

TAURANGA INTERMEDIATE

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

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Principal: Cameron Mitchell

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Accountant / Service Provider:

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TAURANGA INTERMEDIATE

Consolidated Annual Financial Statements - For the year ended 31 December 2023

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Tauranga Intermediate

Statement of Responsibility

For the year ended 31 December 2023

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

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

It is the opinion of the Board and management that the annual financial statements for the financial year ended 31 December 2023 fairly reflects the financial position and operations of the group.

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

Bruce Mark Cameron

Full Name of Presiding Member

Cameron Blair Mitchell

Full Name of Principal

BM Cameron

Signature of Presiding Member

Cameron Blair Mitchell

Signature of Principal

29 MAY 2024

Date:

29/5/24

Date:

Tauranga Intermediate
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2023

	Notes	2023	School 2023	2022	2023	Group 2023	2022
		Actual \$	Budget (Unaudited) \$	Actual \$	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue							
Government Grants	2	11,756,741	9,912,172	10,588,443	11,756,741	9,912,172	10,588,443
Locally Raised Funds	3	2,002,968	682,524	734,821	2,350,711	682,524	1,085,841
Interest		113,015	20,000	30,614	114,605	20,000	33,009
Gain on Sale of Property, Plant and Equipment		25,091	-	26,713	45,854	-	29,843
Other Revenue		16,894	-	13,422	17,549	-	14,892
Total Revenue		13,914,709	10,614,696	11,394,013	14,285,460	10,614,696	11,752,028
Expense							
Locally Raised Funds	3	1,339,835	422,318	566,222	1,377,564	422,318	578,551
Learning Resources	4	8,872,471	7,843,911	8,073,185	9,160,879	7,843,911	8,299,320
Administration	5	588,402	533,786	588,400	589,937	533,786	593,667
Interest		3,932	6,403	6,586	3,932	6,403	6,586
Property	6	3,192,524	2,210,384	2,420,564	3,192,524	2,210,384	2,420,564
Loss on Disposal of Property, Plant and Equipment		-	-	1,518	-	-	1,518
Total Expense		13,997,164	11,016,802	11,656,475	14,324,836	11,016,802	11,900,206
Net Surplus / (Deficit) for the year		(82,455)	(402,106)	(262,462)	(39,376)	(402,106)	(148,178)
Other Comprehensive Revenue and Expense		-	-	-	-	-	-
Total Comprehensive Revenue and Expense for the Year		(82,455)	(402,106)	(262,462)	(39,376)	(402,106)	(148,178)

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



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

	Notes	2023	School 2023	2022	2023	Group 2023 Budget (Unaudited)	2022
		Actual \$	Budget (Unaudited) \$	Actual \$	Actual \$	\$	Actual \$
Equity at 1 January		5,070,211	4,839,904	5,273,797	7,511,049	4,839,904	7,600,353
Total comprehensive revenue and expense for the year		(82,455)	(402,106)	(262,462)	(39,376)	(402,106)	(148,180)
Contribution - Furniture and Equipment Grant		531	-	58,876	531	-	58,876
Equity at 31 December		4,988,287	4,437,798	5,070,211	7,472,204	4,437,798	7,511,049
Accumulated comprehensive revenue and expense		4,988,287	4,437,798	5,070,211	7,472,204	4,437,798	7,511,049
Equity at 31 December		4,988,287	4,437,798	5,070,211	7,472,204	4,437,798	7,511,049

The above consolidated Statement of Changes in Net Assets/Equity should be read in conjunction with the accompanying notes which form part of these financial statements.



