy and Contract Services	33,267	37,600	34,967
Cyclical Maintenance Provision	17,431	8,500	16,687
Grounds	10,535	5,850	6,070
Heat, Light and Water	18,407	18,000	16,751
Repairs and Maintenance	11,684	6,500	5,826
Use of Land and Buildings	228,561	200,000	201,363
Security	2,494	1,800	2,084
	<u>322,379</u>	<u>278,250</u>	<u>283,748</u>

The use of land and buildings figure represents 5% of the school's total property value. Property values are established as part of the nation-wide revaluation exercise that is conducted every 30 June for the Ministry of Education's year-end reporting purposes.

#### 7. Cash and Cash Equivalents

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Bank Current Account	83,695	112,553	82,297
Bank Call Account	47,204	35,000	35,935
Cash and cash equivalents for Cash Flow Statement	<u>130,899</u>	<u>147,553</u>	<u>118,232</u>

Of the \$130,899 Cash and Cash Equivalents, \$28,490 is held by the School on behalf of the Ministry of Education. These funds are required to be spent in 2023 on Crown owned school buildings under the School's Five Year Property Plan.



# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 8. Accounts Receivable

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Receivables	5,212	3,000	3,470
Interest Receivable	1,258	500	577
Teacher Salaries Grant Receivable	53,718	60,000	57,424
	<u>60,188</u>	<u>63,500</u>	<u>61,471</u>
Receivables from Exchange Transactions	6,470	3,500	4,047
Receivables from Non-Exchange Transactions	53,718	60,000	57,424
	<u>60,188</u>	<u>63,500</u>	<u>61,471</u>

#### 9. Inventories

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Stationery	197	200	197
	<u>197</u>	<u>200</u>	<u>197</u>

#### 10. Investments

The School's investment activities are classified as follows:

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Current Asset			
Short-term Bank Deposits	266,835	260,000	313,831
Total Investments	<u>266,835</u>	<u>260,000</u>	<u>313,831</u>

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
<b>2022</b>						
Building Improvements	76,431	-	-	-	(7,836)	68,595
Furniture and Equipment	32,408	5,692	-	-	(7,712)	30,388
Information Technology	774	16,445	-	-	(1,194)	16,025
School House	7,888	-	-	-	(752)	7,136
Leased Assets	30,449	3,438	-	-	(19,969)	13,919
Library Resources	15,179	-	-	-	(1,897)	13,282
		-				
<b>Balance at 31 December 2022</b>	<b>163,129</b>	<b>25,575</b>	<b>-</b>	<b>-</b>	<b>(39,360)</b>	<b>149,345</b>

The net carrying value of equipment held under a finance lease is \$13,919 (2021: \$30,449).

	2022 Cost or Valuation	2022 Accumulated Depreciation	2022 Net Book Value	2021 Cost or Valuation	2021 Accumulated Depreciation	2021 Net Book Value
Land				-	-	-
Buildings				-	-	-
Building Improvements	253,576	(184,981)	68,596	253,576	(177,146)	76,431
Furniture and Equipment	227,843	(197,456)	30,388	222,151	(189,744)	32,408
Information Technology	80,083	(64,057)	16,026	63,638	(62,864)	774
School House	26,810	(19,674)	7,136	26,810	(18,920)	7,888
Leased Assets	84,470	(70,551)	13,919	88,776	(58,327)	30,449
Library Resources	22,353	(9,071)	13,282	22,353	(7,174)	15,179
<b>Balance at 31 December</b>	<b>695,135</b>	<b>(545,790)</b>	<b>149,345</b>	<b>677,304</b>	<b>(514,175)</b>	<b>163,129</b>

#### 12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	26,310	12,000	13,633
Accruals	3,766	3,500	3,500
Employee Entitlements - Salaries	59,486	60,000	57,424
Employee Entitlements - Leave Accrual	1,622	1,500	1,613
	<b>91,184</b>	<b>77,000</b>	<b>76,170</b>
Payables for Exchange Transactions	91,184	77,000	76,170
	<b>91,184</b>	<b>77,000</b>	<b>76,170</b>

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 13. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	87,232	87,232	74,497
Increase/ (decrease) to the Provision During the Year	9,696	8,500	12,735
Other Adjustments	3,487	-	-
Use of the Provision During the Year	-	4,268	-
Provision at the End of the Year	<u>100,415</u>	<u>100,000</u>	<u>87,232</u>
Cyclical Maintenance - Current	63,410	60,000	31,131
Cyclical Maintenance - Non Current	37,005	40,000	56,101
	<u>100,415</u>	<u>100,000</u>	<u>87,232</u>

The School's cyclical maintenance schedule details annual painting & other significant cyclical maintenance work to be undertaken. The costs associated with this annual work will vary depending on the requirements during the year.

