

# CANNONS CREEK SCHOOL

## ANNUAL REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**



Ministry Number:	2818
Principal:	Katrina Day
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Accountant / Service Provider:	Accounting For Schools Limited

# CANNONS CREEK SCHOOL

Annual Report - For the year ended 31 December 2022

## Index

<b>Page</b>	<b>Statement</b>
	<b>Financial Statements</b>
1	Statement of Responsibility
2	Statement of Comprehensive Revenue and Expense
3	Statement of Changes in Net Assets/Equity
4	Statement of Financial Position
5	Statement of Cash Flows
6 - 11	Statement of Accounting Policies
12 - 19	Notes to the Financial Statements
	<b>Other Information</b>
20	Members of the Board
21	Kiwisport / Statement of Compliance with Employment Policy
22 - 24	Independent Auditors Report
25	Analysis of variance

# CANNONS CREEK SCHOOL

## Statement of Responsibility

For the year ended 31 December 2022

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

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

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

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

Willie Teo

Full Name of Presiding Member

Kat Day

Full Name of Principal

Willie Teo

Signature of Presiding Member

Katrina Day

Signature of Principal

Date:

11/8/2023.

Date:

11-8-23

# CANNONS CREEK SCHOOL

## Statement of Comprehensive Revenue and Expense For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Revenue</b>				
Government Grants	2	1,757,117	1,620,446	1,455,160
Locally Raised Funds	3	142,710	21,000	133,452
Interest income		728	300	521
		<u>1,900,555</u>	<u>1,641,746</u>	<u>1,589,133</u>
<b>Expenses</b>				
Locally Raised Funds	3	29,026	-	15,070
Learning Resources	4	1,134,096	1,052,100	1,151,267
Administration	5	170,974	129,800	243,206
Finance		535	635	490
Property	6	476,656	458,550	195,782
		<u>1,811,287</u>	<u>1,641,085</u>	<u>1,605,815</u>
<b>Net Surplus / (Deficit) for the year</b>		<b>89,268</b>	<b>661</b>	<b>(16,682)</b>
Other Comprehensive Revenue and Expense		-	-	-
<b>Total Comprehensive Revenue and Expense for the Year</b>		<b><u>89,268</u></b>	<b><u>661</u></b>	<b><u>(16,682)</u></b>

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

# CANNONS CREEK SCHOOL

## Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

Notes	Actual 2022 \$	Budget (Unaudited) 2022 \$	Actual 2021 \$
<b>Balance at 1 January</b>	230,019	230,019	213,816
Total comprehensive revenue and expense for the year	89,268	661	(16,682)
Capital Contributions from the Ministry of Education Contribution - Furniture and Equipment Grant	-	-	32,885
<b>Equity at 31 December</b>	<b>319,287</b>	<b>230,680</b>	<b>230,019</b>
Accumulated comprehensive revenue and expense	319,287	230,680	230,019
<b>Equity at 31 December</b>	<b>319,287</b>	<b>230,680</b>	<b>230,019</b>

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

# CANNONS CREEK SCHOOL

## Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
<b>Current Assets</b>				
Cash and Cash Equivalents	7	29,169	23,473	46,746
Accounts Receivable	8	83,587	72,150	63,581
GST Receivable		7,620	7,000	13,227
Prepayments		6,642	6,000	1,300
Investments	9	20,092	20,000	55,909
Funds owed for Capital Works Projects	16	5,198	2,000	5,198
		152,308	130,623	185,961
<b>Current Liabilities</b>				
Accounts Payable	11	144,219	158,743	127,489
Revenue Received in Advance	13	-	700	720
Finance Lease Liability	15	3,505	3,500	4,065
Funds held for Capital Works Projects	16	3,400	-	3,400
		151,124	162,943	135,674
<b>Working Capital Surplus/(Deficit)</b>		1,184	(32,320)	50,287
<b>Non-current Assets</b>				
Property, Plant and Equipment	10	397,064	340,000	272,927
		397,064	340,000	272,927
<b>Non-current Liabilities</b>				
Borrowings	12	-	-	28,573
Provision for Cyclical Maintenance	14	75,000	75,000	62,500
Finance Lease Liability	15	3,961	2,000	2,122
		78,961	77,000	93,195
<b>Net Assets</b>		319,287	230,680	230,019
<b>Equity</b>		319,287	230,680	230,019