Tauranga Intermediate
Statement of Financial Position
As at 31 December 2023

	Notes	2023	School 2023	2022	2023	Group 2023	2022
		Actual \$	Budget (Unaudited) \$	Actual \$	Actual \$	Budget (Unaudited) \$	Actual \$
Current Assets							
Cash and Cash Equivalents	7	560,505	270,572	881,258	688,119	270,572	974,666
Accounts Receivable	8	550,858	463,102	546,514	550,858	463,102	547,094
GST Receivable		49,000	88,920	47,217	49,000	88,920	55,465
Prepayments		69,001	36,726	59,069	110,041	36,726	66,830
Inventories	9	3,405	52,834	64,390	3,405	52,834	64,390
Investments	10	1,170,976	822,871	2,042,562	1,177,095	822,871	2,048,276
Funds Receivable for Capital Works Projects	16	234,158	-	77,910	234,158	-	77,910
		2,637,903	1,735,025	3,718,920	2,812,676	1,735,025	3,834,631
Current Liabilities							
GST Payable					8,152	0	0
Accounts Payable	12	740,542	825,458	960,641	748,410	825,458	972,462
Revenue Received in Advance	13	341,113	83,318	519,464	341,113	83,318	548,881
Provision for Cyclical Maintenance	14	209,883	84,445	61,000	209,883	84,445	61,000
Finance Lease Liability	15	88,926	72,290	96,773	99,883	72,290	125,513
Funds held for Capital Works Projects	16	236,488	-	418,662	236,488	-	418,662
		1,616,952	1,065,511	2,056,540	1,643,929	1,065,511	2,126,518
Working Capital Surplus/(Deficit)		1,020,951	669,514	1,662,380	1,168,747	669,514	1,708,113
Non-current Assets							
Property, Plant and Equipment	11	4,262,091	3,787,756	3,912,383	6,647,052	3,787,756	6,192,114
Work in Progress		-	79,120	-	-	79,120	115,374
		4,262,091	3,866,876	3,912,383	6,647,052	3,866,876	6,307,488
Non-current Liabilities							
Provision for Cyclical Maintenance	14	140,505	38,895	266,071	140,505	38,895	266,071
Finance Lease Liability	15	154,250	59,697	238,481	203,090	59,697	238,481
		294,755	98,592	504,552	343,595	98,592	504,552
Net Assets		4,988,287	4,437,798	5,070,211	7,472,204	4,437,798	7,511,049
Equity		4,988,287	4,437,798	5,070,211	7,472,204	4,437,798	7,511,049



Tauranga Intermediate
Statement of Cash Flows
For the year ended 31 December 2023

	Note	2023	School 2023 Budget	2022	2023	Group 2023 Budget	2022
		Actual \$	(Unaudited) \$	Actual \$	Actual \$	(Unaudited) \$	Actual \$
Cash flows from Operating Activities							
Government Grants		3,346,660	2,626,016	3,317,392	3,346,660	2,626,016	3,317,392
Locally Raised Funds		1,307,644	266,074	1,059,202	1,625,970	266,074	1,382,727
International Students		510,380	416,450	122,482	510,380	416,450	122,482
Goods and Services Tax (net)		(1,783)	-	41,703	14,617	-	59,410
Payments to Employees		(2,184,657)	(1,269,575)	(1,892,160)	(2,184,657)	(1,269,575)	(1,892,160)
Payments to Suppliers		(2,754,019)	(1,390,202)	(1,842,642)	(2,807,835)	(1,390,202)	(1,975,935)
Interest Paid		(3,932)	(6,403)	(6,586)	(3,932)	(6,403)	(6,586)
Interest Received		113,015	20,000	30,614	114,605	20,000	33,009
Net cash from/(to) Operating Activities		333,308	662,360	830,005	615,808	662,360	1,040,339
Cash flows from Investing Activities							
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		25,091	-	26,802	25,091	-	26,802
Purchase of Property Plant & Equipment (and Intangibles)		(833,829)	(575,900)	(637,690)	(1,066,314)	(575,900)	(872,522)
Purchase of Investments		(57,762)	-	(22,412)	(73,571)	-	(44,538)
Proceeds from Sale of Investments		929,348	-	302,719	929,348	-	302,719
Net cash from/(to) Investing Activities		62,848	(575,900)	(330,581)	(185,446)	(575,900)	(587,539)
Cash flows from Financing Activities							
Furniture and Equipment Grant		531	-	58,876	531	-	58,876
Finance Lease Payments		(79,823)	(44,211)	(84,804)	(79,823)	(44,211)	(84,804)
Funds Administered on Behalf of Other Parties		(637,617)	-	179,439	(637,617)	-	179,439
Net cash from/(to) Financing Activities		(716,909)	(44,211)	153,511	(716,909)	(44,211)	153,511
Net increase/(decrease) in cash and cash equivalents		(320,753)	42,249	652,935	(286,547)	42,249	606,311
Cash and cash equivalents at the beginning of the year	7	881,258	228,323	228,323	974,666	228,323	368,355
Cash and cash equivalents at the end of the year	7	560,505	270,572	881,258	688,119	270,572	974,666

The consolidated Statement of Cash Flows records only those cash flows directly within the control of the School. This means centrally funded teachers' salaries, and the use of land and buildings grant and expense and other notional items have been excluded.

