

Pukekohe High School

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number: 103

Principal: Richard Barnett

School Address: 114 Harris St, Pukekohe

School Postal Address: PO Box 306, Pukekohe 2340

School Phone: 09 237 0117

School Email: exec@pukekohehigh.school.nz

Members of the Board

Name	Position	How Position Gained	Term
Ben Stallworthy	Presiding Member	elected	Jun-25
Richard Barnett	Principal ex Officio	elected	Jun-25
Rani Amaranathan	Parent Representative	elected	Jun-25
Lita Henwood	Parent Representative	co-opted	Dec-23
Denise Proctor	Parent Representative	co-opted	Dec-23
Logan Soole	Parent Representative	elected	Dec-23
Lincoln Sharp	Parent Representative	elected	Dec-23
Simon Williams	Parent Representative	elected	Jun-25
Catherine Tamahere	Staff Representative	elected	Jun-25
Tyler Chapman	Student Representative	elected	Dec-22

Pukekohe High School

Annual Report - For the year ended 31 December 2022

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Kiwisport

Good Employer Statement

Pukekohe High 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.

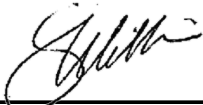
The management (including the principal and others as directed by the Board) accepts responsibility for establishing and maintaining a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of the school's financial reporting.

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.

Simon Williams

Full Name of Presiding Member



Signature of Presiding Member

29 August 2024

Date:

Murray Saunders

Full Name of Principal



Signature of Principal

29 August 2024

Date:

Pukekohe High School

Statement of Comprehensive Revenue and Expense

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Revenue				
Government Grants	2	17,526,026	17,404,014	16,774,336
Locally Raised Funds	3	374,180	483,979	412,195
Interest Income		7,641	5,000	3,874
Gain on Sale of Property, Plant and Equipment		2,343	-	1,946
Total Revenue		17,910,190	17,892,993	17,192,351
Expenses				
Locally Raised Funds	3	199,724	203,691	174,422
Learning Resources	4	13,928,501	12,958,239	13,545,112
Administration	5	1,012,145	763,638	806,972
Finance		11,117	7,387	7,128
Property	6	3,031,910	3,956,411	2,963,417
		18,183,397	17,889,366	17,497,051
Net Surplus / (Deficit) for the year		(273,207)	3,627	(304,700)
Total Comprehensive Revenue and Expense for the Year		(273,207)	3,627	(304,700)

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

Pukekohe High School

Statement of Changes in Net Assets/Equity

For the year ended 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Equity at 1 January		2,481,886	2,503,692	2,716,313
Total comprehensive revenue and expense for the year		(273,207)	3,627	(304,700)
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		-	-	70,273
Equity at 31 December		2,208,679	2,507,319	2,481,886
Accumulated comprehensive revenue and expense		2,208,679	2,666,672	2,481,886
Reserves		-	(159,353)	-
Equity at 31 December		2,208,679	2,507,319	2,481,886

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.

Pukekohe High School

Statement of Financial Position

As at 31 December 2022

	Notes	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Assets				
Cash and Cash Equivalents	7	119,760	817,201	626,164
Accounts Receivable	8	966,514	988,084	893,485
GST Receivable		105,556	28,758	25,376
Prepayments		56,736	10,032	11,666
Inventories	9	3,797	3,797	3,797
Investments	10	436,391	85,573	85,070
Funds Receivable for Capital Works Projects	16	176,800	20,267	271,100
		1,865,554	1,953,712	1,916,658
Current Liabilities				
Accounts Payable	12	1,369,684	864,280	1,042,980
Revenue Received in Advance	13	128,575	172,639	158,716
Provision for Cyclical Maintenance	14	170,629	80,102	114,113
Finance Lease Liability	15	97,711	92,327	92,897
Funds Held for Capital Works Projects	16	215,970		83,481
		1,982,569	1,209,348	1,492,187
Working Capital Surplus/(Deficit)		(117,015)	744,364	424,471
Non-current Assets				
Property, Plant and Equipment	11	2,491,370	2,126,142	2,354,111
		2,491,370	2,126,142	2,354,111
Non-current Liabilities				
Provision for Cyclical Maintenance	14	52,569	190,706	128,053
Finance Lease Liability	15	113,107	172,481	168,643
		165,676	363,187	296,696
Net Assets		2,208,679	2,507,319	2,481,886
Equity		2,208,679	2,507,319	2,481,886