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

# CANNONS CREEK SCHOOL

## Statement of Cash Flows

For the year ended 31 December 2022

	2022	2022	2021
Note	Actual \$	Budget (Unaudited) \$	Actual \$
<b>Cash flows from Operating Activities</b>			
Government Grants	598,930	419,119	551,729
Locally Raised Funds	133,815	21,000	133,452
Goods and Services Tax (net)	5,608	6,226	(2,495)
Payments to Employees	(343,976)	(241,704)	(411,444)
Payments to Suppliers	(240,332)	(122,114)	(175,626)
Interest Paid	(535)	(635)	(490)
Interest Received	742	461	506
<b>Net cash from/(to) Operating Activities</b>	<b>154,252</b>	<b>82,353</b>	<b>95,632</b>
<b>Cash flows from Investing Activities</b>			
Purchase of Property Plant & Equipment (and Intangibles)	(174,561)	(112,073)	(94,565)
Purchase of Investments	35,817	35,909	(20,452)
<b>Net cash from/(to) Investing Activities</b>	<b>(138,744)</b>	<b>(76,164)</b>	<b>(115,017)</b>
<b>Cash flows from Financing Activities</b>			
Furniture and Equipment Grant	-	-	32,885
Finance Lease Payments	(4,512)	(687)	(9,167)
Loans Received/ Repayment of Loans	(28,573)	(28,573)	-
Funds on behalf of third parties	-	(202)	16,427
<b>Net cash from/(to) Financing Activities</b>	<b>(33,085)</b>	<b>(29,462)</b>	<b>40,145</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(17,577)</b>	<b>(23,273)</b>	<b>20,760</b>
Cash and cash equivalents at the beginning of the year	7 46,746	46,746	25,986
<b>Cash and cash equivalents at the end of the year</b>	<b>7 29,169</b>	<b>23,473</b>	<b>46,746</b>

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

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

# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1. Statement of Accounting Policies

#### a) Reporting Entity

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

#### b) Basis of Preparation

##### *Reporting Period*

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

##### *Basis of Preparation*

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

##### *Financial Reporting Standards Applied*

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

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

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

##### *Measurement Base*

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

##### *Presentation Currency*

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

##### *Specific Accounting Policies*

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

##### *Critical Accounting Estimates And Assumptions*

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

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

##### *Cyclical maintenance*

A school recognises its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's long term maintenance plan which is prepared as part of its 10 Year Property Planning process. During the year, the Board assesses the reasonableness of its 10 Year Property Plan on which the provision is based. Cyclical maintenance is disclosed at note 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 10.



# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### ***Critical Judgements in applying accounting policies***

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

##### ***Classification of leases***

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 21b.

##### ***Recognition of grants***

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

#### c) Revenue Recognition

##### ***Government Grants***

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

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

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

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

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

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

##### ***Other Grants where conditions exist***

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

# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### **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) Investments**

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

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

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

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

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

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

# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. Statement of Accounting Policies

##### **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 straight line method. Depreciation of all assets is reported in the Statement of Comprehensive Revenue and Expense.

The estimated useful lives of the assets are:

Building improvements to Crown Owned Assets	10–75 years
Furniture and equipment	10–15 years
Information and communication technology	4–5 years
Motor vehicles	5 years
Textbooks	3 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	8 years

##### **j) Impairment of property, plant, and equipment and intangible assets**

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

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

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

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

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

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

# **CANNONS CREEK SCHOOL**

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### **1. Statement of Accounting Policies**

##### **k) Accounts Payable**

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

##### **l) Employee Entitlements**

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

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

###### *Long-term employee entitlements*

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

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

##### **m) Revenue Received in Advance**

Revenue received in advance relates to fees received from [international, hostel 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.

##### **n) 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.

##### **o) 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.

# **CANNONS CREEK SCHOOL**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2022**

#### **1. Statement of Accounting Policies**

##### **p) Financial Instruments**

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

The School's financial liabilities comprise accounts payable, 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.

##### **q) 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.

##### **r) Goods and Services Tax (GST)**

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

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

Commitments and contingencies are disclosed exclusive of GST.

