

TE KURA O OTANGAREI

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

School Directory

Ministry Number: 1069

Principal: Danelle Unuwai

School Address: William Jones Drive, Otangarei

School Postal Address: P O Box 8039, Kensington, Whangarei, 0145

School Phone: 09 437 0623

School Email: office@otangarei.school.nz

Accountant / Service Provider:

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TE KURA O OTANGAREI

Annual Financial Statements - For the year ended 31 December 2023

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TE KURA O
OTANGAREI
TŪ PONO, TŪ TIKA, TŪ AROHA, TŪ RANGATIRA

PH: (09) 437 0623 | CELL: 027 5370 623
EMAIL: office@otangarei.school.nz | FAX: (09) 437 0652
PO Box 8039, Kensington | William Jones Drive, Whangārei 0112

Education Services
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Te Kura o Otangarei

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.

Richard Witehira

Full Name of Presiding Member

[Signature]

Signature of Presiding Member

21.8.2024

Date:

Danelle Unuwaē

Full Name of Principal

[Signature]

Signature of Principal

21-8-24

Date:

Te Kura o Otangarei
Statement of Comprehensive Revenue and Expense
For the year ended 31 December 2023

		2023	2023	2022
	Notes	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Revenue				
Government Grants	2	1,302,781	1,054,695	1,352,201
Locally Raised Funds	3	145,914	8,440	111,795
Interest		12,960	500	3,002
Gain on Sale of Property, Plant and Equipment		-	-	3,895
Total Revenue		1,461,655	1,063,635	1,470,893
Expense				
Locally Raised Funds	3	12,328	5,000	9,396
Learning Resources	4	811,460	733,277	782,131
Administration	5	279,928	168,184	285,436
Interest		3,608	4,000	4,695
Property	6	254,700	177,924	168,580
Total Expense		1,362,024	1,088,385	1,250,238
Net Surplus / (Deficit) for the year		99,631	(24,750)	220,655
Other Comprehensive Revenue and Expense		-	-	-
Total Comprehensive Revenue and Expense for the Year		99,631	(24,750)	220,655

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



Te Kura o Otangarei
Statement of Changes in Net Assets/Equity
For the year ended 31 December 2023

	Notes	2023	2023	2022
		Actual \$	Budget (Unaudited) \$	Actual \$
Equity at 1 January		251,994	163,025	22,770
Total comprehensive revenue and expense for the year		99,631	(24,750)	220,655
Contributions from / (Distributions to) the Ministry of Education		-	-	8,569
Contribution - Furniture and Equipment Grant		5,167	-	-
Equity at 31 December		356,792	138,275	251,994
Accumulated comprehensive revenue and expense		356,792	138,275	251,994
Equity at 31 December		356,792	138,275	251,994

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.



Te Kura o Otangarei Statement of Financial Position

As at 31 December 2023

	Notes	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Current Assets				
Cash and Cash Equivalents	7	420,042	252,123	589,009
Accounts Receivable	8	46,835	37,607	54,115
GST Receivable		25,201	61	-
Prepayments		2,054	2,343	3,253
Inventories	9	9,111	9,752	7,090
		<u>503,243</u>	<u>301,886</u>	<u>653,467</u>
Current Liabilities				
GST Payable		-	-	8,334
Accounts Payable	11	110,193	60,340	84,628
Revenue Received in Advance	12	2,474	19,026	13,876
Provision for Cyclical Maintenance	13	-	9,900	6,982
Finance Lease Liability	14	17,164	14,863	15,357
Funds held in Trust	15	356	-	956
Funds held for Capital Works Projects	16	86,504	-	346,956
		<u>216,691</u>	<u>104,129</u>	<u>477,089</u>
Working Capital Surplus/(Deficit)		<u>286,552</u>	<u>197,757</u>	<u>176,378</u>
Non-current Assets				
Property, Plant and Equipment	10	313,218	211,077	286,615
		<u>313,218</u>	<u>211,077</u>	<u>286,615</u>
Non-current Liabilities				
Provision for Cyclical Maintenance	13	219,054	224,751	175,381
Finance Lease Liability	14	23,924	45,808	35,618
		<u>242,978</u>	<u>270,559</u>	<u>210,999</u>
Net Assets		<u><u>356,792</u></u>	<u><u>138,275</u></u>	<u><u>251,994</u></u>
Equity		<u><u>356,792</u></u>	<u><u>138,275</u></u>	<u><u>251,994</u></u>