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

Pukekohe High School

Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash flows from Operating Activities				
Government Grants		5,071,781	4,604,000	4,778,885
Locally Raised Funds		287,008	471,011	172,892
International Students		33,313	93,524	37,532
Goods and Services Tax (net)		(80,180)	12,241	(13,397)
Payments to Employees		(3,284,245)	(2,669,583)	(3,162,807)
Payments to Suppliers		(1,709,277)	(2,492,938)	(1,799,905)
Cyclical Maintenance payments in the year		(28,980)	-	(126,002)
Interest Paid		(11,117)	(7,387)	(7,128)
Interest Received		7,641	5,000	3,874
Net cash from/(to) Operating Activities		285,944	15,868	(116,056)
Cash flows from Investing Activities				
Proceeds from Sale of Property Plant & Equipment (and Intangibles)		2,343	-	1,946
Purchase of Property Plant & Equipment (and Intangibles)		(575,120)	(463,334)	(668,669)
Purchase of Investments		(351,861)	-	-
Proceeds from Sale of Investments		-	503	1,199,188
Net cash from/(to) Investing Activities		(924,638)	(462,831)	532,465
Cash flows from Financing Activities				
Furniture and Equipment Grant		-	-	70,282
Finance Lease Payments		(94,499)	(80,000)	(99,774)
Funds Held for Capital Works projects		226,789	718,000	(286,170)
Net cash from/(to) Financing Activities		132,290	638,000	(315,662)
Net increase/(decrease) in cash and cash equivalents		(506,404)	191,037	100,747
Cash and cash equivalents at the beginning of the year	7	626,164	626,164	525,417
Cash and cash equivalents at the end of the year	7	119,760	817,201	626,164

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

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

Pukekohe High School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

Pukekohe High 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 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 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 the 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 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 in note 14.

Useful lives of property, plant and equipment

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

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

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.

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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

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

i) Investments

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

j) Property, Plant & Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10–75 years
Board Owned Buildings	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	12.5% Diminishing value

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

k) Impairment of property, plant and equipment

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.

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.

l) 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.

m) 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.

n) Revenue Received in Advance

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

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

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

o) Funds held for Capital works

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

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

p) Provision for Cyclical Maintenance

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

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

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

q) Financial Instruments

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

The School's financial liabilities comprise accounts payable and finance lease 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.

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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

2. Government Grants

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Government Grants - Ministry of Education	4,259,600	4,172,769	4,302,834
Teachers' Salaries Grants	10,149,415	9,600,000	9,921,654
Use of Land and Buildings Grants	2,304,830	3,200,000	2,073,796
Other Government Grants	812,181	431,245	476,052
	<u>17,526,026</u>	<u>17,404,014</u>	<u>16,774,336</u>

The school has opted into the donations scheme for the year. The total amount received was \$261,902

3. Locally Raised Funds

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

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Revenue			
Donations & Bequests	12,388	15,749	12,526
Curriculum related Activities - Purchase of goods and services	290,782	359,091	215,756
Fundraising & Community Grants	4,414	15,615	14,508
International Student Fees	66,596	93,524	169,405
	<u>374,180</u>	<u>483,979</u>	<u>412,195</u>
Expenses			
Extra Curricular Activities Costs	108,430	134,499	30,573
Trading	26,618	31,026	28,572
Fundraising and Community Grant Costs	854	-	540
International Student - Student Recruitment	10,066	4,250	17,804
International Student - Employee Benefit - Salaries	38,741	31,916	79,856
International Student - Other Expenses	15,015	2,000	17,077
	<u>199,724</u>	<u>203,691</u>	<u>174,422</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>174,456</u>	<u>280,288</u>	<u>237,773</u>

During the year the School hosted 4 International students (2021:13)

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

4. Learning Resources

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Curricular	570,999	590,146	504,590
Extra Curricular Activities	110,410	143,724	62,292
Information and Communication Technology	217,841	215,209	209,510
Library Resources	2,280	10,426	7,673
Employee Benefits - Salaries	12,336,390	11,385,866	12,064,426
Staff Development	208,943	165,610	236,544
Depreciation	481,638	447,258	460,077
	<u>13,928,501</u>	<u>12,958,239</u>	<u>13,545,112</u>