##### **s) Budget Figures**

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

##### **t) Services received in-kind**

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

# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 2. Government Grants

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Government Grants – Ministry of Education	607,445	500,446	647,546
Teachers' Salaries Grants	797,790	770,000	760,660
Use of Land and Buildings Grants	351,882	350,000	46,954
	<u>1,757,117</u>	<u>1,620,446</u>	<u>1,455,160</u>

The School has opted in to the donations scheme for this year. Total amount received was \$18,600 (2021: \$20,100).

#### 3. Locally Raised Funds

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Revenue</b>			
Fundraising & Community Grants	132,780	15,500	126,957
Fees for Extra Curricular Activities	9,790	5,500	6,225
Trading	140	-	270
	<u>142,710</u>	<u>21,000</u>	<u>133,452</u>
<b>Expenses</b>			
Extra Curricular Activities Costs	-	-	6,890
Fundraising & Community Grants Costs	29,026	-	8,180
	<u>29,026</u>	<u>-</u>	<u>15,070</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>113,684</u>	<u>21,000</u>	<u>118,382</u>

#### 4. Learning Resources

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
Curricular	35,098	44,600	37,262
Information and Communication Technology	1,424	1,500	-
Depreciation	56,216	45,000	51,087
Employee Benefits - Salaries	1,029,084	952,000	1,052,355
Staff Development	12,274	9,000	10,563
	<u>1,134,096</u>	<u>1,052,100</u>	<u>1,151,267</u>

**CANNONS CREEK SCHOOL**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**5. Administration**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Audit Fee	5,825	8,000	8,217
Board Fees	3,170	2,500	2,699
Board Expenses	1,949	3,000	70
Communication	4,483	3,000	4,098
Consumables	10,393	6,900	9,249
Healthy School Lunches	-	-	108,013
Operating Lease	585	5,500	6,252
Other	14,669	14,900	13,859
Employee Benefits - Salaries	128,460	86,000	90,749
Insurance	1,440	-	-
	<b>170,974</b>	<b>129,800</b>	<b>243,206</b>

**6. Property**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Caretaking and Cleaning Consumables	2,999	3,000	3,669
Consultancy and Contract Services	41,242	33,000	16,328
Cyclical Maintenance Provision	12,500	12,000	15,441
Grounds	4,384	4,300	7,712
Heat, Light and Water	13,555	17,500	21,400
Rates	5,055	9,000	5,879
Repairs and Maintenance	36,608	18,750	40,667
Use of Land and Buildings	351,882	350,000	46,954
Employee Benefits - Salaries	8,431	11,000	37,732
	<b>476,656</b>	<b>458,550</b>	<b>195,782</b>

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**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>(Unaudited)</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash on Hand	100	100	100
Bank Current Account	12,612	11,873	45,446
Bank Call Account	16,457	11,500	1,200
Cash and cash equivalents for Statement of Cash Flows	<b>29,169</b>	<b>23,473</b>	<b>46,746</b>

# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	8,175	8,000	-
Interest Receivable	149	150	163
Teacher Salaries Grant Receivable	75,263	64,000	63,418
	<u>83,587</u>	<u>72,150</u>	<u>63,581</u>
Receivables from Exchange Transactions	8,324	8,150	163
Receivables from Non-Exchange Transactions	75,263	64,000	63,418
	<u>83,587</u>	<u>72,150</u>	<u>63,581</u>

#### 9. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	20,092	20,000	55,909
Total Investments	<u>20,092</u>	<u>20,000</u>	<u>55,909</u>

#### 10. Property, Plant and Equipment

2022	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
Land and Building Improvements	100,714	22,660	-	-	(9,860)	113,514
Furniture and Equipment	88,504	122,165	-	-	(22,190)	188,479
Information Technology	49,757	8,479	-	-	(18,259)	39,977
Motor Vehicles	-	45,712	-	-	(1,524)	44,188
Leased Assets	5,064	5,791	-	-	(3,832)	7,023
Library Resources	4,185	249	-	-	(551)	3,883
Work in Progress	24,703	-	(24,703)	-	-	-
<b>Balance at 31 December</b>	<u>272,927</u>	<u>205,056</u>	<u>(24,703)</u>	<u>-</u>	<u>(56,216)</u>	<u>397,064</u>