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



Tauranga Intermediate

Notes to the Group Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 2023 to 31 December 2023 and in accordance with the requirements of the Education and Training Act 2020.

Basis of Preparation

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

Basis of Consolidation

The group financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in the group on a line-by-line basis. All intra-group balances, transactions, revenue, and expenses are eliminated on consolidation.

Financial Reporting Standards Applied

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

PBE Accounting Standards Reduced Disclosure Regime

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

Measurement Base

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

Presentation Currency

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

Specific Accounting Policies

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

Critical Accounting Estimates And Assumptions

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

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

Cyclical maintenance

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

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

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

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

Inventories are consumable items held for sale and comprised of Ipad Covers and Uniforms and 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.

i) Investments

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is material.

j) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building Improvements	18-40 years
Furniture and Equipment	5-15 years
Information and Communication Technology	3-5 years
Motor Vehicles	5 years
Textbooks	4 years
Library Resources	8 years DV
Leased assets held under a Finance Lease	Term of Lease

k) Intangible Assets

Software costs

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

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

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

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

Non cash generating assets

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

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

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

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

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

m) Accounts Payable

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



n) Employee Entitlements

Short-term employee entitlements

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

Long-term employee entitlements

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

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

o) Revenue Received in Advance

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

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

p) Funds Held in Trust

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

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

q) Funds held for Capital works

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

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

r) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Comprehensive Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.



s) Provision for Cyclical Maintenance

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

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

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

t) Financial Instruments

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

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

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

u) Borrowings

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

v) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

w) Budget Figures

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

x) Services received in-kind

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



2. Government Grants

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	Budget (Unaudited) \$	Actual \$
Government Grants - Ministry of Education	3,403,084	2,642,701	3,115,371	3,403,084	2,642,701	3,115,371
Teachers' Salaries Grants	6,103,965	5,819,347	5,768,513	6,103,965	5,819,347	5,768,513
Use of Land and Buildings Grants	2,243,822	1,450,124	1,678,000	2,243,822	1,450,124	1,678,000
Other Government Grants	5,870	-	26,559	5,870	-	26,559
	11,756,741	9,912,172	10,588,443	11,756,741	9,912,172	10,588,443

The school has opted in to the donations scheme for this year. Total amount received was \$187,718.

3. Locally Raised Funds

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

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	Budget (Unaudited) \$	Actual \$
Revenue						
Donations & Bequests	104,401	-	14,531	104,401	-	14,531
Curriculum related Activities - Purchase of goods and service	45,316	-	-	45,316	-	-
Fees for Extra Curricular Activities	1,018,233	210,574	330,494	1,424,327	210,574	501,678
Trading	173,238	55,500	122,113	173,238	55,500	122,113
Fundraising & Community Grants	23,373	-	2,330	116,339	-	182,166
Other Revenue	128,027	-	143,818	128,027	-	143,818
International Students	510,380	416,450	121,535	510,380	416,450	121,535
	2,002,968	682,524	734,821	2,502,028	682,524	1,085,841
Expense						
Extra Curricular Activities Costs	651,808	26,376	207,692	840,854	26,376	220,021
Trading	221,118	55,500	112,198	221,118	55,500	112,198
Fundraising & Community Grant Costs	18,938	-	16,471	18,938	-	16,471
Other Locally Raised Funds Expenditure	123,146	-	110,282	123,146	-	110,282
International Student - Student Recruitment	126,765	134,292	64,403	126,765	134,292	64,403
International Student - Other Expenses	198,060	206,150	55,176	198,060	206,150	55,176
	1,339,835	422,318	566,222	1,528,881	422,318	578,551
Surplus for the year Locally raised funds	663,133	260,206	168,599	973,147	260,206	507,290