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



Te Kura o Otangarei
Statement of Cash Flows
For the year ended 31 December 2023

		2023	2023	2022
	Note	Actual	Budget	Actual
		\$	(Unaudited)	\$
			\$	
Cash flows from Operating Activities				
Government Grants		532,984	406,094	540,020
Locally Raised Funds		137,319	8,440	101,259
Goods and Services Tax (net)		(33,535)	-	8,395
Payments to Employees		(298,319)	(246,104)	(238,595)
Payments to Suppliers		(172,839)	(83,353)	(145,325)
Interest Paid		(3,608)	(4,000)	(4,695)
Interest Received		12,985	500	2,977
Net cash from/(to) Operating Activities		174,987	81,577	264,036
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		-	-	8,696
Purchase of Property Plant & Equipment (and Intangibles)		(87,629)	(2,000)	(92,929)
Net cash from/(to) Investing Activities		(87,629)	(2,000)	(84,233)
Cash flows from Financing Activities				
Furniture and Equipment Grant		5,167	-	-
Finance Lease Payments		(14,238)	(20,565)	(13,428)
Funds Administered on Behalf of Other Parties		(247,254)	-	229,523
Net cash from/(to) Financing Activities		(256,325)	(20,565)	216,095
Net increase/(decrease) in cash and cash equivalents		(168,967)	59,012	395,898
Cash and cash equivalents at the beginning of the year	7	589,009	193,111	193,111
Cash and cash equivalents at the end of the year	7	420,042	252,123	589,009

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

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



Te Kura o Otangarei Notes to the Financial Statements For the year ended 31 December 2023

1. Statement of Accounting Policies

a) Reporting Entity

Te Kura o Otangarei (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 13.



Useful lives of property, plant and equipment

The School reviews the estimated useful lives of property, plant and equipment at the end of each reporting date. The School believes that the estimated useful lives of the property, plant and equipment as disclosed in the significant accounting policies are appropriate to the nature of the property, plant and equipment at reporting date. Property, plant and equipment is disclosed at note 10.

Critical Judgements in applying accounting policies

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

Classification of leases

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

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 14. Future operating lease commitments are disclosed in note 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 Clothing 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 are depreciated over their estimated useful lives on a straight line 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	40 years
Buildings	40 years
Furniture and Equipment	5-18 years
Information and Communication Technology	4 years
Library Resources	8 years
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 School carries out painting maintenance of the whole school over a 7 to 10 year period. The economic outflow of this is dependent on the plan established by the school to meet this obligation and is detailed in the notes and disclosures of these accounts.

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 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Government Grants - Ministry of Education	638,579	406,715	649,956
Teachers' Salaries Grants	518,847	537,627	578,269
Use of Land and Buildings Grants	144,533	110,353	123,586
Other Government Grants	822	-	390
	<u>1,302,781</u>	<u>1,054,695</u>	<u>1,352,201</u>

The school has opted in to the donations scheme for this year. Total amount received was \$15,104.

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	57,944	440	2,105
Fees for Extra Curricular Activities	1,142	-	4,799
Trading	5,075	5,000	6,879
Fundraising & Community Grants	80,155	3,000	98,012
Other Revenue	1,598	-	-
	<u>145,914</u>	<u>8,440</u>	<u>111,795</u>
Expense			
Extra Curricular Activities Costs	-	-	126
Trading	10,697	5,000	9,270
Fundraising & Community Grant Costs	1,631	-	-
	<u>12,328</u>	<u>5,000</u>	<u>9,396</u>
Surplus for the year Locally Raised Funds	<u>133,586</u>	<u>3,440</u>	<u>102,399</u>

4. Learning Resources

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Curricular	52,087	21,800	27,066
Equipment Repairs	1,714	2,800	6,699
Library Resources	510	538	709
Employee Benefits - Salaries	678,744	655,539	689,002
Staff Development	8,809	4,600	7,104
Depreciation	66,496	46,000	50,529
Information Communication Technology	3,100	2,000	1,022
	<u>811,460</u>	<u>733,277</u>	<u>782,131</u>