The net carrying value of equipment held under a finance lease is \$7,023 (2021: \$5,064)



**CANNONS CREEK SCHOOL**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**10. Property, Plant and Equipment (Cont.)**

	2022	2022	2022	2021	2021	2021
	Cost or	Accumulated	Net Book	Cost or	Accumulated	Net Book
	Valuation	Depreciation	Value	Valuation	Depreciation	Value
	\$	\$	\$	\$	\$	\$
Land and Building Improvements	202,875	(89,361)	113,514	180,215	(79,501)	100,714
Furniture and Equipment	343,753	(155,274)	188,479	221,588	(133,084)	88,504
Information Technology	102,318	(62,341)	39,977	93,839	(44,082)	49,757
Motor Vehicles	45,712	(1,524)	44,188	-	-	-
Leased Assets	45,991	(38,968)	7,023	40,200	(35,136)	5,064
Library Resources	8,555	(4,672)	3,883	8,308	(4,123)	4,185
Work in Progress	-	-	-	24,703	-	24,703
<b>Balance at 31 December</b>	<b>749,204</b>	<b>(352,140)</b>	<b>397,064</b>	<b>568,853</b>	<b>(295,926)</b>	<b>272,927</b>

**11. Accounts Payable**

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Creditors	37,420	48,746	47,137
Accruals	5,625	7,000	6,717
Banking Staffing Overuse	-	-	8,515
Employee Entitlements - Salaries	100,558	100,000	63,418
Employee Entitlements - Leave Accrual	616	3,000	1,702
	<b>144,219</b>	<b>158,746</b>	<b>127,489</b>
Payables for Exchange Transactions	144,219	158,746	127,489
	<b>144,219</b>	<b>158,746</b>	<b>127,489</b>

The carrying value of payables approximates their fair value.

**12. Borrowings**

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
	\$	\$	\$
Due Beyond One Year	-	-	28,573
	<b>-</b>	<b>-</b>	<b>28,573</b>

This balance relates to a Novopay discrepancy when the payroll system was first introduced.

**CANNONS CREEK SCHOOL**  
Notes to the Financial Statements  
For the year ended 31 December 2022

**13. Revenue Received in Advance**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Other	-	700	720
	-	700	720

**14. Provision for Cyclical Maintenance**

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	62,500	62,500	47,059
Increase/ (decrease) to the Provision During the Year	12,500	12,000	15,441
Other Adjustments	-	500	-
Use of the Provision During the Year	-	-	-
Provision at the End of the Year	75,000	75,000	62,500
Cyclical Maintenance - Current	-	-	-
Cyclical Maintenance - Non Current	75,000	75,000	62,500
	75,000	75,000	62,500

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.

**15. Finance Lease Liability**

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	4,030	3,900	4,408
Later than One Year and no Later than Five Years	4,222	2,200	2,313
Future Finance Charges	(786)	(600)	(534)
	7,466	5,500	6,187
<b>Represented by</b>			
Finance Lease Liability - Current	3,505	3,500	4,065
Finance Lease Liability - Non Current	3,961	2,000	2,122
	7,466	5,500	6,187

**CANNONS CREEK SCHOOL**  
Notes to the Financial Statements  
For the year ended 31 December 2022

**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

2022		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
SIP Projects	<i>in progress</i>	(5,198)	-	-	-	(5,198)
Improve Pedestrian Safety	<i>in progress</i>	3,400	-	-	-	3,400
<b>Totals</b>		<b>(1,798)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,798)</b>

**Represented by:**

Funds Held on Behalf of the Ministry of Education	3,400
Funds Due from the Ministry of Education	(5,198)
	<b>(1,798)</b>

2021		Opening Balances \$	Receipts from MoE \$	Payments \$	BOT Contributions \$	Closing Balances \$
SIP Projects	<i>in progress</i>	(23,875)	18,677	-	-	(5,198)
Improve Pedestrian Safety	<i>in progress</i>	-	3,400	-	-	3,400
<b>Totals</b>		<b>(23,875)</b>	<b>22,077</b>	<b>-</b>	<b>-</b>	<b>(1,798)</b>

