

NORTH EAST VALLEY NORMAL SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

School Directory

Ministry Number:	3783
Principal:	John McKenzie
School Address:	248 North Road, North East Valley, Dunedin 9010
School Postal Address:	248 North Road, North East Valley, Dunedin 9010
School Phone:	03 473 8246
School Email:	office@nevn.school.nz

Members of the Board

Name	Position	How Position Gained	Term Expired/ Expires
Tess Trotter	Presiding Member	Elected	Sep-22
John McKenzie	Principal ex Officio		Jan-23
Sam Thompson	Treasurer		Sep-25
Mark Henderson	Secretary		Sep-22
John Howell	Parent Representative	Elected	Sep-22
Steven Turnbull	Parent Representative	Elected	Sep-25
Cherie Ford	Presiding Member	Elected	Sep-25
Mark Caswell	Parent Representative	Elected	Sep-25
Sacha Harbott	Parent Representative	Elected	Sep-25
Jo Ryan Masters	Parent Representative	Elected	Sep-25
Amanda Slade	Parent Representative	Elected	Sep-25
Karen Sintinaartensdijk	Staff Representative	Elected	Sep-25

Accountant / Service Provider: Moore Markhams Otago

NORTH EAST VALLEY NORMAL SCHOOL

Annual Report - For the year ended 31 December 2022

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North East Valley Normal 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.

Full Name of Presiding Member

Full Name of Principal

Signature of Presiding Member

Signature of Principal

Date:

Date:

North East Valley Normal 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	2,477,927	491,000	2,420,209
Locally Raised Funds	3	81,171	74,513	101,887
Interest Income		5,047	1,500	1,612
Total Revenue		2,564,145	567,013	2,523,708
Expenses				
Locally Raised Funds	3	81,613	56,944	97,782
Learning Resources	4	1,909,232	229,850	1,894,071
Administration	5	128,128	134,350	129,411
Finance		2,255	-	2,172
Property	6	429,200	151,870	393,805
		2,550,428	573,014	2,517,241
Net Surplus / (Deficit) for the year		13,717	(6,001)	6,467
Total Comprehensive Revenue and Expense for the Year		13,717	(6,001)	6,467

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

North East Valley Normal 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		403,459	403,464	396,992
Total comprehensive revenue and expense for the year		13,717	(6,001)	6,467
Contributions from the Ministry of Education				
Contribution - Furniture and Equipment Grant		14,395	-	-
Equity at 31 December		431,571	397,463	403,459
Accumulated comprehensive revenue and expense		431,571	397,463	403,459
Equity at 31 December		431,571	397,463	403,459

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.

North East Valley Normal 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	746,984	432,393	438,394
Accounts Receivable	8	144,633	136,688	136,688
Prepayments		3,566	3,830	3,830
Inventories	9	4,098	1,510	1,510
Funds Receivable for Capital Works Projects	16	24,769	6,045	6,045
		924,050	580,466	586,467
Current Liabilities				
GST Payable		32,981	1,561	1,566
Accounts Payable	11	147,858	147,631	147,631
Revenue Received in Advance	12	4,545	8,354	8,354
Provision for Cyclical Maintenance	13	196,699	174,686	174,686
Painting Contract Liability	14	10,014	-	-
Finance Lease Liability	15	11,380	12,745	12,745
Funds held for Capital Works Projects	16	232,612	10,980	10,980
Funds held on behalf of Community of Learning Cluster	17	72,442	67,305	67,305
Funds held on behalf of North Dunedin Refugee Cluster	18	7,023	5,590	5,590
		715,554	428,852	428,857
Working Capital Surplus/(Deficit)		208,496	151,614	157,610
Non-current Assets				
Property, Plant and Equipment	10	257,933	254,566	254,566
		257,933	254,566	254,566
Non-current Liabilities				
Provision for Cyclical Maintenance	13	5,716	4,286	4,286
Finance Lease Liability	15	29,142	4,431	4,431
		34,858	8,717	8,717
Net Assets		431,571	397,463	403,459
Equity		431,571	397,463	403,459

