

GATE PA SCHOOL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 1992

Principal: Rochelle Jensen

School Address: 900 Cameron Road
Tauranga

School Postal Address:

School Phone: 07-578-5325

School Email: office@gatepa.school.nz

Members of the Board

Position	Name	Term Expired/ Expires
Presiding Member	Tana Cook	May-25
Principal ex Officio	Rochelle Jensen	
Parent Representative	Kelvin Kuka	May-25
Parent Representative	Amanda Marshall	May-25
Parent Representative	Niomi Laugesen	May-25
Parent Representative	Natalie Davies	May-25
Staff Representative	Jodi Hill	May-25
Parent Representative	Kim Rennie	Mar-23

Accountant / Service Provider: Davidson Dickson Ltd

GATE PA SCHOOL

Annual Financial Statements - For the year ended 31 December 2023

Index

Page	Statement
	Financial Statements
<u>1</u>	Statement of Responsibility
<u>2</u>	Statement of Comprehensive Revenue and Expense
<u>3</u>	Statement of Changes in Net Assets/Equity
<u>4</u>	Statement of Financial Position
<u>5</u>	Statement of Cash Flows
<u>6 - 19</u>	Notes to the Financial Statements
	Independent Auditor's report

Gate Pa School

Statement of Responsibility

For the year ended 31 December 2023

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

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

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

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

Taniq Cook

Full Name of Presiding Member



Signature of Presiding Member

13/06/2024

Date:

Rochelle Jane Jensen

Full Name of Principal



Signature of Principal

13/06/2024

Date:

Gate Pa School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue				
Government Grants	2	4,466,278	3,888,702	3,886,895
Locally Raised Funds	3	115,531	42,481	264,297
Interest Income		20,006	15,000	5,484
Gain on Sale of Property, Plant and Equipment		756	-	-
Other Revenue		23,915	12,000	13,952
Total Revenue		4,626,486	3,958,183	4,170,628
Expenses				
Locally Raised Funds	3	31,113	-	18,880
Learning Resources	4	2,917,249	2,804,697	2,568,111
Administration	5	639,014	235,340	631,713
Finance		1,237	-	1,141
Property	6	899,739	849,262	723,613
Other Expenses	7	6,008	9,000	6,702
Loss on Disposal of Property, Plant and Equipment		294	-	1,337
		4,494,654	3,898,299	3,951,497
Net Surplus / (Deficit) for the year		131,832	59,884	219,131
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		131,832	59,884	219,131

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

Gate Pa School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Equity at 1 January		803,061	803,061	583,930
Total comprehensive revenue and expense for the year		131,832	59,884	219,131
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	-
Equity at 31 December		934,893	862,945	803,061
Accumulated comprehensive revenue and expense Reserves		934,893	862,945	803,061
Equity at 31 December		934,893	862,945	803,061

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.

Gate Pa School

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	8	331,213	391,897	505,055
Accounts Receivable	9	224,939	180,000	202,140
GST Receivable		69,703	-	12,109
Prepayments		16,265	18,000	17,992
Inventories	10	12,123	1,000	-
Funds Receivable for Capital Works Projects	16	17,676	-	845
		671,919	590,897	738,141
Current Liabilities				
Accounts Payable	12	358,650	208,728	245,453
Revenue Received in Advance	13	22,637	-	-
Provision for Cyclical Maintenance	14	-	6,540	6,540
Finance Lease Liability	15	9,361	9,000	8,041
Funds held for Capital Works Projects	16	18,350	-	79,042
Funds held on behalf of RT Lit Cluster	17	6,751	-	8,744
		415,749	224,268	347,820
Working Capital Surplus/(Deficit)		256,170	366,629	390,321
Non-current Assets				
Property, Plant and Equipment	11	687,405	623,235	529,235
		687,405	623,235	529,235
Non-current Liabilities				
Provision for Cyclical Maintenance	14	-	126,919	109,919
Finance Lease Liability	15	8,682	-	6,576
		8,682	126,919	116,495
Net Assets		934,893	862,945	803,061
Equity		934,893	862,945	803,061