**17. Related Party Transactions**

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

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

# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 18. Remuneration

##### *Key management personnel compensation*

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

	2022 Actual \$	2021 Actual \$
<i>Board Members</i> Remuneration	3,170	2,699
<i>Leadership Team</i> Full-time equivalent members	341,931 3	327,307 3
Total key management personnel remuneration	345,101	330,006

There are 5 members of the Board excluding the Principal. The Board had held 8 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Chair 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:

	2022 Actual \$000	2021 Actual \$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	140 - 150	130 - 140
Benefits and Other Emoluments	4 - 5	3 - 4

##### *Other Employees*

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

Remuneration \$000	2022 FTE Number	2021 FTE Number
100 - 110	1	1

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 trustees, committee member, or employees during the financial year in relation to that cessation and number of persons to whom all or part of that total was payable was as follows:

	2022 Actual	2021 Actual
Total Number of People	-	-

# CANNONS CREEK SCHOOL

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 20. Contingencies

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

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

#### 21. Commitments

##### (a) Capital Commitments

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

- (a) Contracts have been entered into for hall heating upgrade, security upgrade and asphaltting to be funded by the Ministry of Education as SIP projects. To date \$88,695 has been received from the Ministry of Education and \$93,893 has been spent
- (b) A contract has been entered into to improve pedestrian safety at the front boundary. To date \$3,400 has been received from the Ministry of Education for the project.

(Capital commitments at 31 December 2021: \$nil)

#### 22. Financial Instruments

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

	2022	2022	2021
	Actual	Budget	Actual
	\$	(Unaudited)	\$
<b>Financial assets measured at amortised cost</b>			
Cash and Cash Equivalents	29,169	23,473	46,746
Receivables	83,587	72,150	63,581
Investments - Term Deposits	20,092	20,000	55,909
<b>Total Financial assets measured at amortised cost</b>	<b>132,848</b>	<b>115,623</b>	<b>166,236</b>
<b>Financial liabilities measured at amortised cost</b>			
Payables	144,219	158,746	127,489
Borrowings - Loans	-	-	28,573
Finance Leases	7,466	5,500	6,188
<b>Total Financial Liabilities Measured at Amortised Cost</b>	<b>151,685</b>	<b>164,246</b>	<b>162,250</b>

#### 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.

# CANNONS CREEK SCHOOL

## Members of the Board

For the year ended 31 December 2022

<b>Name</b>	<b>Position</b>	<b>How Position Was Gained</b>	<b>Term Expires</b>
Willie Te'o	Presiding Member	Elected	2025
Katrina Day	Principal	Appointed	
Uputaua Peniata	Trustee	Elected	2025
Ashlee Clarke	Trustee	Elected	2025
Nhu Ly	Trustee	Elected	2025
Llewellyn Sieling	Trustee	Elected	Resigned Nov 2022
Bridget Gerondis	Staff Rep	Elected	2025
Nikki Teepa	Trustee	Elected	Resigned May 2022
Fereni Manase	Trustee	Elected	Resigned May 2022
Thomas Peries	Trustee	Elected	Resigned May 2022
Rachel Kerse	Staff Rep	Elected	Resigned May 2022

# **CANNONS CREEK SCHOOL**

## **Kiwisport / Statement of Compliance with Employment Policy For the year ended 31 December 2022**

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

In 2022 the School received total Kiwisport funding of \$1,811 excluding GST (2021: \$1,782).

The funding was used to fund swimming and water safety lessons.

For the year ended 31st December 2022 the Cannons Creek School Board:

- Has developed and implemented personnel policies, within policy and procedural frameworks to ensure the fair and proper treatment of employees in all aspect 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 an complies with the conditions contained in the employment contract of all staff employed by the Board.
- Ensures all employees and applicants for employments are treated according to their skills, qualifications and abilities, without bias or discrimination.
- Meets all Equal Employment Opportunities requirements.