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

North East Valley Normal 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		719,246	471,000	589,480
Locally Raised Funds		56,217	74,513	109,675
Goods and Services Tax (net)		31,417	-	(13,679)
Payments to Employees		(387,661)	(247,800)	(363,830)
Payments to Suppliers		(297,262)	(250,214)	(275,130)
Interest Paid		(2,255)	-	(1,480)
Interest Received		5,028	1,500	1,612
Net cash from/(to) Operating Activities		124,730	48,999	46,648
Cash flows from Investing Activities				
Purchase of Property Plant & Equipment (and Intangibles)		(53,001)	(55,000)	(25,246)
Net cash from/(to) Investing Activities		(53,001)	(55,000)	(25,246)
Cash flows from Financing Activities				
Furniture and Equipment Grant		14,395	-	-
Finance Lease Payments		(15,080)	-	(17,000)
Painting contract payments		(10,358)	-	(10,886)
Loans Received		38,426	-	-
Funds Administered on Behalf of Third Parties		209,478	-	(37,062)
Net cash from/(to) Financing Activities		236,861	-	(64,948)
Net increase/(decrease) in cash and cash equivalents		308,590	(6,001)	(43,546)
Cash and cash equivalents at the beginning of the year	7	438,394	438,394	481,940
Cash and cash equivalents at the end of the year	7	746,984	432,393	438,394

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.

North East Valley Normal School

Notes to the Financial Statements

For the year ended 31 December 2022

1. Statement of Accounting Policies

a) Reporting Entity

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

b) Basis of Preparation

Reporting Period

The financial statements have been prepared for the period 1 January 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 its obligation to maintain the Ministry's buildings in a good state of repair as a provision for cyclical maintenance. This provision relates mainly to the painting of the school buildings. The estimate is based on the school's best estimate of the cost of painting the school and when the school is required to be painted, based on an assessment of the school's condition. During the year, the Board assesses the reasonableness of its painting maintenance plan on which the provision is based. Cyclical maintenance is disclosed at note 13.

Useful lives of property, plant and equipment

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

Critical Judgements in applying accounting policies

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

Classification of leases

Determining whether a lease is a finance lease or an operating lease requires judgement as to whether the lease transfers substantially all the risks and rewards of ownership to the school. A lease is classified as a finance lease if it transfers substantially all risks and rewards incidental to ownership of an underlying asset to the lessee. In contrast, an operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term, and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant, and equipment, whereas for an operating lease no such asset is recognised. Finance lease liability disclosures are contained in note 15. Future operating lease commitments are disclosed in note 31b.

Recognition of grants

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

c) Revenue Recognition

Government Grants

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

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

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

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

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

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

Other Grants where conditions exist

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

Donations, Gifts and Bequests

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

Interest Revenue

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

d) Operating Lease Payments

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

e) Finance Lease Payments

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

f) Cash and Cash Equivalents

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

g) Accounts Receivable

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

h) Inventories

Inventories are consumable items held for sale and comprised of 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) Property, Plant and Equipment

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

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

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

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

Finance Leases

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

Depreciation

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

The estimated useful lives of the assets are:

Building improvements	10 years
Furniture and equipment	5-20 years
Information and communication technology	5 years
Leased assets held under a Finance Lease	Term of Lease
Library resources	10 years

j) Intangible Assets

Software costs

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

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

k) 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.

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.

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 grants 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.

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) Shared Funds

Shared Funds are held on behalf of a cluster of participating schools as agreed with the Ministry of Education. In instances where funds are outside of the School's control, these amounts are not recorded in the Statement of Revenue and Expense. In instances where the school is determined to be the principal for providing the service related to the Shared Funds (such as the RTLB programme), all income and expenditure related to the provision of the service is recorded in the Statement of Revenue and Expense. The School holds sufficient funds to enable the funds to be used for their intended purpose.

q) Provision for Cyclical Maintenance

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

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

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

r) Financial Instruments

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

Investments that are shares are categorised as 'financial assets at fair value through other comprehensive revenue and expense' for accounting purposes in accordance with financial reporting standards.

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.

s) 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.