During the year the School hosted 30 International students (2022:12)

4. Learning Resources

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	Budget (Unaudited) \$	Actual \$
Curricular	424,574	503,670	361,448	424,574	503,670	361,448
Employee Benefits - Salaries	7,825,976	6,896,620	7,240,533	7,941,705	6,896,620	7,340,651
Staff Development	92,764	80,286	42,355	92,764	80,286	42,355
Depreciation	529,157	363,335	428,849	701,836	363,335	554,865
	8,872,471	7,843,911	8,073,185	9,160,879	7,843,911	8,299,319

5. Administration

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	Budget (Unaudited) \$	Actual \$
Audit Fees	11,330	9,800	10,205	12,830	9,800	11,705
Board Fees	4,810	6,000	4,400	4,810	6,000	4,400
Board Expenses	8,705	14,500	9,998	8,705	14,500	9,998
Communication	13,823	12,700	9,251	13,823	12,700	9,251
Consumables	14,959	13,700	14,730	14,959	13,700	14,730
Other	78,205	75,700	96,231	78,240	75,700	96,231
Employee Benefits - Salaries	354,824	287,386	355,158	354,824	287,386	355,158
Insurance	53,647	55,000	44,088	53,647	55,000	44,088
Service Providers, Contractors and Consultancy	28,200	30,000	27,000	28,200	30,000	30,757
Reimbursements	19,899	29,000	17,339	19,899	29,000	17,339
	588,402	533,786	588,400	589,937	533,786	593,657



6. Property

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Caretaking and Cleaning Consumables	60,019	41,500	43,301	60,019	41,500	43,301
Consultancy and Contract Services	162,583	148,948	132,952	162,583	148,948	132,952
Cyclical Maintenance Provision	158,380	63,706	8,447	158,380	63,706	8,447
Grounds	8,697	16,000	8,673	8,697	16,000	8,673
Heat, Light and Water	103,668	108,000	104,950	103,668	108,000	104,950
Rates	49,320	45,000	41,379	49,320	45,000	41,379
Repairs and Maintenance	240,629	172,700	235,037	240,629	172,700	235,037
Use of Land and Buildings	2,243,822	1,450,124	1,678,000	2,243,822	1,450,124	1,678,000
Security	17,017	14,000	15,201	17,017	14,000	15,201
Employee Benefits - Salaries	148,389	150,406	152,624	148,389	150,406	152,624
	3,192,524	2,210,384	2,420,564	3,192,524	2,210,384	2,420,564

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	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Bank Accounts	560,505	270,572	573,667	688,119	270,572	667,075
Short-term Bank Deposits	-	-	307,591	-	-	307,591
Cash and cash equivalents for Statement of Cash Flows	560,505	270,572	881,258	688,119	270,572	974,666

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

Of the \$560,505 Cash and Cash Equivalents \$236,488 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2024 on Crown owned school buildings.

8. Accounts Receivable

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Receivables	680	-	2,705	680	-	3,285
Receivables from the Ministry of Education	49,603	-	45,133	49,603	-	45,133
Teacher Salaries Grant Receivable	500,575	463,102	498,676	500,575	463,102	498,676
	550,858	463,102	546,514	550,858	463,102	547,094
Receivables from Exchange Transactions	680	-	2,705	680	-	3,285
Receivables from Non-Exchange Transactions	550,178	463,102	543,809	550,178	463,102	543,809
	550,858	463,102	546,514	550,858	463,102	547,094

9. Inventories

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Uniforms	-	50,651	60,778	-	50,651	60,778
Stationery	3,405	2,183	3,612	3,405	2,183	3,612
	3,405	52,834	64,390	3,405	52,834	64,390

10. Investments

The School's investment activities are classified as follows:

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Current Asset						
Short-term Bank Deposits	1,170,976	822,871	2,042,562	1,177,095	822,871	2,048,276
Total Investments	1,170,976	822,871	2,042,562	1,177,095	822,871	2,048,276