5. Administration

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Audit Fee	1,500	9,975	8,313
Board Fees	6,035	5,820	6,765
Board Expenses	21,082	26,250	13,071
Communication	12,672	18,296	13,004
Consumables	(23,825)	(62,536)	(52,244)
Other	81,517	62,743	74,804
Employee Benefits - Salaries	901,237	693,917	735,477
Insurance	9,776	8,483	7,069
Service Providers, Contractors and Consultancy	2,151	690	713
	<u>1,012,145</u>	<u>763,638</u>	<u>806,972</u>

6. Property

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Caretaking and Cleaning Consumables	25,584	22,307	19,594
Consultancy and Contract Services	186,309	172,289	173,851
Cyclical Maintenance Provision	10,011	63,466	180,729
Grounds	43,080	38,103	37,296
Heat, Light and Water	143,196	125,405	134,203
Rates	-	-	-
Repairs and Maintenance	92,106	111,096	115,738
Use of Land and Buildings	2,304,830	3,200,000	2,073,796
Security	24,342	18,537	17,102
Employee Benefits - Salaries	202,452	205,208	211,108
	<u>3,031,910</u>	<u>3,956,411</u>	<u>2,963,417</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

6) Property (cont.)

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

7. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	119,760	817,201	626,164
Cash and cash equivalents for Statement of Cash Flows	<u>119,760</u>	<u>817,201</u>	<u>626,164</u>

The carrying value of short-term deposits with original maturity dates of 90 days or less approximates their fair value. Of the \$119,760 Cash and Cash Equivalents, the net amount of \$39,170 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. These funds are required to be spent in 2023 on Crown owned school buildings

8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	38,593	213,084	40,990
Teacher Salaries Grant Receivable	927,921	775,000	852,495
	<u>966,514</u>	<u>988,084</u>	<u>893,485</u>
Receivables from Exchange Transactions	38,593	213,084	40,990
Receivables from Non-Exchange Transactions	927,921	775,000	852,495
	<u>966,514</u>	<u>988,084</u>	<u>893,485</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
School Uniforms	3,797	3,797	3,797
	<u>3,797</u>	<u>3,797</u>	<u>3,797</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

10. Investments

The School's investment activities are classified as follows:

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Current Asset			
Short-term Bank Deposits	436,391	85,573	85,070
Total Investments	436,391	85,573	85,070

11. Property, Plant and Equipment

	Opening Balance (NBV) \$	Additions \$	Disposals \$	Impairment \$	Depreciation \$	Total (NBV) \$
2022						
Buildings	132,275	-	-	-	(2,197)	130,078
Building Improvements	637,530	122,749	-	-	(11,690)	748,589
Furniture and Equipment	641,140	213,160	-	-	(126,413)	727,887
Information and Communication Technology	688,848	211,192	(2,343)	-	(245,749)	651,948
Motor Vehicles	56,623	11,500	-	-	(20,920)	47,203
Textbooks	11,002	1,846	-	-	(8,393)	4,455
Leased Assets	99,491	43,777	-	-	(54,675)	88,593
Library Resources	87,202	17,016	-	-	(11,601)	92,617
Balance at 31 December 2022	2,354,111	621,240	(2,343)	-	(481,638)	2,491,370

The net carrying value of equipment held under a finance lease is \$88,593 (2021: \$99,491)

Restrictions

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

	2022 Cost or Valuation \$	2022 Accumulated Depreciation \$	2022 Net Book Value \$	2021 Cost or Valuation \$	2021 Accumulated Depreciation \$	2021 Net Book Value \$
Buildings	175,759	(45,681)	130,078	175,759	(43,484)	132,275
Building Improvements	969,370	(220,781)	748,589	846,621	(209,091)	637,530
Furniture and Equipment	1,366,528	(638,641)	727,887	1,153,367	(512,227)	641,140
Information and Communication Technology	1,631,806	(979,858)	651,948	1,427,068	(738,220)	688,848
Motor Vehicles	111,563	(64,360)	47,203	100,063	(43,440)	56,623
Textbooks	147,948	(143,493)	4,455	146,103	(135,101)	11,002
Leased Assets	295,209	(206,616)	88,593	251,432	(151,941)	99,491
Library Resources	233,976	(141,359)	92,617	216,960	(129,758)	87,202
Balance at 31 December	4,932,159	(2,440,789)	2,491,370	4,317,373	(1,963,262)	2,354,111

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

12. Accounts Payable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Creditors	315,702	89,280	109,584
Employee Entitlements - Leave Accrual	27,995	-	27,995
Employee Entitlements - Salaries	1,025,987	775,000	905,401
	<u>1,369,684</u>	<u>864,280</u>	<u>1,042,980</u>

Payables for Exchange Transactions	1,369,684	864,280	1,042,980
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The carrying value of payables approximates their fair value.