Borrowings include but are not limited to bank overdrafts, operating leases, finance leases, painting contracts and term loans.

t) 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.

u) Budget Figures

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

u) Services received in-kind

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

2. Government Grants

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Government Grants - Ministry of Education	717,669	471,000	593,807
Teachers' Salaries Grants	1,528,881	-	1,580,495
Use of Land and Buildings Grants	229,800	20,000	240,286
Other Government Grants	1,577	-	5,621
	<u>2,477,927</u>	<u>491,000</u>	<u>2,420,209</u>

The school has opted in to the donations scheme for this year. Total amount received was \$33,150.

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	6,627	11,500	11,240
Fees for Extra Curricular Activities	4,688	5,000	6,208
Trading	46,143	41,013	55,687
Other Revenue	23,713	17,000	28,752
	<u>81,171</u>	<u>74,513</u>	<u>101,887</u>
Expenses			
Extra Curricular Activities Costs	9,060	5,000	5,691
Trading	53,332	41,400	63,235
Other Locally Raised Funds Expenditure	19,221	10,544	28,856
	<u>81,613</u>	<u>56,944</u>	<u>97,782</u>
<i>Surplus/ (Deficit) for the year Locally raised funds</i>	<u>(442)</u>	<u>17,569</u>	<u>4,105</u>

4. Learning Resources

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Curricular	54,730	61,350	50,003
Equipment Repairs	4,265	2,000	835
Information and Communication Technology	10,850	1,000	248
Employee Benefits - Salaries	1,768,132	101,500	1,775,800
Staff Development	21,623	9,000	12,777
Depreciation	49,632	55,000	54,408
	<u>1,909,232</u>	<u>229,850</u>	<u>1,894,071</u>

5. Administration

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Audit Fee	4,078	3,500	5,340
Board Fees	3,175	3,500	3,380
Board Expenses	4,576	1,200	333
Communication	4,691	4,400	4,456
Consumables	15,722	33,400	25,956
Operating Lease	-	4,750	-
Legal Fees	1,443	-	-
Other	13,326	5,450	6,317
Employee Benefits - Salaries	65,302	66,300	70,508
Insurance	8,899	7,100	8,521
Service Providers, Contractors and Consultancy	6,916	4,750	4,600
	<u>128,128</u>	<u>134,350</u>	<u>129,411</u>

6. Property

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Caretaking and Cleaning Consumables	9,598	7,000	9,083
Cyclical Maintenance Provision	43,815	6,800	23,444
Grounds	17,084	7,000	7,250
Heat, Light and Water	18,624	17,670	15,461
Rates	7,843	6,500	7,497
Repairs and Maintenance	9,989	26,800	1,819
Use of Land and Buildings	229,800	-	240,286
Security	287	100	-
Employee Benefits - Salaries	92,160	80,000	88,965
	<u>429,200</u>	<u>151,870</u>	<u>393,805</u>

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

7. Cash and Cash Equivalents

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Bank Accounts	746,984	432,393	438,394
Cash and cash equivalents for Statement of Cash Flows	<u>746,984</u>	<u>432,393</u>	<u>438,394</u>

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

Of the \$746,984 Cash and Cash Equivalents, \$3,406 is held by the School on behalf of the Ministry of Education. These funds have been provided by the Ministry as part of the school's 5 Year Agreement funding for upgrades to the school's buildings. The funds are required to be spent in 2021 on Crown owned school buildings.

Of the \$746,984 Cash and Cash Equivalents, \$40,262 is held by the School on behalf of the North Dunedin Refugee Cluster. See note 18 for details of how the funding received for the cluster has been spent in the year.

8. Accounts Receivable

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Receivables	21,641	496	496
Interest Receivable	19	-	-
Banking Staffing Underuse	-	27,025	27,025
Teacher Salaries Grant Receivable	122,973	109,167	109,167
	<u>144,633</u>	<u>136,688</u>	<u>136,688</u>
Receivables from Exchange Transactions	21,660	27,521	27,521
Receivables from Non-Exchange Transactions	122,973	109,167	109,167
	<u>144,633</u>	<u>136,688</u>	<u>136,688</u>

9. Inventories

	2022 Actual \$	2022 Budget (Unaudited) \$	2021 Actual \$
Stationery	4,098	503	503
School Uniforms	-	1,007	1,007
	<u>4,098</u>	<u>1,510</u>	<u>1,510</u>