5. Administration

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Audit Fees	4,500	4,500	4,400
Board Fees	2,040	3,240	3,375
Board Expenses	5,279	3,590	2,322
Communication	2,620	3,490	3,224
Consumables	1,456	2,100	2,801
Operating Leases	4,319	4,344	3,824
Other	13,811	11,418	10,044
Employee Benefits - Salaries	129,048	128,192	148,897
Insurance	1,265	-	1,330
Service Providers, Contractors and Consultancy	7,404	7,310	6,912
Healthy School Lunch Programme	108,186	-	98,307
	279,928	168,184	285,436

6. Property

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Caretaking and Cleaning Consumables	7,520	4,292	7,389
Cyclical Maintenance Provision	40,191	18,861	(2,466)
Grounds	22,076	20,330	10,021
Heat, Light and Water	25,356	11,988	15,208
Rates	1,270	2,500	(3,507)
Repairs and Maintenance	4,930	4,600	9,521
Use of Land and Buildings	144,533	110,353	123,586
Security	8,824	5,000	8,828
	254,700	177,924	168,580

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



7. Cash and Cash Equivalents

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Bank Accounts	420,042	252,123	589,009
Cash and cash equivalents for Statement of Cash Flows	<u>420,042</u>	<u>252,123</u>	<u>589,009</u>

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

Of the \$420,042 Cash and Cash Equivalents \$86,504 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 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Receivables	618	513	5,899
Interest Receivable	-	-	25
Banking Staffing Underuse	-	3,450	-
Teacher Salaries Grant Receivable	46,217	33,644	48,191
	<u>46,835</u>	<u>37,607</u>	<u>54,115</u>
Receivables from Exchange Transactions	618	513	5,924
Receivables from Non-Exchange Transactions	46,217	37,094	48,191
	<u>46,835</u>	<u>37,607</u>	<u>54,115</u>

9. Inventories

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Clothing	4,094	3,006	2,220
Stationery	5,017	6,746	4,870
	<u>9,111</u>	<u>9,752</u>	<u>7,090</u>



10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2023	\$	\$	\$	\$	\$	\$
Buildings	5,007	-	-	-	(420)	4,587
Building Improvements	127,670	-	-	-	(8,296)	119,374
Furniture and Equipment	72,765	71,593	-	-	(21,450)	122,908
Information and Communication Technology	55,223	16,035	-	-	(23,977)	47,281
Leased Assets	25,607	5,471	-	-	(12,304)	18,774
Library Resources	343	-	-	-	(49)	294
Balance at 31 December 2023	286,615	93,099	-	-	(66,496)	313,218

The net carrying value of equipment held under a finance lease is \$18,774 (2022: \$25,607)

Restrictions

With the exception of the contractual restrictions related to the above noted finance leases, there are no restrictions over the title of the school's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

	2023	2023	2023	2022	2022	2022
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Buildings	16,770	(12,183)	4,587	16,770	(11,763)	5,007
Building Improvements	208,588	(89,214)	119,374	208,588	(80,918)	127,670
Furniture and Equipment	175,796	(52,888)	122,908	168,998	(96,233)	72,765
Information and Communication Technology	155,617	(108,336)	47,281	148,480	(93,257)	55,223
Leased Assets	57,488	(38,714)	18,774	55,993	(30,386)	25,607
Library Resources	51,356	(51,062)	294	51,356	(51,013)	343
Balance at 31 December	665,615	(352,397)	313,218	650,185	(363,570)	286,615

11. Accounts Payable

	2023	2023	2022
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Creditors	53,171	3,279	23,152
Accruals	4,500	4,300	4,400
Banking Staffing Overuse	4,400	17,350	6,873
Employee Entitlements - Salaries	46,217	33,644	48,191
Employee Entitlements - Leave Accrual	1,905	1,767	2,012
	110,193	60,340	84,628
Payables for Exchange Transactions	110,193	60,340	84,628
Payables for Non-exchange Transactions - Taxes Payable (PAYE and Rates)	-	-	-
Payables for Non-exchange Transactions - Other	-	-	-
	110,193	60,340	84,628

The carrying value of payables approximates their fair value.