11. Property, Plant and Equipment

GROUP	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2023						
Land	577,988	0	-	-	-	577,988
Building Improvements	3,554,357	323,938	-	-	(120,280)	3,757,813
Furniture and Equipment	1,270,031	342,164	-	-	(287,759)	1,324,435
Information and Communication Technology	345,880	377,398	-	-	(160,739)	562,539
Motor Vehicles	46,160	34,600	(12,964)	-	(11,353)	56,442
Leased Assets	335,259	39,096	-	-	(102,941)	271,414
Library Resources	62,439	16,837	-	-	(9,875)	69,401
Balance at 31 December 2023	6,192,114	1,134,033	(12,964)	-	(692,947)	6,620,032

GROUP	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	577,988	-	577,988	577,988	-	577,988
Building Improvements	5,268,166	(1,510,151)	3,758,016	4,944,228	(1,389,871)	3,554,357
Furniture and Equipment	4,210,138	(2,885,702)	1,324,435	3,867,974	(2,597,943)	1,270,031
Information and Communication Technology	2,003,519	(1,440,980)	562,539	1,626,121	(1,280,241)	345,880
Motor Vehicles	162,061	(105,618)	56,442	140,425	(94,265)	46,160
Textbooks	129,361	(129,361)	-	129,361	(129,361)	-
Leased Assets	453,450	(182,036)	271,414	414,354	(79,095)	335,259
Library Resources	233,720	(164,319)	69,401	216,883	(154,444)	62,439
Balance at 31 December	13,038,403	(6,418,167)	6,620,235	11,917,334	(5,725,220)	6,192,114

SCHOOL	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
	\$	\$	\$	\$	\$	\$
2023						
Building Improvements	2,243,294	288,946	-	-	(83,597)	2,448,643
Furniture and Equipment	925,511	155,545	-	-	(178,986)	902,070
Information and Communication Technology	345,880	377,398	-	-	(160,739)	562,539
Motor Vehicles	-	34,600	-	-	(1,476)	33,124
Leased Assets	335,259	5,539	-	-	(94,484)	246,314
Library Resources	62,439	16,837	-	-	(9,875)	69,401
Balance at 31 December 2023	3,912,383	878,865	-	-	(529,157)	4,262,091

SCHOOL	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Land	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Building Improvements	3,516,381	(1,067,738)	2,448,643	3,227,434	(984,140)	2,243,294
Furniture and Equipment	3,069,017	(2,166,947)	902,070	2,915,617	(1,990,106)	925,511
Information and Communication Technology	1,830,759	(1,268,220)	562,539	1,626,121	(1,280,241)	345,880
Motor Vehicles	74,000	(40,876)	33,124	39,400	(39,400)	-
Textbooks	129,361	(129,361)	-	129,361	(129,361)	-
Leased Assets	416,441	(170,127)	246,314	414,354	(79,095)	335,259
Library Resources	233,720	(164,319)	69,401	216,883	(154,444)	62,439
Balance at 31 December	9,269,679	(5,007,588)	4,262,091	8,569,170	(4,656,787)	3,912,383

The net carrying value of equipment held under a finance lease is \$335,259 (2022: \$416,441)

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.



12. Accounts Payable

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Creditors	140,048	321,297	404,808	147,917	321,297	416,629
Accruals	51,496	7,586	6,705	51,496	7,586	6,705
Employee Entitlements - Salaries	500,575	463,102	498,676	500,575	463,102	498,676
Employee Entitlements - Leave Accrual	48,423	33,473	50,452	48,423	33,473	50,452
	<u>740,542</u>	<u>825,458</u>	<u>960,641</u>	<u>748,411</u>	<u>825,458</u>	<u>972,462</u>
Payables for Exchange Transactions	740,542	825,458	960,641	748,411	825,458	972,462
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-	-	-	-
	<u>740,542</u>	<u>825,458</u>	<u>960,641</u>	<u>748,411</u>	<u>825,458</u>	<u>972,462</u>