10. Property, Plant and Equipment

	Opening Balance (NBV)	Additions	Disposals	Impairment	Depreciation	Total (NBV)
2022	\$	\$	\$	\$	\$	\$
Building Improvements	1,911	-	-	-	(364)	1,547
Furniture and Equipment	191,549	9,184	-	-	(20,960)	179,773
Information and Communication Technology	28,008	2,538	-	-	(10,511)	20,035
Leased Assets	15,685	38,426	-	-	(14,450)	39,661
Library Resources	17,413	2,853	-	-	(3,347)	16,919
Balance at 31 December 2022	254,566	53,001	-	-	(49,632)	257,935

	2022	2022	2022	2021	2021	2021
	Cost or Valuation	Accumulated Depreciation	Net Book Value	Cost or Valuation	Accumulated Depreciation	Net Book Value
	\$	\$	\$	\$	\$	\$
Building Improvements	7,875	(6,328)	1,547	7,875	(5,964)	1,911
Furniture and Equipment	384,038	(204,265)	179,773	374,854	(183,305)	191,549
Information and Communication T	128,416	(108,381)	20,035	125,878	(97,870)	28,008
Leased Assets	100,087	(60,426)	39,661	89,213	(73,528)	15,685
Library Resources	67,792	(50,875)	16,917	66,530	(49,117)	17,413
Balance at 31 December	688,208	(430,275)	257,933	664,350	(409,784)	254,566

11. Accounts Payable

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
	\$	\$	\$
Creditors	18,757	14,363	14,363
Accruals	6,128	6,128	6,128
Employee Entitlements - Leave Accrual	122,973	127,140	127,140
	147,858	147,631	147,631
Payables for Exchange Transactions	147,858	147,631	147,631
	147,858	147,631	147,631

The carrying value of payables approximates their fair value.

12. Revenue Received in Advance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Cormie/Staynes Trust	\$ 4,545	\$ 8,354	\$ 8,354
	<u>4,545</u>	<u>8,354</u>	<u>8,354</u>

13. Provision for Cyclical Maintenance

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Provision at the Start of the Year	\$ 178,972	\$ 178,972	\$ 155,528
Increase to the Provision During the Year	33,801	6,800	34,329
Use of the Provision During the Year	(10,358)	-	(10,885)
Provision at the End of the Year	<u>202,415</u>	<u>185,772</u>	<u>178,972</u>
Cyclical Maintenance - Current	196,699	174,686	174,686
Cyclical Maintenance - Non current	5,716	4,286	4,286
	<u>202,415</u>	<u>178,972</u>	<u>178,972</u>

14. Painting Contract Liability

	2022 Actual	2022 Budget (Unaudited)	2021 Actual
Due within one year	\$ 10,014	\$ -	\$ -
	<u>10,014</u>	<u>-</u>	<u>-</u>

In 2021 the Board signed an agreement with Property Management Services Ltd (the contractor) for an agreed programme of work covering a three year period. This commenced in 2022 for a total cost of \$31,074. The program provides for an interior and exterior repaint of the Ministry owned buildings in 2022 with regular maintenance in subsequent years.

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	14,641	-	13,689
Later than One Year and no Later than Five Years	33,206	-	4,770
Later than Five Years	(7,325)	-	(1,283)
	<u>40,522</u>	<u>-</u>	<u>17,176</u>
Represented by			
Finance lease liability - Current	11,380	-	12,745
Finance lease liability - Non current	29,142	-	4,431
	<u>40,522</u>	<u>-</u>	<u>17,176</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 9.