12. Revenue Received in Advance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Grants in Advance - Ministry of Education	2,474	-	-
Other Revenue In Advance	-	19,026	13,876
	<u>2,474</u>	<u>19,026</u>	<u>13,876</u>

13. Provision for Cyclical Maintenance

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Provision at the Start of the Year	182,363	215,790	194,740
Increase to the Provision During the Year	18,861	18,861	18,861
Use of the Provision During the Year	(3,500)	-	(9,911)
Other Adjustments	21,330	-	(21,327)
Provision at the End of the Year	<u>219,054</u>	<u>234,651</u>	<u>182,363</u>
Cyclical Maintenance - Current	-	9,900	6,982
Cyclical Maintenance - Non current	219,054	224,751	175,381
	<u>219,054</u>	<u>234,651</u>	<u>182,363</u>

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

14. 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	19,846	14,863	18,965
Later than One Year and no Later than Five Years	25,309	45,808	38,900
Future Finance Charges	(4,067)	-	(6,890)
	<u>41,088</u>	<u>60,671</u>	<u>50,975</u>
Represented by			
Finance lease liability - Current	17,164	14,863	15,357
Finance lease liability - Non current	23,924	45,808	35,618
	<u>41,088</u>	<u>60,671</u>	<u>50,975</u>



15. Funds held in Trust

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Funds Held in Trust on Behalf of Third Parties - Current	356	-	956
Funds Held in Trust on Behalf of Third Parties - Non-current	-	-	-
	356	-	956

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

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.

	2023	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Blocks 1,2,4,5 electrical works		206304	1,100	-	(1,100)	-	-
Roof,Heat,Fire,Toilet		229980	142,862	-	(130,884)	-	11,978
Boundary Fencing		231381	94,253	(82,485)	(11,768)	-	-
Hall Refurbishment		229981	108,741	-	(34,215)	-	74,526
Totals			346,956	(82,485)	(177,967)	-	86,504

Represented by:

Funds Held on Behalf of the Ministry of Education	86,504
Funds Receivable from the Ministry of Education	-

	2022	Project No.	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions	Closing Balances \$
Swimming Pool Repairs Income		207960	4,998	(4,998)	-	-	-
Blocks 1,2,4,5 electrical works		206304	1,100	-	-	-	1,100
Roof,Heat,Fire,Toilet		229980	91,727	100,250	(49,115)	-	142,862
Boundary Fencing		231381	20,940	200,000	(126,687)	-	94,253
Hall Refurbishment		229981	(376)	110,675	(1,558)	-	108,741
Totals			118,389	405,927	(177,360)	-	346,956

Represented by:

Funds Held on Behalf of the Ministry of Education	346,956
Funds Receivable from the Ministry of Education	-



17. Related Party Transactions

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

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

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	2,040	3,375
<i>Leadership Team</i>		
Remuneration	234,934	213,088
Full-time equivalent members	2.00	2.00
Total key management personnel remuneration	236,974	216,463

There are 5 members of the Board excluding the Principal. The Board has held 7 full meetings of the Board in the year. The Board also has Finance (5 members) and Property (5 members) committees that met 7 and 7 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 1

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	110 - 120	110 - 120
Benefits and Other Emoluments	3 - 4	-
Termination Benefits	-	-

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

Salary and Other Payments	0 - 10	-
Benefits and Other Emoluments	-	-
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	2.00	1.00
110 - 120	-	1.00
	2.00	2.00

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



19. Compensation and Other Benefits Upon Leaving

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

	2023 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 \$2,966,212 (2022: \$2,226,664) as a result of entering the following contracts:

Contract Name	Contract Amount	Spend To Date	Remaining Capital Commitment
	\$	\$	\$
Roof, Heat, Fire, Toilet	2,092,633	197,022	1,895,611
Hall Refurbishment	1,106,750	36,149	1,070,601
Total	3,199,383	233,171	2,966,212

(b) Operating Commitments

As at 31 December 2023, the Board has entered into the following contracts:

(a) operating lease of photocopiers;

	2023 Actual \$	2022 Actual \$
No later than One Year	3,784	4,164
Later than One Year and No Later than Five Years	4,635	8,419
Later than Five Years	-	-
	<u>8,419</u>	<u>12,583</u>

The total lease payments incurred during the period were \$4,319 (2022: \$3,824).