#### 14. Painting Contract Liability

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Due in one year	-	2,500	2,551
Due after one year	-	2,000	1,984
	<u>-</u>	<u>4,500</u>	<u>4,535</u>

In 2010 the Board signed an agreement with Scheduled Maintenance Services Ltd (the contractor) for an agreed programme of work covering an eight year period. The programme provides for an interior and exterior repaint of the Ministry owned buildings in 2012, with regular maintenance in subsequent years. The agreement has an annual commitment of \$7,085. The liability is the best estimate of the actual amount of work performed by the contractor for which the contractor has not been paid at balance sheet date. The liability has not been adjusted for inflation and the effect of the time value of money.

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 15. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	11,605	20,750	20,195
Later than One Year and no Later than Five Years	2,977	10,250	11,368
Future Finance Charges	(677)	(1,000)	(1,305)
	<u>13,905</u>	<u>30,000</u>	<u>30,258</u>
<b>Represented by</b>			
Finance lease liability - Current	11,103	20,000	19,277
Finance lease liability - Non Current	2,802	10,000	10,981
	<u>13,905</u>	<u>30,000</u>	<u>30,258</u>

#### 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.

	2022	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions / Write Off	Closing Balances \$
Septic Tank	<i>completed</i>	(28,028)	23,223	-	4,805	-
Fire Alarm Upgrade	<i>completed</i>	(105)	605	(250)	(250)	-
Site Entrance, Landscaping & Slide	<i>in progress</i>	52,379	-	(23,889)	-	28,490
Totals		<u>24,246</u>	<u>23,828</u>	<u>(24,139)</u>	<u>4,555</u>	<u>28,490</u>

#### Represented by:

Funds Held on Behalf of the Ministry of Education	28,490
Funds Due from the Ministry of Education	-
	<u>28,490</u>

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions	Closing Balances \$
Ramaroa Upgrade	<i>completed</i>	23,336	39,773	(63,109)	-	-
Block C	<i>completed</i>	5,438	3,060	(8,498)	-	-
Septic Tank	<i>in progress</i>	(143,368)	285,841	(170,501)	-	(28,028)
Heatpump Upgrade	<i>completed</i>	-	7,182	(7,182)	-	-
Fire Alarm Upgrade	<i>in progress</i>	-	4,943	(5,048)	-	(105)
Site Entrance, Landscaping & Slide	<i>in progress</i>	-	76,238	(23,859)	-	52,379
Totals		<u>(114,594)</u>	<u>417,037</u>	<u>(278,197)</u>	<u>-</u>	<u>24,246</u>

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 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.

Heidi Olykan is a Trustee of the Board and also owns Splashworks Plumbing, Gas & Heating Limited. During the year the School contracted Spashworks to provide services. The total value of all transactions for the year was \$3,144 and no amount is outstanding as at balance date (2021: \$230).

#### 18. Remuneration

##### *Key management personnel compensation*

Key management personnel of the School include all trustees of the Board, Principal and Assistant Principal.

	<b>2022</b> <b>Actual</b> \$	<b>2021</b> <b>Actual</b> \$
<i>Board Members</i>		
Remuneration	3,020	3,415
<i>Leadership Team</i>		
Remuneration	245,812	230,690
Full-time equivalent members	2	2
Total key management personnel remuneration	<u>248,832</u>	<u>234,105</u>
Total full-time equivalent personnel	<u>2.00</u>	<u>2.00</u>

There are 5 members of the Board excluding the Principal. The Board had 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>2022</b> <b>Actual</b> \$000	<b>2021</b> <b>Actual</b> \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	120 - 130	120 - 130
Benefits and Other Emoluments	20 - 30	20 - 30

##### *Other Employees*

There were no other employees with remuneration of greater than \$100,000.

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

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 19. Compensation and Other Benefits Upon Leaving

The total value of compensation or other benefits paid or payable to persons who ceased to be trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2022 Actual	2021 Actual
Total	-	-
Number of People	-	-

#### 20. Contingencies

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

In 2022 the Ministry of Education provided additional funding for both the Support Staff in Schools' Collective Agreement (CA) Settlement and the Teacher Aide Pay Equity Settlement. The Ministry is in the process of determining wash up payments for the year ended 31 December 2022 however as at the reporting date this amount had not been calculated and therefore is not recorded in these financial statements.