	2022	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Senior Block Upgrade		(6,045)	269,086	(34,474)	-	228,567
Senior Block Level 1 Upgrade		-	-	(24,769)	-	(24,769)
SIP Outdoor Seating		10,980	10,045	(16,980)	-	4,045
Totals		<u>4,935</u>	<u>279,131</u>	<u>(76,223)</u>	<u>-</u>	<u>207,843</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	232,612
Funds Receivable from the Ministry of Education	(24,769)

	2021	Opening Balances \$	Receipts from MoE \$	Payments \$	Board Contributions \$	Closing Balances \$
Proposed Admin Block Upgrade		(4,047)	31,188	(27,141)	-	-
Senior Block Upgrade		(35,150)	-	(93,341)	122,446	(6,045)
Upstairs ILE Reconfiguration		122,446	-	-	(122,446)	-
Boiler Upgrade		14,195	1,535	(15,730)	-	-
SIP Outdoor Seating		-	54,000	(43,020)	-	10,980
Totals		<u>97,444</u>	<u>86,723</u>	<u>(179,232)</u>	<u>-</u>	<u>4,935</u>

Represented by:

Funds Held on Behalf of the Ministry of Education	10,980
Funds Receivable from the Ministry of Education	(6,045)

Funds Held on Behalf of Community of Learning Cluster

North East Valley Normal School is the lead school funded by the Ministry of Education to provide the services of Resource Teachers of Literacy to its cluster of schools.

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held at Beginning of the Year	67,305	67,305	17,448
Funds Received from Cluster Members	15,673	-	352
Funds Received from MoE	8,315	-	56,584
Total funds received	<u>91,293</u>	<u>-</u>	<u>74,384</u>
Funds Spent on Behalf of the Cluster	18,852	-	7,079
Funds remaining	<u>72,441</u>	<u>-</u>	<u>67,305</u>
Funds Held at Year End	<u><u>72,441</u></u>	<u><u>67,305</u></u>	<u><u>67,305</u></u>

18. Funds Held on Behalf of North Dunedin Refugee Cluster

North East Valley Normal School is the lead school and holds funds on behalf of the cluster, a group of schools funded by the Ministry.

	2022	2022	2021
	Actual	Budget (Unaudited)	Actual
	\$	\$	\$
Funds Held at Beginning of the Year	5,590	5,590	-
Funds Received from Cluster Members	-	-	-
Funds Received from MoE	16,365	-	19,120
Total funds received	<u>21,955</u>	<u>-</u>	<u>19,120</u>
Funds Spent on Behalf of the Cluster	14,931	-	13,530
Funds remaining	<u>7,024</u>	<u>-</u>	<u>5,590</u>
Funds Held at Year End	<u><u>7,024</u></u>	<u><u>5,590</u></u>	<u><u>5,590</u></u>

19. 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.

20. 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 \$
<i>Board Members</i> Remuneration	3,175	3,380
<i>Leadership Team</i> Remuneration Full-time equivalent members	591,134 5	285,032 2
Total key management personnel remuneration	594,309	288,412

There are eight members of the Board excluding the Principal. The Board had held nine 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.

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	160 - 170	160 - 170
Benefits and Other Emoluments	3 - 4	3 - 4
Termination Benefits	-	-

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
110 - 120	1	1
100 - 110	4	3
	5	4

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

21. 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 Actual	2021 Actual
Total	-	-
Number of People	-	-

22. 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.

23. Commitments

(a) Capital Commitments

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

- (a) \$323,287 contract for Senior Block Upgrade Level 2, to be completed in 2023, which will be fully funded by the Ministry of Education. \$395,069 has been received of which \$166,503 has been spent on the project to date; and
- (b) A contract for Senior Block Upgrade Level 1, to be completed in 2023, which will be fully funded by the Ministry of Education. Of which \$24,769 has been spent on the project to date; and
- (c) \$60,000 contract for SIP Outdoor Seating as agent for the Ministry of Education. The project is fully funded by the Ministry and \$64,045.33 has been received of which \$60,000 has been spent on the project to balance date. This project has been approved by the Ministry.

(Capital commitments at 31 December 2021: \$4,935)

24. 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	746,984	432,393	438,394
Receivables	144,633	136,688	136,688
Total Financial assets measured at amortised cost	<u>891,617</u>	<u>569,081</u>	<u>575,082</u>

Financial liabilities measured at amortised cost

Payables	147,858	147,631	147,631
Finance Leases	40,522	17,176	17,176
Painting Contract Liability	10,014	-	-
Total Financial Liabilities Measured at Amortised Cost	<u>198,394</u>	<u>164,807</u>	<u>164,807</u>

25. Events After Balance Date

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

26. Comparatives

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