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

Gate Pa School

Statement of Cash Flows

For the year ended 31 December 2023

	Note	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash flows from Operating Activities				
Government Grants		1,449,947	1,374,086	1,192,060
Locally Raised Funds		136,332	55,481	164,841
Goods and Services Tax (net)		(57,593)	-	(10,802)
Payments to Employees		(804,948)	(676,420)	(740,276)
Payments to Suppliers		(601,641)	(528,385)	(450,406)
Interest Paid		(1,237)	-	(1,141)
Interest Received		19,969	15,000	5,475
Net cash from/(to) Operating Activities		140,829	239,762	159,751
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		462	-	(1,337)
Purchase of Property Plant & Equipment (and Intangibles)		(226,678)	(249,855)	(277,763)
Net cash from/(to) Investing Activities		(226,216)	(249,855)	(279,100)
Cash flows from Financing Activities				
Finance Lease Payments		(8,937)	(5,000)	(9,697)
Funds Administered on Behalf of Third Parties		(79,518)	-	(22,837)
Net cash from/(to) Financing Activities		(88,455)	(5,000)	(32,534)
Net increase/(decrease) in cash and cash equivalents		(173,842)	(15,093)	(151,883)
Cash and cash equivalents at the beginning of the year	8	505,055	406,990	656,938
Cash and cash equivalents at the end of the year	8	331,213	391,897	505,055

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

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

Gate Pa School

Notes to the Financial Statements

For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

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

Basis of Preparation

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

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 14. 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) 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:

Board Owned Buildings	10-50 years
Furniture and equipment	5-10 years
Information and communication technology	5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	12.5% Diminishing value

i) 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.

j) 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.

k) 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 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.

l) 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) Goods and Services Tax (GST)

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

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

Commitments and contingencies are disclosed exclusive of GST.

r) Budget Figures

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

s) Services received in-kind

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

2. Government Grants

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	1,830,727	1,258,766	1,584,373
Teachers' Salaries Grants	2,091,471	2,091,471	1,861,808
Use of Land and Buildings Grants	538,465	538,465	440,714
Other Government Grants	5,615	-	-
	<u>4,466,278</u>	<u>3,888,702</u>	<u>3,886,895</u>

The school has opted in to the donations scheme for this year. Total amount received was \$52,246.

The school is part of the lunches in school programme funded by the Ministry. \$386,583 has been included in operational grants to cover this cost.

3. Locally Raised Funds

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Revenue			
Donations & Bequests	11,880	1,500	11,000
Fees for Extra Curricular Activities	9,014	-	8,565
Trading	14,024	-	1,448
Fundraising & Community Grants	32,579	18,500	204,020
Other Revenue	48,034	22,481	39,264
	<u>115,531</u>	<u>42,481</u>	<u>264,297</u>
Expenses			
Extra Curricular Activities Costs	12,288	-	13,703
Trading	14,474	-	3,427
Fundraising and Community Grant Costs	4,351	-	1,750
	<u>31,113</u>	<u>-</u>	<u>18,880</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>84,418</u>	<u>42,481</u>	<u>245,417</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	128,050	145,399	123,017
Information and Communication Technology	4,842	-	5,918
Library Resources	2,450	3,300	2,250
Employee Benefits - Salaries	2,659,758	2,550,891	2,344,851
Staff Development	41,278	35,107	19,105
Depreciation	80,871	70,000	72,970
	<u>2,917,249</u>	<u>2,804,697</u>	<u>2,568,111</u>

5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fee	6,651	6,400	6,457
Board Fees	2,855	5,000	2,985
Board Expenses	9,464	27,000	15,980
Communication	5,792	5,250	4,839
Consumables	16,111	12,500	9,618
Legal Fees	157	-	-
Other	31,745	19,940	15,001
Employee Benefits - Salaries	165,822	144,000	175,898
Insurance	5,583	7,000	10,654
Lunches in schools programme	386,584	-	382,031
Service Providers, Contractors and Consultancy	8,250	8,250	8,250
	<u>639,014</u>	<u>235,340</u>	<u>631,713</u>

6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	25,580	20,500	16,752
Consultancy and Contract Services	64,564	65,000	45,433
Cyclical Maintenance Provision	60,500	17,000	20,847
Grounds	14,877	16,250	14,017
Heat, Light and Water	36,580	33,868	36,676
Rates	15,166	14,000	13,679
Repairs and Maintenance	67,258	68,679	47,517
Use of Land and Buildings	538,465	538,465	440,714
Security	7,029	7,500	7,670
Employee Benefits - Salaries	69,720	68,000	80,308
	<u>899,739</u>	<u>849,262</u>	<u>723,613</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. Other Expenses

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
Transport	6,008	9,000	6,702
	<u>6,008</u>	<u>9,000</u>	<u>6,702</u>

8. Cash and Cash Equivalents

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
ANZ cheque account	88,387	-	172,937
ANZ Premium account	209,157	391,897	233,294
ANZ on call	33,669	-	98,824
Cash and cash equivalents for Statement of Cash Flows	331,213	391,897	505,055

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

Of the \$331,213 Cash and Cash Equivalents, \$18,350 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.