22. Financial Instruments

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

Financial assets measured at amortised cost

	2023 Actual \$	2023 Budget (Unaudited) \$	2022 Actual \$
Cash and Cash Equivalents	420,042	252,123	589,009
Receivables	46,835	37,607	54,115
Investments - Term Deposits	-	-	-
Total financial assets measured at amortised cost	466,877	289,730	643,124

Financial liabilities measured at amortised cost

Payables	110,193	60,340	84,628
Finance Leases	41,088	60,671	50,975
Total financial liabilities measured at amortised cost	151,281	121,011	135,603

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.



Te Kura o Otangarei

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Nina Stanley	Presiding Member	Elected	Dec 2023
Danelle Unuwai	Principal	ex Officio	
Lisa Godsall	Parent Representative	Elected	Jun 2023
Robert Stanley	Parent Representative	Elected	Dec 2023
Janine Kaipō	Parent Representative	Elected	Jun 2025
Richard Witehira	Parent Representative	Elected	Jun 2025
Terynne Mills-Barber	Staff Representative	Elected	Jun 2025

Te Kura o Otangarei

Kiwisport

Kiwisport is a Government funding initiative to support students' participation in organised sport. In 2023, the school received total Kiwisport funding of \$1,421 (excluding GST). The funding was spent on sporting endeavours.

Statement of Compliance with Employment Policy

For the year ended 31st December 2023 the Te Kura o Otangarei Board:

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

Analysis of Variance Reporting



School Name:	Te Kura o Otangarei – 2023	School Number: 1069
Strategic Aim:	<p>Whaia te Matauranga hei oranga mo koutou.</p> <p>NELP/Objective 3 – Quality Teaching and Leadership To ensure student progress and engagement, quality professional learning and support is essential.</p>	
Annual Aim:	<p>To develop professional learning communities and strengthen teacher knowledge and capabilities in teaching Numeracy.</p>	
Target:	<p>Staff professional learning to be aligned with Schoolwide goals and identifies through School self-review programmes.</p> <p>Development of Professional Growth Cycle.</p> <p>Individual professional development programs to support pathways and in particular best Mathematics practices.</p> <p>Through the use of learning progressions framework in Literacy there will be increased knowledge of using this resource/tool to understand curriculum levels, plan and teacher rich literacy tasks that are authentic to students needs and cultural backgrounds.</p>	
Baseline Data:	<p>All staff identified the need through professional goal setting the need to develop knowledge and capability in teaching and learning Mathematics.</p> <p>Data in Mathematics was well below and below expected levels in each cohort with the need for continued professional development.</p>	

Actions <i>What did we do?</i>	Outcomes <i>What happened?</i>	Reasons for the variance <i>Why did it happen?</i>	Evaluation <i>Where to next?</i>
<p>As a Staff we go through the Quality Practice statements in Term 1 and Term 3 and discuss and record what this looks like at Te Kura o Otangarei.</p> <p>Each staff member meets for a one on one Hui with the Tumuaki in T1 and T3 to discuss professional learning goals and what supports/steps they may need to get there.</p> <p>Kaiako plan in syndicates and support is in place where needed.</p> <p>Observations will be undertaken as well as the use IRIS – professional growth tool.</p> <p>We looked at Mathematics data as a base to start with.</p> <p>We talked with Tamariki to gather student voice in Mathematics.</p> <p>We applied for PLD with Maths facilitator 2023.</p> <p>We have been working with a SAF group to help improve learning outcomes for students.</p>	<p>Staff were able to discuss their own learning needs and barriers so we are able to set some professional learning goals for Mathematics.</p> <p>We were able to discuss and decide on what quality practice looks like in all six areas at Te Kura o Otangarei.</p> <p>We developed staff expectations and clear outlines where each staff member worked alongside a Tuakana for support, guidance and reflection.</p> <p>We worked alongside our PLD facilitator to become familiar with Maths learning progressions Framework to help us plan, teach and evaluate teaching and learning programmes.</p> <p>We came together once per fortnight to discuss our learning in PLD/PLC hui.</p> <p>Our students have become more engaged and teaching and learning is learner focused.</p> <p>Improvement in engagement and participation of reluctant learners.</p>	<p>Staff identified the need to develop knowledge in teaching Mathematics and best teaching practice.</p> <p>Senior leadership team identified a need when we implemented a transparent planning process at the beginning of the year.</p> <p>Staff needed development with understanding the progressions and the levelling of students curriculum levels.</p> <p>We needed regular times to meet, discuss and unpack knowledge and around the teaching and learning process, planning and assessment.</p> <p>Staff are beginning to think critically about their practice and reflect on effective teaching of Mathematics.</p> <p>Students are learning to work together co-operatively in mixed ability groups, discuss and share their mathematical ideas and thinking.</p>	<p>We are working on our Charter and Strategic Plan alongside our Kaiako, leadership and Board of Trustees.</p> <p>We will continue to work alongside our PLD facilitator towards specific Maths goals/targets.</p> <p>Our PLD facilitator will continue to work alongside staff with regular self-review of individual programmes and syndicate and schoolwide programmes.</p> <p>We will analyse end of year data to set specific targets.</p> <p>To incorporate our localised curriculum and stories into our Maths learning to create meaningful and authentic learning experiences.</p> <p>To continue our work with the Professional Growth Cycle and quality practice statements at Te Kura o Otangarei T1 and T3.</p> <p>Keep developing the knowledge and sharing learning with BOT.</p> <p>Continue to apply for PLD Hours to keep building capability within our Kura.</p>