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
Income in Advance	27,452	16,504	112,680	27,452	16,504	142,097
International Students 2024	287,000	-	-	287,000	-	-
International Students 2023	-	58,098	405,635	-	58,098	405,635
Bus - Local Scheme Multiserve	-	8,274	-	-	8,274	-
International Pocket Money	-	240	-	-	240	-
International Trust Money	824	202	1,149	824	202	1,149
Ministry of Education Grants in Advance	23,863	-	-	23,863	-	-
Int'l Stud Trust Money (97000)	1,974	-	-	1,974	-	-
	<u>341,113</u>	<u>83,318</u>	<u>519,464</u>	<u>341,113</u>	<u>83,318</u>	<u>548,881</u>

14. Provision for Cyclical Maintenance

	2023	School and Group 2023 Budget	2022
	Actual	(Unaudited)	Actual
	\$	\$	\$
Provision at the Start of the Year	327,071	59,634	334,146
Increase to the Provision During the Year	63,923	63,706	61,341
Use of the Provision During the Year	(100,692)	-	(15,522)
Other Adjustments	60,086	-	(52,894)
Provision at the End of the Year	<u>350,388</u>	<u>123,340</u>	<u>327,071</u>
Cyclical Maintenance - Current	209,883	84,445	61,000
Cyclical Maintenance - Non current	140,505	38,895	266,071
	<u>350,388</u>	<u>123,340</u>	<u>327,071</u>

Per the cyclical maintenance schedule, the school is next expected to undertake painting works during 2024. This plan is based on the schools 10 Year Property plan / painting quotes.

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	School 2023 Budget	2022	2023	Group 2023	2022
	Actual	(Unaudited)	Actual	Actual	Budget (Unaudited)	Actual
	\$	\$	\$	\$	\$	\$
No Later than One Year	90,475	72,290	100,485	101,432	72,290	129,225
Later than One Year and no Later than Five Years	154,572	59,697	239,776	203,412	59,697	239,776
Future Finance Charges	(1,871)	-	(5,007)	(1,871)	-	(5,007)
	<u>243,176</u>	<u>131,987</u>	<u>335,254</u>	<u>302,973</u>	<u>131,987</u>	<u>363,994</u>
Represented by						
Finance lease liability - Current	88,926	72,290	96,773	99,883	72,290	125,513
Finance lease liability - Non current	154,250	59,697	238,481	203,090	59,697	238,481
	<u>243,176</u>	<u>131,987</u>	<u>335,254</u>	<u>302,973</u>	<u>131,987</u>	<u>363,994</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 projects is included under cash and cash equivalents in note 7.

School and Group

	2023	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Canopies		221873	4,561	-	-	-	4,561
CCTV Upgrade			-	19,801	(30,209)	-	(10,408)
A2,B,C,D Refurbishment		215441	(53,837)	-	(3,072)	-	(56,909)
A,A2,B,C,D,G,S,RCD Upgrade		215536	(4,712)	-	-	-	(4,712)
B,C Blocks Classroom Upgrade		238188	182,174	-	(344,303)	-	(162,129)
5YA Turf - Rata			(19,361)	-	19,361	-	-
Boiler Replacement		229877	231,927	-	-	-	231,927
Totals			340,752	19,801	(358,223)	-	2,330

Represented by:

Funds Held on Behalf of the Ministry of Education	236,488
Funds Receivable from the Ministry of Education	(234,158)

	2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Canopies		221873	109,738	-	(105,177)	-	4,561
S Block Upgrade		215540	(3,850)	-	3,850	-	-
A2,B,C,D Refurbishment		215441	(42,000)	-	(11,837)	-	(53,837)
SIP: Playground		221876	1,152	-	(1,152)	-	-
A,A2,B,C,D,G,S,RCD Upgrade		215536	39,140	-	(43,852)	-	(4,712)
ABCDGS: Electrical Upgrade		215536	(26,913)	-	26,913	-	-
B,C Blocks Classroom Upgrade		238188	-	816,251	(634,077)	-	182,174
5YA Turf - Rata			-	-	(19,361)	-	(19,361)
Boiler Replacement		229877	-	231,927	-	-	231,927
Totals			77,267	1,048,178	(784,693)	-	340,752

Represented by:

Funds Held on Behalf of the Ministry of Education	418,662
Funds Receivable from the Ministry of Education	(77,910)

17. Related Party Transactions

The Group is a controlled entity of the Crown, and the Crown provides the major source of revenue to the group. The group 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 group would have adopted if dealing with that entity at arm's length.