9. Accounts Receivable

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	26,659	-	910
Receivables from the Ministry of Education	25,655	-	9,602
Interest Receivable	46	-	9
Banking Staffing Underuse	-	-	11,689
Teacher Salaries Grant Receivable	172,579	180,000	179,930
	224,939	180,000	202,140
Receivables from Exchange Transactions	26,705	-	919
Receivables from Non-Exchange Transactions	198,234	180,000	201,221
	224,939	180,000	202,140

10. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
School Uniforms	12,123	1,000	-
	12,123	1,000	-

11. Property, Plant and Equipment

	Opening Balance	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Building Improvements	89,201	108,447	-		(3,013)	194,635
Furniture and Equipment	348,237	126,058	(19,303)		(50,859)	404,133
Information and Communication Technology	54,958	9,402	(116)		(15,370)	48,874
Leased Assets	12,409	12,363	-		(8,603)	16,169
Library Resources	24,430	2,430	(240)		(3,026)	23,594
Balance at 31 December 2023	529,235	258,700	(19,659)	-	(80,871)	687,405

Restrictions

There are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	258,773	(64,138)	194,635	150,326	(61,125)	89,201
Furniture and Equipment	772,055	(367,922)	404,133	673,544	(325,307)	348,237
Information and Communication Technology	344,949	(296,075)	48,874	358,068	(303,110)	54,958
Motor Vehicles	45,158	(45,158)	-	45,158	(45,158)	-
Leased Assets	36,182	(20,013)	16,169	23,819	(11,410)	12,409
Library Resources	80,098	(56,504)	23,594	78,440	(54,010)	24,430
Balance at 31 December	1,537,215	(849,810)	687,405	1,329,355	(800,120)	529,235

12. Accounts Payable

	2023 Actual	2023 Budget (Unaudited)	2022 Actual
	\$	\$	\$
Creditors	172,968	19,228	51,995
Accruals	5,651	4,500	4,957
Employee Entitlements - Salaries	172,579	180,000	179,930
Employee Entitlements - Leave Accrual	7,452	5,000	8,571
	358,650	208,728	245,453
Payables for Exchange Transactions	358,650	208,728	245,453
	358,650	208,728	245,453

The carrying value of payables approximates their fair value.

13. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Other revenue in Advance	22,637	-	-
	<u>22,637</u>	<u>-</u>	<u>-</u>

14. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	116,459	116,459	95,612
Increase to the Provision During the Year	19,161	17,000	20,847
Use of the Provision During the Year	(170,419)	-	-
Other Adjustments	34,799	-	-
Provision at the End of the Year	<u>-</u>	<u>133,459</u>	<u>116,459</u>
Cyclical Maintenance - Current	-	6,540	6,540
Cyclical Maintenance - Non current	-	126,919	109,919
	<u>-</u>	<u>133,459</u>	<u>116,459</u>

The schools cyclical maintenance schedule details annual painting to be undertaken, the costs associated to this annual work will vary dependent on the requirements during the year. This plan is based on the schools 10 Year Property plan and was completed in 2023.

15. Finance Lease Liability

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

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
No Later than One Year	10,606	9,000	8,984
Later than One Year and no Later than Five Years	9,391		7,050
Future Finance Charges	(1,954)		(1,417)
	<u>18,043</u>	<u>9,000</u>	<u>14,617</u>
Represented by			
Finance lease liability - Current	9,361	9,000	8,041
Finance lease liability - Non current	8,682	-	6,576
	<u>18,043</u>	<u>9,000</u>	<u>14,617</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 8.

2023	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
SiP P2 works project 233314	23,333	-	(7,870)		15,463
AMS Project 233315	49,600	-	(66,431)		(16,831)
C and J weathertightness	6,109	21,702	(27,504)		307
Fresh Air system Block A	(845)	-	-		(845)
Life cycle flooring	-	51,375	(48,795)		2,580
LSM Fencing	-	15,182	(15,182)		-
Playground - SiP	-	6,000	(6,000)		-
Totals	78,197	94,259	(171,782)	-	674

Represented by:

Funds Held on Behalf of the Ministry of Education	18,350
Funds Receivable from the Ministry of Education	17,676