	<u>1,369,684</u>	<u>864,280</u>	<u>1,042,980</u>
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13. Revenue received in Advance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Grants in Advance - Ministry of Education	-	-	4
International Student Fees in Advance	107,375	172,639	140,658
Other revenue in Advance	21,200	-	18,054
	<u>128,575</u>	<u>172,639</u>	<u>158,716</u>

14. Provision for Cyclical Maintenance

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Provision at the Start of the Year	242,166	242,166	187,434
Increase to the Provision During the Year	10,012	76,642	180,730
Use of the Provision During the Year	(28,980)	(48,000)	(125,998)
Provision at the End of the Year	<u>223,198</u>	<u>270,808</u>	<u>242,166</u>
Cyclical Maintenance - Current	170,629	80,102	114,113
Cyclical Maintenance - Non current	52,569	190,706	128,053
	<u>223,198</u>	<u>270,808</u>	<u>242,166</u>

The school's 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.

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

15. Finance Lease Liability

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

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
No Later than One Year	97,711	92,327	92,897
Later than One Year and no Later than Five Years	113,107	172,481	168,643
	<u>210,818</u>	<u>264,808</u>	<u>261,540</u>
Represented by			
Finance lease liability - Current	97,711	92,327	92,897
Finance lease liability - Non current	113,107	172,481	168,643
	<u>210,818</u>	<u>264,808</u>	<u>261,540</u>

16. Funds Held for Capital Works Projects

During the year the School received and applied funding from the Ministry of Education for the following capital works projects. The amount of cash held on behalf of the Ministry for capital works project is included under cash and cash equivalents in note 7.

2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Write Offs/ Reallocation of Funds \$	Closing Balances \$
Hall upgrade	7,031	-	-	(7,031)	-
Climbing Wall	(33,923)	7,019	5,915	32,819	-
Massey Roof	(167,286)	145,958	-	21,328	-
Art block	(4,909)	-	-	4,909	-
Fire Alarm Upgrade	(1,641)	4,361	2,720	-	-
Pool sheds	61,260	-	-	(61,260)	-
SIP Landscaping project	(1,450)	25,642	27,463	-	(3,271)
SIP Volleyball courts	(34,496)	-	-	34,496	-
Rekeying project	15,190	-	9,564	(5,626)	-
School Rebuild	(9,169)	479,160	601,547	-	(131,556)
10YPP roof project	(18,226)	-	-	-	(18,226)
Electrical work	-	-	21,077	-	(21,077)
Learning Support Centre	-	215,970	-	-	215,970
Massey Toilet Block	-	-	2,670	-	(2,670)
Totals	<u>(187,619)</u>	<u>878,110</u>	<u>670,956</u>	<u>19,635</u>	<u>39,170</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	215,970
Funds Receivable from the Ministry of Education	(176,800)
	<u>39,170</u>

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

16. Funds Held for Capital Works Projects (cont.)

	2021	Opening Balances	Receipts from MoE	Payments	Write offs/ Reallocation of Funds	Closing Balances
		\$	\$	\$		\$
Hall upgrade		(8,050)	34,945	19,864	-	7,031
Climbing wall		(26,709)	-	7,214	-	(33,923)
Massey Roof		(167,286)	-	-	-	(167,286)
Art block		(4,909)	-	-	-	(4,909)
Fire Alarm upgrade		10,604	-	12,245	-	(1,641)
Pool sheds		61,260	-	-	-	61,260
SIP Landscaping project		(1,450)	-	-	-	(1,450)
SIP Volleyball courts		63,598	11,045	109,139	-	(34,496)
SIP Admin block		171,493	21,777	193,270	-	
Rekeying Project		-	26,409	11,219	-	15,190
School Rebuild		-	3,400	12,569	-	(9,169)
10YPP Roof project		-	-	18,226	-	(18,226)
		-	-	-	-	
Totals		98,551	97,576	383,746	-	(187,619)

Represented by:

Funds Held on Behalf of the Ministry of Education	83,481
Funds Receivable from the Ministry of Education	(271,100)
	<u>(187,619)</u>

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.