##### **Holidays Act Compliance – schools payroll**

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

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

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

#### 21. Commitments

##### **(a) Capital Commitments**

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

(a) SIP Site Entrance, Landscaping & Slide at a total cost of \$84,709, which is fully funded by the Ministry. To date \$76,238 has been received and \$47,748 has been spent.

(Capital commitments at 31 December 2021: \$410,364).

##### **(b) Operating Commitments**

As at 31 December 2022 the Board had not entered into any contracts.

# UPPER MOUTERE SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited) \$	\$
Cash and Cash Equivalents	130,899	147,553	118,232
Receivables	60,188	63,500	61,471
Investments - Term Deposits	266,835	260,000	313,831
<b>Total Financial assets measured at amortised cost</b>	<b>457,922</b>	<b>471,053</b>	<b>493,534</b>

##### Financial liabilities measured at amortised cost

Payables	91,184	77,000	76,160
Finance Leases	13,905	30,000	30,258
Painting Contract Liability	-	4,500	4,535
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>105,089</b>	<b>111,500</b>	<b>110,953</b>

#### 23. Events After Balance Date

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

## UPPER MOUTERE SCHOOL

Members of the Board

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How position on Board gained</b>	<b>Term expired/expires</b>
Andy Marr	Presiding Member	Re-elected 2022	September 2025
Grant Watson	Principal	Appointed	
Iwao Fujii	Parent Rep	Re-elected 2022	September 2025
Heidi Olykan	Staff Representative	Re-elected 2022	September 2025
Jane Chisnall	Parent Rep	Re-elected 2022	September 2025
Andi Pannell	Parent Rep	Elected 2022	September 2025
Elaine Partridge	Parent Rep	Co-opted	September 2022
Sam Duncan	Parent Rep	Elected	September 2022
Melody Marr	Parent Rep	Elected	September 2022



## **UPPER MOUTERE SCHOOL**

### **Kiwisport Funding**

**For the year ended 31 December 2022**

Kiwisport is a Government funding initiative to support student participation in organised sport.

In 2022 the School received funding of \$1,596 (2021: \$1,810).

The funding was spent on tennis tuition, tennis competition and Top Team.

As the tennis tuition was carried out through all levels of the school and as was Top Team, this funding reached all our 112 students.

## INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF UPPER MOUTERE SCHOOL'S FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor Upper Moutere School (the School). The Auditor-General has appointed me, Warren Johnstone, using the staff and resources of BDO Christchurch, to carry out the audit of the financial statements of the School on his behalf.

## Qualified Opinion

We have audited the financial statements of the School on pages 2 to 21, that comprise the statement of financial position as at 31 December 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements of the School:

- present fairly, in all material respects:
  - its financial position as at 31 December 2022; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity Standards Reduced Disclosure Regime.

Our audit was completed on 31 May 2023. This is the date at which our opinion is expressed.

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

## Basis for Qualified Opinion

The School has an obligation to the Ministry of Education to keep the land and buildings in good order and repair. The Statement of Financial Position on page 4 includes a Provision for Cyclical Maintenance, which totals \$100,415. We have not been able to obtain sufficient evidence to support the provision. There are no practical audit procedures to determine the effect of this absence of evidence.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of the Board for the financial statements

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

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

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

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

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

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the school payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of

material errors arising from the system that, in our judgement, would likely influence readers' overall understanding of the financial statements.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

#### Other information

The Board is responsible for the other information. The other information comprises the Statement of Responsibility, Members of the Board, Analysis of Variance and Kiwisport, but does not include the financial statements, and our auditor's report thereon.

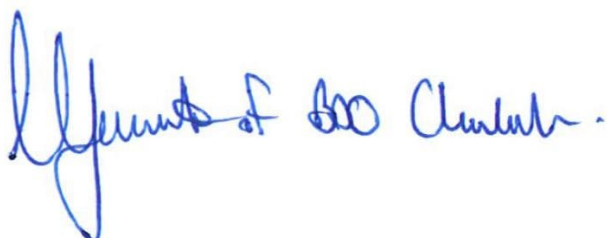
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Independence

We are independent of the School in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

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



Warren Johnstone,  
BDO Christchurch  
On behalf of the Auditor-General  
Christchurch, New Zealand