2022	Opening Balances	Receipts from MoE	Payments	Board Contributions	Closing Balances
	\$	\$	\$	\$	\$
SiP P2 works project 233314	-	23,333	-	-	23,333
C and J weathertightness	-	17,493	(11,384)	-	6,109
Fresh Air system Block A	-	-	(845)	-	(845)
SiP Playground	-	54,000	(112,100)	58,100	-
Boundary Fence	99,323	-	(114,505)	15,182	-
ASM Project 233315	-	70,591	(20,991)	-	49,600
Block A modernisation	155	-	-	(155)	-
SiP Project	(531)	-	-	531	-
Site Landscaping	8,141	-	(8,036)	(105)	-
Staffroom - SiP funding	(3,218)	427	-	2,791	-
Totals	103,870	165,844	(267,861)	76,344	78,197

Represented by:

Funds Held on Behalf of the Ministry of Education	79,042
Funds Receivable from the Ministry of Education	845

17. Funds for RTLit Services

Gate Pa School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Literacy to its cluster of schools.

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held at Beginning of the Year	8,744	-	5,909
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	13,739	13,160	13,371
Total funds received	22,483	13,160	19,280
Funds Spent on Behalf of the Cluster	15,732	13,160	10,536
Funds remaining	6,751	-	8,744
Funds Held at Year End	6,751	-	8,744

18. Related Party Transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and 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.

19. Remuneration

Key management personnel compensation

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

	2023 Actual \$	2022 Actual \$
<i>Board Members</i>		
Remuneration	2,855	2,985
<i>Leadership Team</i>		
Remuneration	282,497	261,995
Full-time equivalent members	2	2
Total key management personnel remuneration	285,352	264,980

There are 6 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. The Board also has Finance meetings (8 times) with 3 members. 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	150-160	140-150
Benefits and Other Emoluments	0-5	0-5
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	4.00	2.00
110-120	3.00	0.00
120-130	1	0
	8.00	2.00

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

20. Compensation and Other Benefits Upon Leaving

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

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

21. Contingencies

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

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. In the interim, a Holidays Act first payment has been made to some current school employees. This was based on an initial estimate and covering some leave types for a portion of the remediation period.

To the extent that any obligation cannot reasonably be quantified at 31 December 2023, a contingent liability for the school may

Pay Equity settlement wash-up amounts

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 has not been calculated and therefore is not recorded in these financial statements.

(a) Capital Commitments

At 31 December 2023, the Board had capital commitments of \$244,533 (2022:\$205,590) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
SiP P2 works project 233314	249,152	7,870	241,282
Life cycle flooring Project 243169	52,046	48,795	3,251
Total	301,198	56,665	244,533

(b) Operating Commitments

As at 31 December 2023 the Board had one operating contracts:

(a) operating lease of a RT Lit vehicle; costing \$401.08 per month until September 2025

	2023 Actual \$	2022 Actual \$
No later than One Year	4,813	4,813
Later than One Year and No Later than Five Years	4,011	8,824
	8,824	13,637

23. Financial Instruments

The carrying amount of financial assets and liabilities in each of the financial instrument categories are as follows:

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	331,213	391,897	505,055
Receivables	224,939	180,000	202,140
Total Financial assets measured at amortised cost	<u>556,152</u>	<u>571,897</u>	<u>707,195</u>

Financial liabilities measured at amortised cost

Payables	358,650	208,728	245,453
Finance Leases	18,043	9,000	14,617
Total Financial Liabilities Measured at Amortised Cost	<u>376,693</u>	<u>217,728</u>	<u>260,070</u>

24. Events After Balance Date

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

25. Comparatives

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

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF GATE PA SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Auditor-General is the auditor of Gate Pa School (the School). 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 School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 17, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

- present fairly, in all material respects:
 - its financial position as at 31 December 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Benefit Entity Standards Reduced Disclosure Regime as applicable to entities that qualify as Tier 2.

Our audit was completed on 17 June 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 School for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

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

In preparing the financial statements, the Board is responsible on behalf of the School for assessing the School's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to close or merge the School, or there is no realistic alternative but to do so.

The Board's responsibilities arise from section 134 of the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the School's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the School to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Edpay payroll system, which may still contain errors. As a result, we carried out procedures to minimise the risk of material

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the Statement of Responsibility, Members of the Board Listing, Statement of Variance, Kiwisport Report, Report on how the school has given effect to Te Tiriti o Waitangi, Evaluation of the School's Students' Progress and Achievement, and the Statement of Compliance with Employment Policy, but does not include the financial statements, and our auditor's report thereon.


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

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

Independence

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

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



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