18. Remuneration

Key management personnel compensation

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

	2022 Actual	2021 Actual
	\$	\$
Board Members		
Remuneration	6,035	6,765

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

18. Remuneration (cont.)

Leadership Team

Remuneration	986,542	998,925
Full-time equivalent members	7	7
Total key management personnel remuneration	1,007,879	1,005,690

There are 9 members of the Board excluding the Principal. The Board had held 11 full meetings of the Board in the year. As well as these regular meetings, including preparation time, the Presiding member and other Board members have also been involved in ad hoc meetings to consider student welfare matters including stand downs, suspensions, and other disciplinary matters.

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

	2022	2021
	Actual	Actual
	\$000	\$000
Salaries and Other Short-term Employee Benefits:		
Salary and Other Payments	240-250	190-200
Benefits and Other Emoluments	5-10	225-230
Termination Benefits	-	-

Other Employees

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

Remuneration	2022	2021
\$000	FTE Number	FTE Number
160-170	1	-
150-160	-	-
140-150	-	-
130-140	-	1
120-130	4	4
110-120	4	3
100-110	26	23
	35	31

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:

	2022	2021
	Actual	Actual
Total	\$5,000	\$5,000
Number of People	1	1

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

20. Contingent Liabilities

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) \$248,872 contract to build a Learning Support Centre to be completed in February 2023, which will be fully funded by the Ministry of Education. \$215,970 has been received of which \$nil has been spent on the project to date; and
- (b) \$663,237 contract to relocate turf courts to be completed in February 2023, which will be fully funded by the Ministry of Education. \$479,160 has been received of which \$479,160 has been spent to date.

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:

Financial assets measured at amortised cost

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Cash and Cash Equivalents	119,760	817,201	626,164
Receivables	966,514	988,084	893,485
Investments-Term Deposits	436,391	85,573	85,070
Total Financial assets measured at amortised cost	1,522,665	1,890,858	1,604,719

Financial liabilities measured at amortised cost

Payables	1,369,684	864,280	1,042,980
Finance Leases	210,818	264,808	261,540
Total Financial Liabilities Measured at Amortised Cost	1,580,502	1,129,088	1,304,520

Pukekohe High School

Notes to the Financial Statements (cont.)

For the year ended 31 December 2022

23. Events After Balance Date

During February 2023 the North Island of New Zealand was struck by several extreme weather events which resulted in widespread flooding, road closures, slips, and prolonged power and water outages for many communities in the Northland, Auckland, Coromandel, Bay of Plenty, Gisborne, and Hawkes Bay/Tairāwhiti regions.

While many schools were able to reopen soon after the extreme weather events, some schools have remained closed for a prolonged period. The damage caused by extreme weather events in the Tairāwhiti and the full financial impact has not yet been determined, but it is not expected to be significant to the school. The school continued to receive funding from the Ministry of Education, even while closed.

24. Comparatives

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



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF PUKEKOHE HIGH SCHOOL'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The Auditor-General is the auditor of Pukekohe High School (the School). The Auditor-General has appointed me, Matt Laing, using the staff and resources of Deloitte Limited, 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 2022, the statement of comprehensive revenue and expense, statement of changes in net assets/equity and statement of cash flows for the year ended on that date, and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion the financial statements of the School:

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

Our audit was completed on 29 August 2024. This is the date at which our opinion is expressed. Our audit was delayed due to the disruptions of COVID-19 and auditor shortages in New Zealand.

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

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

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

Responsibilities of the auditor for the audit of the financial statements

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

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

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

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

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

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

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

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

Our responsibilities arises from the Public Audit Act 2001.

Other information

The Board of Trustees is responsible for the other information. The other information comprises the information including List of Board of Trustees, Statement of Responsibility, Analysis of Variance Report, KiwiSport Report and Good Employer Statement, but does not include the financial statements, and our auditor's report thereon.

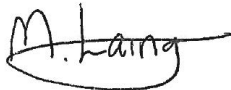
Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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.



Matt Laing

Partner

for Deloitte Limited

On behalf of the Auditor-General

Hamilton, New Zealand