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



18. Remuneration

School and Group

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

	2023 Actual \$	2022 Actual \$
Key management personnel compensation School and Group School and Group Remuneration	4,810	4,400
Leadership Team Remuneration	718,167	566,315
Full-time equivalent members	5.00	4.37
Total key management personnel remuneration	<u>722,977</u>	<u>570,715</u>

There are 6 members of the Board excluding the Principal. The Board has held 11 full meetings of the Board in the year. The Board also has Finance (2 members) and Property (6 members) committees that met 11 and 11 times respectively. As well as these regular meetings, including preparation time, the Presiding Member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

Principal

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

	2023 Actual \$000	2022 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	200 - 210	170 - 180
Benefits and Other Emoluments	6 - 7	5 - 6
Termination Benefits	-	-

Other Employees

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

Remuneration \$000	2023 FTE Number	2022 FTE Number
100 - 110	14.00	8.00
110 - 120	5.00	3.00
120 - 130	5.00	1.00
140 - 150	1.00	-
	<u>25.00</u>	<u>12.00</u>

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:

School and Group	2023 Actual	2022 Actual
Total	-	-
Number of People	-	-

20. Contingencies

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

In 2023 the Ministry of Education provided additional funding for non-teaching collective and pay equity agreements. The school is yet to receive a final wash-up that adjusts the estimated quarterly instalments for the actual eligible staff members employed in 2023. The Ministry is in the process of determining wash-up payments or receipts for the year ended 31 December 2023. 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 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

As at 31 December 2023, the Board had capital commitments of \$461,669 (2022:\$-642,202) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Canopies	219,600	260,640	-41,040
CCTV Upgrade	0	30,209	-30,209
A2,B,C,D Refurbishment	840,774	243,170	597,604
A,A2,B,C,D,G,S,RCD Upgrade	56,107	54,536	1,571
B,C Blocks Classroom Upgrade	912,123	978,380	-66,257
Boiler Replacement	0	0	0
Total	2,028,604	1,566,935	461,669

(b) Operating Commitments

School and Group

There are no operating commitments as at 31 December 2023 (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	School 2023 Budget	2022	2023	Group 2023 Budget (Unaudited)	2022
	Actual \$	(Unaudited) \$	Actual \$	Actual \$	\$	Actual \$
Cash and Cash Equivalents	560,505	270,572	881,258	694,238	270,572	980,380
Receivables	550,858	463,102	546,514	550,858	463,102	546,514
Investments - Term Deposits	1,170,976	822,871	2,042,562	1,170,976	822,871	2,042,562
Total financial assets measured at amortised cost	2,282,339	1,556,545	3,470,334	2,416,072	1,556,545	3,569,456

Financial liabilities measured at amortised cost

Payables	740,542	825,458	960,641	748,411	825,458	972,462
Finance Leases	243,176	131,987	335,254	302,973	131,987	363,994
Total financial liabilities measured at amortised cost	983,718	957,445	1,295,895	1,051,384	957,445	1,336,456

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.



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TAURANGA INTERMEDIATE SCHOOL'S GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Tauranga Intermediate School and its controlled entities (collectively referred to as 'the Group'). The Auditor-General has appointed me, Donna Taylor, using the staff and resources of BDO Tauranga, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 2 to 18, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the Group:

- 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 Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2

Our audit was completed on 30 May 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Responsibilities of the Board for the financial statements

The Board is responsible on behalf of the Group 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.

PARTNERS: Fraser Lellman CA Janine Hellyer CA Paul Manning CA Donna Taylor CA Linda Finlay CA Michael Lim CA

BDO New Zealand Ltd, a New Zealand limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO New Zealand is a national association of independent member firms which operate as separate legal entities.

In preparing the financial statements, the Board is responsible on behalf of the Group for assessing the Group'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 Group, or there is no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.¹⁷

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 Group'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 Group'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 Group'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 Group 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 obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- 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 arises from the Public Audit Act 2001.

Other information

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

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

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

Independence

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

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



Donna Taylor
BDO Tauranga
On behalf of the Auditor-General
Tauranga, New Zealand