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Planning for next year:

Key targets will specifically linked to achievement in Mathematics.
A teacher survey will be undertaken at the end of 2022 so we can compare midyear in T2 2023.
Continued professional development using the Maths progressions to plan and teach effectively.
Continued professional development around effective teaching pedagogy.
Using various strategies to engage staff during PLD and cater to their specific learning needs.
Apply for more PLD hours mid year 2023 for Mathematics /Cognition.

Based on End of Year OTJs

Achievement data - Students in total - 39

Kura Auraki - Mainstream Years 4 -8

Writing data		
Number of students	Percentage	Expected achievement
22	56%	Well below
12	31%	Below
5	13%	At
7	18%	Well below
18	46%	Below
14	36%	At
		Above
9	23%	Well below
21	54%	Below
9	23%	At

Achievement data -

Students in total - 12

Rumaki Reo - Years 4-8

Tuhituhi data		
Number of students	Percentage	Expected achievement
8	67%	Well below
4	33%	Below
		At
Summary		
3	25%	Well below
6	50%	Below
1	8.3%	At
Overall		
2	17%	Well below
9	75%	Below
1	8%	At

Achievement data -

Students in total -

Transition Class - Years 8 (Special Character Class) Students with anxiety or ICS

Tuhituhi data		
Number of students	Percentage	Expected achievement
6	75%	Well below
1	12.5%	Below
1	12.5%	At
Range		
5	62.5%	Well below
2	25%	Below
1	12.5%	At
Range		
6	75%	Well below
1	12.5%	Below
1	12.5%	At

What the data shows.

What the data reflects is a snapshot of learning data gathered from our School SMS based on OTJ's which are moderated collaboratively. There are a variety of reasons for where our data and student achievement is sitting.

Our students are in a low socio economic community where there are high levels of dysfunction in the home such as poverty, financial hardship, unfit living situations, addictions in the home which is reflected on the state that our tamariki come to School in.

Our school roll and our staff are 100% Māori. All our programmes cater for māori learners and all staff are well equipped in culturally responsive teaching practices and pedagogy.

Our vision

At Te Kura o Otangarei we uphold and lead with our School Vision which is outlined in our School's strategic plan and we offer a learning environment that is driven by Trauma informed teaching practices and response so that we cater to the needs of our students Whare Tapa Wha and their wellbeing.

Our staff have high expectations for all with a goal of excellence and equity for all.

We believe in our vision of Tū pono, Tū tika, Tū Aroha, Tū Rangatira! Be true to yourself, do the right thing, be kind and have self autonomy and self management of yourself.

Statement of variance

Our statement of variance and the main focus of our Statement of variance was focused on Maths and the professional learning plan that we have been working on since 2022. We have chosen to focus on developing sound practices of teaching and learning in Mathematics supported by professional facilitators to develop teaching capabilities that are sustainable over time.