Geoff Potter  
BDO Wellington Audit Limited  
Level 1, 50 Customhouse Quay  
Wellington

## REPRESENTATION LETTER FOR THE YEAR ENDED 31 DECEMBER 2022

This representation letter is provided in connection with your audit, carried out on behalf of the Auditor-General, of the financial statements of Cannons Creek School (the School) for the year ended 31 December 2022 for the purpose of expressing an independent opinion about whether the financial statements:

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

We understand that your audit was carried out in accordance with the Auditing Standards issued by the Auditor-General, which incorporate the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

### General representations

To the best of our knowledge and belief:

- the resources and activities under our control have been operating effectively and efficiently;
- we have complied with our statutory obligations including laws, regulations and contractual requirements;
- we have carried out our decisions and actions with due regard to minimising waste;
- we have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector (that is, we have carried out our decisions and actions with due regard to probity); and
- any decisions or actions have been taken with due regard to financial prudence.

We also acknowledge that we have responsibility for designing, implementing, and maintaining internal control (to the extent that is reasonably practical given the size of the School) to prevent and detect fraud or error, and which enables the preparation of the financial statements that are free from material misstatement whether due to fraud or error (*a requirement of paragraph NZ40.1(a) in ISA (NZ) 240*).

### Representations for the financial statements

We confirm that all transactions have been recorded in the accounting records and are reflected in the financial statements, and that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have fulfilled our responsibilities for preparing and presenting the financial statements as required by section 87 of the Education Act 1989 and, in particular, that the financial statements:
  - present fairly, in all material respects:
    - the financial position as at 31 December 2022; and
    - the financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime..
- we believe the methods, significant assumptions, and data used in making and supporting the accounting estimates and the related disclosures in the financial statements are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework;
- we have appropriately accounted for and disclosed the related party relationships and transactions in the financial statements;
- we have adjusted or disclosed all events subsequent to the date of the financial statements that require adjustment or disclosure; and
- we believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter;



- we have disclosed all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. Where applicable, such litigation and claims have been accounted for and disclosed in accordance with Public Sector Public Benefit Entity (PBE) Standards Reduced Disclosure Regime; *and*
- We confirmed the property manager used to prepare the 10 Year Property Plan, Ashby's, is independent from the School.
- We acknowledge that the school van while being visually impaired was still available and able to be used during the financial year. We confirm that the van was fully repaired in the 2023 financial year. We consider the van to not be financially impaired.

#### **Representations about the provision of information**

We confirm that, to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

- we have provided you with:
  - all information, such as records and documentation, and other matters that are relevant to preparing and presenting the financial statements and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence;
- we have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- we have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements;
- we have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others;
- we have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements;
- we have disclosed the identity of the related parties, all of their relationships, and all of their transactions of which we are aware; and
- we have provided you with all the other documents ("other information") which will accompany the financial statements which are consistent with the financial statements, and the other information does not contain any material misstatements.

#### **Going concern basis of accounting**

We confirm that, to the best of our knowledge and belief, the School has adequate resources to continue operations at its current level for the foreseeable future. For this reason, the Board continues to adopt the going concern basis of accounting in preparing the financial statements for the year ended 31 December 2022. We have reached this conclusion after making enquiries and having regard to circumstances that we consider likely to affect the School during the period of one year from the signing of the financial statements, and to circumstances that we know will occur after that date which could affect the validity of the going concern basis of accounting.

We consider that the financial statements adequately disclose the circumstances, and any uncertainties, that we can reasonably be expected to be aware of concerning the adoption of the going concern basis of accounting by the School.

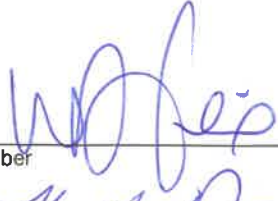
#### **Publication of the financial statements and related audit report on a website**

We confirm that we are responsible for the electronic presentation of the audited financial statements, and:


- that the electronic version of the audited financial statements and the related audit report presented on the website are the same as the final signed version of the audited financial statements and audit report.
- that the audited and unaudited information on the website has been clearly differentiated and we understand the risk of potential misrepresentation without appropriate controls.
- that we have assessed the security controls over audited financial information and the related audit report and are satisfied that procedures are adequate to ensure the integrity of the information provided.
- that the full financial statements have been provided on the website.

The representations in this letter are made at your request, and to supplement information obtained by you from the records of the School and to confirm information given to you orally.

Yours faithfully

A handwritten signature in blue ink, appearing to be 'W. J. P.', written over a horizontal line.

Presiding Member

A handwritten signature in blue ink, appearing to be 'K. J. P.', written over a horizontal line.

Principal