Te Tiriti of Waitangi

This is woven into our strategic plan and reviewed regularly throughout the year.

Based on End of Year OTJJs

Achievement data - Students in total - 32

Kura Auraki - Mainstream Years 4 -8

Writing data		
Number of students	Percentage	Expected achievement
9	29 %	Well below
11	34 %	Below
12	37 %	At
22	69%	Well below
9	28 %	Below
1	3%	At
		Above
7	21%	Well below
9	28 %	Below
16	51 %	At

Achievement data -

Students in total - 13

Rumaki Reo - Years 3-8

Tuhituhi data		
Number of students	Percentage	Expected achievement
6	46 %	Well below
7	54 %	Below
		At
3	23 %	Well below
9	70 %	Below
1	7 %	At
7	54 %	Well below
4	31 %	Below
2	15 %	At

Achievement data -
Students in total - 5

Transition Class - Years 8 (Special Character Class) Students with anxiety or ICS

Tuhituhi data		
Number of students	Percentage	Expected achievement
		Well below
		Below
		At
4	80 %	Well below
		Below
1	20 %	At
Program		
3	60 %	Well below
2	40 %	Below
		At



**TE KURA O
OTANGAREI**
TŪ PONO. TŪ TIKA. TŪ AROHA. TŪ RANGATIRA

2023 - 2026

**Te Tiriti o Waitangi is an integral part of all practices within our Kura.
Implementation plan and processes**

Partnership: The Treaty created a relationship between Māori and the Crown and both parties must act with the utmost good faith.

Our tamariki are taught values that will help them to become good citizens and also stand up to injustices, racism and prejudices.

Participation: The Crown will provide tāngata whenua with opportunities to engage with decision making processes at all levels.

Our tamariki are taught thinking skills and communicating skills; (Speaking, reading, writing and presenting) so that they are able to participate in decision making when they have the opportunity.

Our tamariki actively participate in hīkoi where they are able to share their voice.

Protection: Active protection of Māori interests, rights, taonga and rangatiratanga must be a government priority.

Our tamariki actively participate in tikanga such as karakia, himene, whakatau, pōwhiri, poroporoaki, visiting marae, sacred whenua & participating in kapa haka. They are able to hear and interact with kaiako and tamariki who are fluent māori speakers. They learn the history of their tūpuna and learn the importance of pepeha. Our kura has a Rumaki Reo class that is dedicated to helping tamariki become fluent Māori speakers.

Our kura environment reflects the stories of our tūpuna. (Signage, whakatauki, Whakairo, school uniforms.)

Our tamariki have many māori books available for them to read.

All senior tamariki have access to chromebooks that give them access to Māori websites that help them with their Māori learning journeys.

All classes are equipped with Smart boards which allow classes to access learnings to support Te Tiriti o Waitangi studies.

All of our mainstream classes are operating at Level 3- 30% instruction in Te Reo Māori. Te Ao Māori and tikanga māori are an integral part of all classroom learning programmes. Our Kaiako have PLD on Te Tiriti o Waitangi & Tāhuhu kōrero that they are able to implement into their class teachings.

**INDEPENDENT AUDITOR'S REPORT
TO THE READERS OF TE KURA O OTANGAREI'S
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

57 Clyde Street
PO Box 627
WHANGAREI 0140
Phone: (09) 438 2312
Fax: (09) 438 2912
info@bennettca.co.nz
www.bennettca.co.nz

The Auditor-General is the auditor of Te Kura o Otangarei (the School). The Auditor-General has appointed me, Steve Bennett, using the staff and resources of Bennett & Associates, to carry out the audit of the financial statements of the School on his behalf.

Opinion

We have audited the financial statements of the School on pages 2 to 20, that comprise the statement of financial position as at 31 December 2023, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 21 August 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, in terms of the requirements of the Education and Training Act 2020, arise from section 87 of the Education Act 1989.

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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



- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We assess the risk of material misstatement arising from the Novopay 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 Analysis of Variance, the Kiwisport Statement, the List of Trustees and Statement of Responsibility 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.



Steve Bennett
BENNETT & ASSOCIATES
On behalf of the Auditor-General
Whangarei, New Zealand

